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**Clearbridge Health Limited
and its subsidiaries
Company Reg. No 201001436C**

Unaudited Condensed Interim Financial Statements
For the six months ended 30 June 2022

This announcement has been prepared by Clearbridge Health Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr. David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.



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A. Unaudited condensed interim consolidated statement of comprehensive income

GROUP			
Note	Six months ended 30 June		Increase/ (Decrease) %
	2022	2021	
	S\$'000	S\$'000	
Revenue*	20,032	16,216	23.5
Purchases	(11,365)	(10,196)	11.5
Employee benefits expense	(3,899)	(4,493)	(13.2)
Depreciation expense	(1,580)	(1,734)	(8.9)
Amortisation expense	(300)	(315)	(4.8)
Other income	184	2,565	(92.8)
Fair value loss on an associate	(7,096)	(1,203)	489.9
Fair value loss on derivative financial instruments	(52)	(2,624)	(98.0)
Other operating expenses**	(3,075)	(3,316)	(7.3)
Finance costs	(521)	(967)	(46.1)
Loss before taxation	(7,672)	(6,067)	26.5
Income tax expense	(449)	(231)	94.4
Loss for the period	(8,121)	(6,298)	28.9
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations	(67)	(227)	(70.5)
Remeasurement gain on retirement liability	(1)	6	n.m.
Total comprehensive income for the period	(8,189)	(6,519)	25.6
Loss attributable to:			
Owners of the Company	(8,346)	(8,313)	0.4
Non-controlling interest	225	2,015	(88.8)
	(8,121)	(6,298)	28.9
Total comprehensive income attributable to:			
Owners of the Company	(8,414)	(8,447)	(0.4)
Non-controlling interest	225	1,928	(88.3)
	(8,189)	(6,519)	25.6
Loss per share			
- Basic and diluted	(1.35)	(1.36)	

Note:

n.m. - not meaningful

* Excluding the revenue from distribution of Labnovation Technologies, Inc.'s ("Labnovation") COVID-19 Antigen Rapid ("ART") Test Kits in 1H 2022, the revenue from the medical clinics/centres increased by S\$0.79 million, from S\$5.02 million in 1H 2021 to S\$5.81 million in 1H 2022.

** In order to provide more clarity to readers, the Group has identified the following major expenses as recurring and non-recurring for six months ended 30 June ("1H") 2022:

	Six months ended 30 June 2022		
	Recurring S\$'000	Non-recurring S\$'000	Total S\$'000
Other operating expenses	2,584	491	3,075

The non-recurring other operating expenses were mainly due to allowance of impairment of trade and other receivables, bad debt written off, impairment of property, plant and equipment and inventories written off and one-off legal and professional fees incurred pursuant to litigation in Indonesia.

Excluding the abovementioned non-recurring expenses of S\$0.49 million (1H 2021: S\$0.55 million) and fair value losses on an associate and derivative financial instruments of S\$7.15 million (1H 2021: S\$3.83 million), the Group's loss before taxation would have been S\$0.03 million in 1H 2022 (1H 2021: S\$3.71 million).



B. Unaudited condensed interim statements of financial position

	Note	GROUP		COMPANY	
		30/6/22 S\$'000	31/12/21 S\$'000	30/6/22 S\$'000	31/12/21 S\$'000
Non-current assets					
Investments in subsidiaries		-	-	21,957	21,957
Investment in an associate	9	4,329	11,425	-	-
Property, plant and equipment	12	4,189	4,738	17	16
Right-of-use assets	13	1,365	1,728	-	-
Intangible assets	14	839	1,144	3	3
Goodwill on consolidation		30,288	30,438	-	-
Other investments		900	900	-	-
Other receivables		1,243	1,237	-	-
Derivative financial instruments	11	22	-	22	-
Amounts due from subsidiaries		-	-	22,789	22,315
		<u>43,175</u>	<u>51,610</u>	<u>44,788</u>	<u>44,291</u>
Current assets					
Cash at banks and short-term deposits		11,496	14,553	493	2,266
Trade receivables		10,518	7,485	-	-
Prepayments		441	319	49	152
Other receivables		4,831	4,941	284	342
Amounts due from subsidiaries		-	-	26,648	26,920
Inventories		767	719	-	-
Derivative financial instruments	11	762	1,090	762	1,090
Assets held for sale	17	-	2,005	-	-
		<u>28,815</u>	<u>31,112</u>	<u>28,236</u>	<u>30,770</u>
Total assets		<u>71,990</u>	<u>82,722</u>	<u>73,024</u>	<u>75,061</u>
Current liabilities					
Borrowings	15	3,348	6,147	713	1,333
Trade payables		3,733	2,488	-	-
Other payables		6,972	7,163	570	496
Amounts due to subsidiaries		-	-	10,938	10,738
Lease liabilities	13	523	785	-	-
Contract liabilities		508	471	-	-
Income tax payable		180	161	-	-
		<u>15,264</u>	<u>17,215</u>	<u>12,221</u>	<u>12,567</u>
Net current assets		<u>13,551</u>	<u>13,897</u>	<u>16,015</u>	<u>18,203</u>
Non-current liabilities					
Borrowings	15	4,675	4,806	4,675	4,806
Other payables		72	74	-	-
Lease liabilities	13	888	1,003	-	-
Derivative financial instruments	11	-	254	-	254
Deferred tax liabilities		2,019	2,060	-	-
		<u>7,654</u>	<u>8,197</u>	<u>4,675</u>	<u>5,060</u>
Total liabilities		<u>22,918</u>	<u>25,412</u>	<u>16,896</u>	<u>17,627</u>
NET ASSETS		<u>49,072</u>	<u>57,310</u>	<u>56,128</u>	<u>57,434</u>
Equity attributable to owners of the Company					
Share capital	16	92,899	92,899	92,899	92,899
Capital reserve		(1,256)	(1,256)	(6,030)	(6,030)
Share-based payment reserve		4,256	4,108	4,257	4,109
Fair value reserve		150	150	-	-
Currency translation reserve		(371)	(304)	-	-
Other reserve		-	1	-	-
Accumulated losses		(51,776)	(43,388)	(34,998)	(33,544)
Equity attributable to owners of the Company		<u>43,902</u>	<u>52,210</u>	<u>56,128</u>	<u>57,434</u>
Non-controlling interests		5,170	5,100	-	-
TOTAL EQUITY		<u>49,072</u>	<u>57,310</u>	<u>56,128</u>	<u>57,434</u>



C. Unaudited condensed interim statements of changes in equity

(In S\$'000)

<u>Group</u>	Share capital	Capital reserve	Share-based payment reserve	Fair value reserve	Currency translation reserve	Other reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2022	92,899	(1,256)	4,108	150	(304)	1	(43,388)	52,210	5,100	57,310
<i>Total comprehensive income for the period</i>										
(Loss)/profit for the period	-	-	-	-	-	-	(8,346)	(8,346)	225	(8,121)
Other comprehensive income for the period	-	-	-	-	(67)	(1)	-	(68)	-	(68)
Total comprehensive income for the period	-	-	-	-	(67)	(1)	(8,346)	(8,414)	225	(8,189)
<i>Transactions with owners, recognised directly in equity</i>										
Dividend	-	-	-	-	-	-	-	-	(191)	(191)
Share-based payment - equity settled	-	-	148	-	-	-	-	148	-	148
Issuance of ordinary shares by subsidiaries	-	-	-	-	-	-	(43)	(43)	43	-
<i>Change in ownership interest in subsidiaries</i>										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	1	1	(7)	(6)
Balance as at 30 June 2022	92,899	(1,256)	4,256	150	(371)	-	(51,776)	43,902	5,170	49,072



C. Unaudited condensed interim statements of changes in equity (cont'd)

(In S\$'000)

<u>Group</u>	Share capital	Capital reserve	Share-based payment reserve	Fair value reserve	Currency translation reserve	Other reserve	Accumulated losses	Reserves of a disposal group held for sale	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2021	92,899	(1,493)	3,721	37	(202)	-	(34,975)	463	60,450	(500)	59,950
<i>Total comprehensive income for the period</i>											
(Loss)/profit for the period	-	-	-	-	-	-	(8,313)	-	(8,313)	2,015	(6,298)
Other comprehensive income for the period	-	-	-	-	(132)	3	-	(5)	(134)	(87)	(221)
Total comprehensive income for the period	-	-	-	-	(132)	3	(8,313)	(5)	(8,447)	1,928	(6,519)
<i>Transactions with owners, recognised directly in equity</i>											
Dividend	-	-	-	-	-	-	-	-	-	(673)	(673)
Share-based payment - equity settled	-	-	347	-	-	-	-	-	347	-	347
Effects of dilution of interest in subsidiaries	-	-	-	-	-	-	11,557	-	11,557	3,264	14,821
<i>Change in ownership interest in subsidiaries</i>											
Disposal of subsidiaries	-	237	-	-	(55)	-	-	(458)	(276)	1,483	1,207
Issuance of preference shares of a newly incorporated subsidiary	-	-	-	-	-	-	-	-	-	5	5
Balance as at 30 June 2021	92,899	(1,256)	4,068	37	(389)	3	(31,731)	-	63,631	5,507	69,138



C. Unaudited condensed interim statements of changes in equity (cont'd)

(In S\$'000)

<u>Company</u>	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total equity
Balance as at 1 January 2022	92,899	(6,030)	4,109	(33,544)	57,434
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,454)	(1,454)
Share-based payment - equity settled	-	-	148	-	148
Balance as at 30 June 2022	92,899	(6,030)	4,257	(34,998)	56,128
Balance as at 1 January 2021	92,899	(6,030)	3,722	(18,047)	72,544
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,045)	(1,045)
Share-based payment - equity settled	-	-	347	-	347
Balance as at 30 June 2021	92,899	(6,030)	4,069	(19,092)	71,846



D. Unaudited condensed interim consolidated statement of cash flows

	GROUP	
	Six months ended 30 June 2022 S\$'000	Six months ended 30 June 2021 S\$'000
Operating activities		
Loss before taxation	(7,672)	(6,067)
Adjustments for:		
Actuarial (gain)/loss on retirement plan	(1)	6
Share-based payment - equity settled	148	347
Gain on disposal of subsidiary	-	(2,012)
Gain on disposal of property	(75)	-
Depreciation of property, plant and equipment	1,060	1,238
Depreciation of investment property	-	45
Depreciation of right-of-use assets	520	451
Amortisation of intangible assets	300	315
Interest income	(28)	(41)
Interest expense	521	967
Bad debt written off	37	-
Inventories written off	25	18
Impairment of property, plant and equipment	42	210
Impairment of trade and other receivables	262	207
Fair value adjustment on contingent consideration	(13)	(19)
Fair value loss on derivative financial instruments	52	2,624
Fair value loss on an associate	7,096	1,203
Unrealised foreign exchange loss	213	39
Operating cash flows before changes in working capital	2,487	(469)
Increase in trade receivables	(3,331)	(1,033)
(Increase)/decrease in prepayments	(123)	224
Decrease/(increase) in other receivables	135	(860)
(Increase)/decrease in inventories	(73)	745
Increase/(decrease) in trade payables	1,245	(620)
(Decrease)/increase in other payables	(173)	266
Cash flows generated from/(used in) operations	167	(1,747)
Income tax paid	(468)	(209)
Interest paid	(307)	(516)
Interest received	28	41
Net cash flows used in operating activities	(580)	(2,431)
Investing activities		
Repayment of advance from third party	-	1,862
Purchase of property, plant and equipment	(642)	(468)
Purchase of intangible assets	(10)	-
Payment for contingent consideration	-	(1,000)
Proceeds from disposal of property, plant and equipment	2,080	-
Proceeds from disposal of subsidiary	-	941
Net cash flows generated from investing activities	1,428	1,335
Financing activities		
Dividend paid to non-controlling interests	(191)	(673)
Proceeds from bank loans	-	600
Proceeds from issuance of convertible preference shares	-	11,505
Repayment of loans and borrowings	(3,123)	(1,847)
Repayment of lease liabilities	(583)	(465)
Decrease/(increase) in restricted deposits	687	(15)
Net cash (used in)/generated from financing activities	(3,210)	9,105



D. Unaudited condensed interim consolidated statement of cash flows (cont'd)

	Group	
	Six months ended 30 June 2022 S\$'000	Six months ended 30 June 2021 S\$'000
Net (decrease)/increase in cash and cash equivalents	(2,362)	8,009
Effects of foreign exchange rate changes, net	(8)	175
Cash and cash equivalents at the beginning of the period	11,708	10,889
	9,338	19,073
Cash and cash equivalents at the end of the period	9,338	19,073

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Six months ended 30 June 2022 S\$'000	Six months ended 30 June 2021 S\$'000
Cash and banks and short-term deposits	11,496	22,276
Less: Restricted deposits	(2,158)	(3,203)
	9,338	19,073
Cash and cash equivalents	9,338	19,073

E. Notes to the unaudited condensed interim consolidated financial statements

1. Corporate information

Clearbridge Health Limited (the "Company") is a limited liability company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited. It is incorporated in Singapore with its principal place of business and registered office at 37 Jalan Pemimpin, #08-05 Mapex, Singapore 577177.

The principal activities of the Company are that of an investment holding company.

2. Basis of preparation

The condensed interim financial statements for the six months period ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting*.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the financial year ended 31 December 2021 ("**FY2021**"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for FY2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollar ("**S\$**") and all values are rounded to the nearest thousand ("**S\$'000**"), except when otherwise indicated.

2.1. New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty for the condensed interim financial statements were the same as those that applied to the consolidated financial statements as at and for FY2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for the six months period ended 30 June 2022.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 11 – Fair value measurement of financial instruments

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the period under review.

4. Segment information

For management purposes, the Group is organised into business units based on reports reviewed by the management team that are used to make strategic decisions. There are five reportable operating segments as follows:

(i) **Strategic investments**

The strategic investments segment involves investments in identified early-stage biotechnology and information security companies, for which the performance of the investments is measured and evaluated on a fair value basis.

4. Segment information (cont'd)

(ii) **Healthcare systems**

The healthcare systems segment involves the provision of diagnostic services and provision of renal care services by partnering with medical device equipment manufacturers and hospitals.

(iii) **Medical clinics/centres**

The medical clinics/centres segment involves the provision of general medical, dental and clinical services and distribution of the medical and pharmaceutical products.

(iv) **Corporate segment**

The corporate segment involves the corporate functions in supporting the operations of the entire Group.

(v) **Investment**

The investment segment involves investments into various entities in the global healthcare sector which are EBITDA positive or at an inflection point with a clear line of sight to profitability ("**Portfolio Companies**"), and growing such Portfolio Companies with a view to eventually exiting from such Portfolio Companies. There was no transaction in 1H 2022.

No operating segments have been aggregated to form the above reportable operating segment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net fair value gain or loss for strategic investments, or operating profit or loss for healthcare systems, medical and dental clinics/centres and corporate segments.



4.1 Reportable segments

1 January 2022 to 30 June 2022	Strategic investments S\$'000	Healthcare systems S\$'000	Medical clinics/ centres S\$'000	Corporate S\$'000	Eliminations S\$'000	Total S\$'000
Revenue:						
External customers	–	10,928	9,104	–	–	20,032
Inter-segment	–	–	2,201	–	(2,201)	–
Total revenue	–	10,928	11,305	–	(2,201)	20,032
Results:						
Interest income	–	7	20	1	–	28
Depreciation expense	–	(785)	(789)	(6)	–	(1,580)
Amortisation expense	–	(249)	(51)	–	–	(300)
Other income	–	82	61	–	–	143
Fair value adjustment of contingent consideration for business combinations	–	30	(17)	–	–	13
Fair value loss on an associate	(7,096)	–	–	–	–	(7,096)
Fair value loss on derivative financial instruments	–	–	–	(52)	–	(52)
Segment (loss)/profit	(7,116)	26	1,023	(2,054)	–	(8,121)
Assets:						
Investments in an associate	4,329	–	–	–	–	4,329
Other investments	900	–	–	–	–	900
Derivative financial instruments	–	–	–	784	–	784
Additions to non-current assets	–	424	221	7	–	652
Segment assets	5,250	29,816	35,282	1,642	–	71,990
Segment liabilities	(1,782)	(7,863)	(7,315)	(5,958)	–	(22,918)

4. Segment information (cont'd)

4.1 Reportable segments (cont'd)

1 January 2021 to 30 June 2021	Strategic investments S\$'000	Healthcare systems S\$'000	Medical clinics/ centres S\$'000	Corporate S\$'000	Eliminations S\$'000	Total S\$'000
Revenue:						
External customers	–	11,192	5,024	–	–	16,216
Inter-segment	–	–	90	–	(90)	–
Total revenue	–	11,192	5,114	–	(90)	16,216
Results:						
Interest income	–	16	24	1	–	41
Depreciation expense	–	(969)	(757)	(8)	–	(1,734)
Amortisation expense	–	(253)	(62)	–	–	(315)
Other income	2,012	145	342	6	–	2,505
Fair value adjustment of contingent consideration for business combinations	–	16	3	–	–	19
Fair value loss on an associate	(1,203)	–	–	–	–	(1,203)
Fair value (loss)/gain on derivative financial instruments	(2,681)	–	–	57	–	(2,624)
Segment loss	(2,090)	(550)	(729)	(2,929)	–	(6,298)
Assets:						
Investments in an associate	16,837	–	–	–	–	16,837
Other investments	787	–	–	–	–	787
Derivative financial instruments	–	–	–	598	–	598
Additions to non-current assets	–	244	219	5	–	468
Segment assets	17,637	33,774	42,130	6,929	–	100,470
Segment liabilities	(2,709)	(7,953)	(10,149)	(12,571)	–	(33,382)



4. Segment information (cont'd)

4.2 Disaggregation of revenue

	Group					
	Healthcare systems		Medical clinics/ centres		Total revenue	
	Six months ended 30 June					
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Major product or service lines						
Rendering of medical and clinical services	–	–	8,785	4,982	8,785	4,982
Laboratory testing services	8,572	8,839	–	–	8,572	8,839
Renal care revenue	2,356	2,353	319	42	2,675	2,395
	10,928	11,192	9,104	5,024	20,032	16,216
Primary geographical markets						
Singapore	–	–	4,555	4,060	4,555	4,060
Philippines	–	–	2,689	767	2,689	767
Indonesia	10,906	11,164	–	–	10,906	11,164
Hong Kong, Malaysia and others	22	28	1,860	197	1,882	225
	10,928	11,192	9,104	5,024	20,032	16,216
Timing of transfer of goods or services						
At a point in time	10,928	11,192	8,319	4,632	19,247	15,824
Over time	–	–	785	392	785	392
	10,928	11,192	9,104	5,024	20,032	16,216

5. Employee benefits expense

	Group	
	Six months ended 30 June 2022 S\$'000	Six months ended 30 June 2021 S\$'000
Directors' remuneration	98	98
Salaries and bonuses	3,315	3,645
Defined contribution plan	231	253
Share-based payment – equity settled	148	385
Others	107	112
	3,899	4,493



6. Loss before taxation

The following items have been included in arriving at loss before taxation:

	GROUP		
	Six months ended 30 June 2022 S\$'000	Six months ended 30 June 2021 S\$'000	Increase/ (Decrease) %
Interest expense on:			
- Borrowings	(153)	(265)	(42.3)
- Convertible bonds	(316)	(636)	(50.3)
- Lease liabilities	(52)	(66)	(21.2)
Depreciation expense on:			
- Property, plant and equipment	(1,060)	(1,238)	(14.4)
- Investment property	-	(45)	n.m
- Right-of-use assets	(520)	(451)	15.3
Amortisation expense	(300)	(315)	(4.8)
Other income:			
- Grant income	38	278	(86.3)
- Interest income	28	41	(31.7)
- Licensing income	-	61	n.m
- Rental income	10	27	(63.0)
- Gain on disposal of property	75	-	n.m.
- Fair value adjustment on contingent consideration for business combinations	13	19	(31.6)
- Gain on disposal of subsidiary	-	2,012	n.m
- Gain on waiver of payables	-	78	n.m
- Others	20	49	(59.2)
Material items included in other operating expenses:			
- Foreign exchange loss	(349)	(775)	(55.0)
- Professional fees ⁽¹⁾	(562)	(488)	15.2
- Rental ⁽²⁾	(43)	(18)	138.9
- Bad debt written off	(37)	-	n.m.
- Impairment of trade and other receivables	(262)	(207)	26.6
- Impairment of plant and equipment	(42)	(210)	(80.0)
- Inventories written off	(25)	(18)	38.9
Employee benefits expense			
- Share-based payment - equity settled	(148)	(385)	(61.6)

n.m. - not meaningful

Notes:

- (1) This includes the non-recurring professional fees incurred pursuant to the litigation in Indonesia which amounted to S\$0.13 million for 1H 2022 and the disposal of subsidiaries, Clearbridge Biophotonics Pte. Ltd. ("CBBP") and its subsidiaries ("CBBP group") which amounted to S\$0.05 million for 1H 2021.
- (2) Rental expenses for the 1H 2022 represent short-term leases that are exempted from having to be recognised in the statement of financial position under SFRS(I) 16 Leases. The Group continues to recognise these short term lease payments as an expense in profit or loss on a straight-line basis over the lease term.

7. Loss per share

	Group	
	Six months ended 30 June 2022	Six months ended 30 June 2021
Loss attributable to owners of the Company (S\$'000)	(8,346)	(8,313)
Weighted average number of shares ('000) ⁽¹⁾	617,390	612,018
Loss per share (cents)		
- Basic and diluted	(1.35)	(1.36)

For the purpose of calculating diluted loss per share, the weighted average number of shares have been adjusted for the effects of all dilutive potential ordinary shares.

Basic and diluted loss per share is the same as the Convertible Bonds and 2,985,475 shares awarded to employees on 28 April 2021 under the Company's performance share plan which will be vested and issued over 3 years are anti-dilutive.

Note:

- (1) In January 2021 and April 2022, the Company had allotted and issued 4,810,000 and 995,160 shares, respectively, pursuant to the Company's performance share plan. These issuances of shares have been factored in arriving at the weighted average number of shares.

8. Net asset value

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value (S\$'000)	43,902	52,210	56,128	57,434
Number of shares ('000)	618,210	617,215	618,210	617,215
Net asset value per share (cents)	7.10	8.46	9.08	9.31

9. Investment in an associate

	Group		Company	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	S\$'000	S\$'000	S\$'000	S\$'000
Investment designated as fair value through profit or loss ("FVTPL")				
Quoted equity shares				
- Ordinary shares	4,329	11,425	-	-

During 1H 2022, changes in fair value amounting to a loss of S\$7.10 million (1H 2021: S\$1.20 million) have been included in profit or loss.

9. Investment in an associate (cont'd)

Details of the Group's associate are as follows:

Name of associate	Principal activities (Country of incorporation and operations)	Proportion of ownership interest	
		30 June 2022 %	31 December 2021 %
Biolidics Limited (formerly known as Clearbridge Biomedics Pte. Ltd.) ⁽¹⁾	Research and development of biotechnology, life and medical science (Singapore)	22.7	22.7

(1) Audited by Ernst & Young LLP, Singapore.

10. Disposal of subsidiary

On 7 April 2021, the Group entered into a conditional share purchase agreement to dispose of 46.5% of its aggregate shareholding interests in CBBP, a subsidiary of the Group. The disposal consideration was fully settled in cash. The disposal was completed on 20 April 2021, on which control of CBBP was passed on to the acquirer.

The value of assets and liabilities of CBBP recorded in the consolidated financial statements as at 20 April 2021, and the effects of the disposal were:

	20 April 2021 S\$'000
Assets	
Plant and equipment	7
Cash and cash equivalents	4
Trade and other receivables	17
	28
Liabilities	
Trade and other payables	(2,100)
Deferred revenue	(17)
	(2,089)
Carrying value of net liabilities	(2,089)
Less: Non - controlling interest	1,483
Realisation of reserves	(276)
Net liabilities derecognised	(882)
Sales consideration	1,130
Less: Sales consideration not yet received	(185)
	945
Cash consideration received	945
Cash and cash equivalents of the subsidiary	(4)
	941
Gain on disposal	
Sales consideration	1,130
Net liabilities derecognised	882
Gain on disposal	2,012

The gain on disposal of a subsidiary group of S\$2.01 million was included in other income in profit or loss in 1H2021.

11. Derivative financial instruments

The Group's derivative financial instruments accounted for at fair value through profit or loss:

	Group		Company	
	30 June 2022 S\$'000	31 December 2021 S\$'000	30 June 2022 S\$'000	31 December 2021 S\$'000
Assets				
Issuance of convertible bonds (Note B)	22	–	22	–
Non-current asset	22	–	22	–
Call option on convertible preference shares (Note A)	762	1,090	762	1,090
Current asset	762	1,090	762	1,090
Liabilities				
Issuance of convertible bonds (Note B)	–	254	–	254
Non-current liabilities	–	254	–	254

Note A: On 16 March 2021, the Group entered into a subscription agreement to issue convertible preference shares by a subsidiary of the Company to third party investors. The Company received an option to acquire the convertible preference shares from the third parties, at a price per convertible preference share equivalent to the initial subscription price per share plus 5.0% of the initial subscription price per convertible preference share per annum, calculated on a pro-rated basis up to the date of completion of transfer of the preference shares, less any dividends received. The exchange consideration may be settled in cash, securities held by the Company listed and quoted on any stock exchange or new ordinary shares in the capital of the Company.

Note B: Relates to the redeemable option and convertible options of the convertible bonds (“**Convertible Bonds**”) issued by the Company on 8 March 2019 and 17 May 2019 respectively. The Group had partially redeemed on a pro rata basis S\$3,525,000 in principal amount of the Convertible Bonds on 8 October 2021. In 2021, the maturity date of the outstanding Convertible Bonds had been extended for a further 2 years which will be maturing on 8 March 2024 and 17 May 2024.

During 1H 2022, net changes in fair value on derivative financial instruments amounting to a loss of S\$0.05 million (1H 2021: S\$2.62 million) have been included in profit or loss.

12. Property, plant and equipment

During 1H 2022, the Group acquired assets amounting to S\$0.64 million (1H 2021: S\$0.47 million).

13. Leases

Group as a lessee

The Group has lease contracts for office and clinical premises used in its operations. Leases of office and clinical premises generally have lease terms between 1 and 12 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are no lease contracts that include extension or termination options and variable lease payments.

The Group also has certain leases of warehouse premises with lease terms of less than 12 months in which the Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group	Office and clinical premises S\$'000
At 1 January 2021	1,713
Additions	1,387
Derecognition of right-of-use assets	(371)
Depreciation expense	(1,001)
	<hr/>
At 31 December 2021 and 1 January 2022	1,728
Additions	171
Depreciation expense	(520)
Exchange difference	(14)
	<hr/>
At 30 June 2022	<u>1,365</u>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group S\$'000
At 1 January 2021	1,796
Additions	1,387
Derecognition of lease liabilities	(371)
Accretion of interest	121
Payments	(1,216)
Exchange difference	71
	<hr/>
At 31 December 2021 and 1 January 2022	1,788
Additions	157
Accretion of interest	52
Payments	(636)
Exchange difference	50
	<hr/>
At 30 June 2022	<u>1,411</u>



13. Leases (cont'd)

	Group	
	30 June 2022 S\$'000	31 December 2021 S\$'000
Current	523	785
Non-current	888	1,003
	1,411	1,788

The following are the amounts recognised in profit or loss:

	Group	
	Six months ended 30 June 2022 S\$'000	Six months ended 30 June 2021 S\$'000
Depreciation of right-of-use assets	520	451
Interest expense on lease liabilities	52	66
Expense relating to short-term leases (included in other expenses)	43	18
Total amount recognised in profit or loss	615	535

During 1H 2022, the Group had total cash outflows for leases of S\$0.68 million (1H 2021: S\$0.55 million). The Group also had non-cash additions to right-of-use assets of S\$0.17 million (1H 2021: S\$0.29 million) and lease liabilities of S\$0.16 million (1H 2021: S\$0.29 million).



14. Intangible assets

Group	Patent rights S\$'000	Trademark S\$'000	CAP laboratory accreditation S\$'000	Customer relationships S\$'000	Favourable rental agreement S\$'000	Computer software S\$'000	Total S\$'000
Cost:							
At 1 January 2021	99	3	105	3,034	99	17	3,357
Additions	–	–	–	–	–	87	87
Reclassification from property, plant and equipment	–	–	–	–	–	316	316
Disposal	–	–	(105)	–	–	–	(105)
Exchange difference	–	–	–	–	–	(2)	(2)
At 31 December 2021 and 1 January 2022	99	3	–	3,034	99	418	3,653
Additions	–	–	–	–	–	10	10
At 30 June 2022	99	3	–	3,034	99	428	3,663
Accumulated amortisation and impairment							
At 1 January 2021	99	–	105	1,424	99	6	1,733
Charge for the year	–	–	–	513	–	179	692
Reclassification from property, plant and equipment	–	–	–	–	–	156	156
Disposal	–	–	(105)	–	–	–	(105)
Exchange difference	–	–	–	34	–	(1)	33
At 31 December 2021 and 1 January 2022	99	–	–	1,971	99	340	2,509
Charge for the period	–	–	–	243	–	57	300
Exchange difference	–	–	–	15	–	–	15
At 30 June 2022	99	–	–	2,229	99	397	2,824
Carrying amount:							
At 31 December 2021	–	3	–	1,063	–	78	1,144
At 30 June 2022	–	3	–	805	–	31	839

15. Borrowings

Amount repayable in one year or less, or on demand

As at 30 June 2022		As at 31 December 2021	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,926	1,422	4,617	1,530

Amount repayable after one year

As at 30 June 2022		As at 31 December 2021	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	4,675	-	4,806

Details of any collateral

As at the balance sheet date:

- i) The Group's bank borrowings of (a) S\$0.55 million (31 December 2021: S\$1.10 million) is secured by a charge over the issued share capital of the Company's subsidiaries, fixed deposits in the name of the Company's subsidiaries and corporate guarantee provided by the Company, (b) S\$1.38 million (31 December 2021: S\$1.40 million) is secured by fixed deposits in the name of the Company's subsidiary and standby letter of credit provided by the Company's subsidiary, and (c) S\$2.64 million (31 December 2021: S\$3.08 million) is unsecured.

In 1H 2022, the Group fully repaid the bank borrowings of (a) S\$1.44 million which was secured by the property at 37 Jalan Pemimpin, #04-13 Mapex, Singapore 577177 (the "**Mapex Property**"), (b) S\$0.62 million which was secured by all the rights and interests in all material contracts and assets owned by the Company's subsidiaries, and (c) S\$0.05 million which were secured by personal guarantee provided by a minority shareholder and corporate guarantee provided by the Company's subsidiaries.

- ii) On 8 March 2019 and 17 May 2019, the Company had issued Convertible Bonds with an aggregate principal amount of S\$11 million to certain subscribers. The Convertible Bonds are unsecured, bear interest at 7.0% per annum and are convertible into new ordinary shares of the Company (the "**Conversion Shares**") at any time during the three-year tenure at a conversion price of S\$0.28 per Conversion Share. The conversion price has been adjusted to S\$0.14 ("**Adjusted Conversion Price**") as announced on 1 August 2019.

On 8 October 2021, the Company partially redeemed on a pro rata basis S\$3.53 million in principal amount of the Convertible Bonds. The partial early redemption was funded from internal resources of the Group. The maturity date of the outstanding Convertible Bonds had been extended for a further 2 years which will be maturing on 8 March 2024 and 17 May 2024.

As at 30 June 2022, the carrying amount of the Convertible Bonds amounted to S\$3.45 million (31 December 2021: S\$3.26 million), of which S\$0.07 million (31 December 2021: S\$0.07 million) is included as current liabilities and S\$3.38 million (31 December 2021: S\$3.19 million) as non-current liabilities.



16. Share capital

	The Group and the Company			
	30 June 2022		31 December 2021	
	Number of shares	Issued and paid-up share capital S\$	Number of shares	Issued and paid-up share capital S\$
Beginning of period/year	617,215,180	92,899,117	612,405,180	92,899,117
Issuance of shares ⁽¹⁾	995,160	–	4,810,000	–
End of period/year	<u>618,210,340</u>	<u>92,899,117</u>	<u>617,215,180</u>	<u>92,899,117</u>

Notes:

⁽¹⁾ On 28 April 2022, the Company had allotted and issued 995,160 shares pursuant to the Company's performance share plan.

On 7 January 2021, the Company had allotted and issued 4,810,000 shares pursuant to the Company's performance share plan.

As at 30 June 2022, the Company had outstanding Convertible Bonds with an aggregate principal amount of S\$3.53 million, convertible into approximately 25,178,575 Conversion Shares at the Adjusted Conversion Price of S\$0.14 per Conversion Share.

By comparison as at 30 June 2021, the Company had outstanding Convertible Bonds with an aggregate principal amount of S\$7.05 million, convertible into approximately 50,357,150 Conversion Shares at the Adjusted Conversion Price of S\$0.14 per Conversion Share.

As at 30 June 2022 and 30 June 2021, there were no treasury shares held by the Company and there were no subsidiary holdings.

17. Asset held for sale

On 13 December 2021, Clearbridge Assays Pte Ltd entered into an option with a third party for the sale of the Mapex Property for a total consideration of S\$2.08 million. Accordingly, the Mapex Property was presented on the balance sheet as "Asset held-for-sale" as at 31 December 2021 and was stated at lower of carrying amount and fair value less cost to sell. The Mapex Property was mortgaged to secure the Group's bank loans (Note 15). The bank loan has been discharged upon the sale of the Mapex Property. The sale transaction was completed on 7 March 2022. The details of the Mapex Property are as follows:

Location	Tenure	Floor area (sqm)
No 37 Jalan Pemimpin #04-13 MAPEX, Singapore 577177	Freehold	152

18. Other related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

Compensation of directors and key management personnel

	Group	
	Six months ended 30 June 2022 S\$'000	Six months ended 30 June 2021 S\$'000
Short-term benefits	598	1,130
Post-employment benefits	24	45
Share-based payment – equity settled	120	317
Directors' fee	90	90
	832	1,582
Comprise amounts paid to:		
Directors of the Company	465	961
Other key management personnel	367	621
	832	1,582

The remuneration of directors and key management is determined by the board of directors having regard to the performance of individuals.

19. Fair value of financial assets and financial liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

19. Fair value of financial assets and financial liabilities (cont'd)

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period/year:

	Fair value measurements at the end of the reporting period using			Total S\$'000
	Quoted prices in active markets for identical instruments S\$'000	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	
2022				
Assets measured at fair value				
Financial assets				
Investments in an associate at FVTPL				
Quoted equity shares	4,329	–	–	4,329
Derivatives financial assets	–	–	784	784
Other investments at fair value through other comprehensive income (“FVOCI”)				
Unquoted equity shares	–	900	–	900
Financial assets as at 30 June 2022	4,329	900	784	6,013
Liabilities measured at fair value				
Financial liabilities				
Contingent consideration for business combinations	–	–	1,983	1,983
Financial liabilities as at 30 June 2022	–	–	1,983	1,983

19. Fair value of financial assets and financial liabilities (cont'd)

(b) *Assets and liabilities measured at fair value*

	Fair value measurements at the end of the reporting year using			Total S\$'000
	Quoted prices in active markets for identical instruments S\$'000	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	
2021				
Assets measured at fair value				
Financial assets				
Investments in an associate at FVTPL				
Quoted equity shares	11,425	–	–	11,425
Derivatives financial assets	–	–	1,090	1,090
Other investments at FVOCI				
Unquoted equity shares	–	900	–	900
Financial assets as at 31 December 2021	11,425	900	1,090	13,415
Liabilities measured at fair value				
Financial liabilities				
Derivatives financial liabilities				
- Redeemable convertible option on convertible bonds	–	–	254	254
Contingent consideration for business combinations	–	–	1,967	1,967
Financial liabilities as at 31 December 2021	–	–	2,221	2,221

(c) *Level 2 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for unquoted equity shares that is categorised within Level 2 of the fair value hierarchy:

Other investments and convertible loan

Unquoted equity shares are valued using the market approach valuation technique with market observable inputs. The most frequently applied valuation techniques include Guideline Public Company Method (“GPC”) and Guideline Public Transaction Method (“GPT”). The techniques use derived market multiples from market prices of comparable companies or actual transactions involving either minority or controlling interests in either publicly traded or closely held companies.



19. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 30 June 2022 S\$'000	Valuation techniques	Significant unobservable inputs	Relationship unobservable inputs to fair value
<u>Derivative financial assets</u>				
Call options on convertible preference shares	762	Black Scholes Model	Volatility at 30.0% to 38.0%	The higher the volatility, the higher the fair value. An increase by 10% points would result in a higher fair value of S\$366,000.
Convertible option on redeemable convertible bonds	22	Binomial Option Pricing Model "OPM" methodology. The stock price is projected based on the fair value of the shares of the Company.	Projected stock price volatility	The higher the volatility, the higher the fair value. An increase by 15% points would result in a lower fair value of S\$31,000.
Financial assets as at 30 June 2022	<u>784</u>			
<u>Other payables</u>				
Contingent consideration for business combinations	1,983	Discounted cash flow and probability of meeting EBITA or NPAT target based on projected cash flow.	Discount rate	The higher the discount rate, the lower the fair value. An increase by 1% would result in a lower fair value of S\$30,000.
Financial liabilities as at 30 June 2022	<u>1,983</u>			



19. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements(cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair value as at 31 December 2021 S\$'000	Valuation techniques	Significant unobservable inputs	Relationship unobservable inputs to fair value
<u>Derivative financial assets</u>				
Call options on convertible preference shares	1,090	Black Scholes Model	Volatility at 33.0% to 44.0%	The higher the volatility, the higher the fair value. An increase by 10% points would result in a higher fair value of S\$427,000.
Financial assets as at 31 December 2021	1,090			
<u>Derivative financial liabilities</u>				
Convertible option on redeemable convertible bonds	254	Binomial Option Pricing Model "OPM" methodology. The stock price is projected based on the fair value of the shares of the Company.	Projected stock price volatility	The higher the volatility, the higher the fair value. An increase by 15% points would result in a higher fair value of S\$41,000.
<u>Other payables</u>				
Contingent consideration for business combinations	1,967	Discounted cash flow and probability of meeting EBITA or NPAT target based on projected cash flow.	Discount rate	The higher the discount rate, the lower the fair value. An increase by 1% would result in a lower fair value of S\$13,000.
Financial liabilities as at 31 December 2021	2,221			



19. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements(cont'd)

(ii) Information about significant unobservable inputs used in Level 3 fair value measurements

	Fair value measurements using significant unobservable inputs (Level 3)			
	Call options S\$'000	Derivative financial liabilities/ assets S\$'000	Contingent consideration S\$'000	Total S\$'000
At 1 January 2021	2,751	(124)	(3,056)	(429)
Expiry of call option	(2,751)	–	–	(2,751)
Total losses included in profit or loss	(687)	(130)	(9)	(826)
Foreign exchange gain	–	–	11	11
Fair value adjustment	–	–	(8)	(8)
Payment for contingent consideration	–	–	1,095	1,095
Recognition of derivative arising from convertible preference shares	1,777	–	–	1,777
At 31 December 2021 and 1 January 2022	1,090	(254)	(1,967)	(1,131)
Total (losses)/gains included in profit or loss	(328)	276	(16)	(68)
At 30 June 2022	762	22	(1,983)	(1,199)

19. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(iii) Valuation policies and procedures

The board of directors is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

F. Other information required by Listing Rule Appendix 7.2

1. To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 June 2022	31 December 2021
Total number of issued ordinary shares excluding treasury shares	618,210,340	617,215,180

2. A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as there were no treasury shares.

3. A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as there were no subsidiary holdings.

4. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

5. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.



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5A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

6. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue increased by 23.5% or S\$3.81 million, from S\$16.22 million in 1H 2021 to S\$20.03 million in 1H 2022.

Revenue from the medical clinics/centres increased by S\$4.08 million, from S\$5.02 million in 1H 2021 to S\$9.10 million in 1H 2022 mainly due to an increase in revenue from distribution of Labnovation's COVID-19 ART Test Kits in Hong Kong and the Philippines and improvement of business performance of medical clinics in Singapore and Hong Kong.

Excluding the revenue from distribution of Labnovation's COVID-19 ART Test Kits in 1H 2022, the revenue from the medical clinics/centres increased by S\$0.79 million, from S\$5.02 million in 1H 2021 to S\$5.81 million in 1H 2022.

Revenue from the healthcare systems, comprising the provision of laboratory services and renal care services decreased by S\$0.27 million, from S\$11.20 million in 1H 2021 to S\$10.93 million in 1H 2022. The decrease was mainly due to reduced patient flows for diagnostics services provided by the hospitals served by PT Indo Genesis Medika ("**IGM Labs**").

Purchases

Purchases increased by 11.5% or S\$1.17 million, from S\$10.20 million in 1H 2021 to S\$11.37 million in 1H 2022, in line with the increase in revenue.

Purchases mainly comprised direct expenses incurred in processing specimens by the Philippines laboratory testing facilities or outsourced third party clinical laboratories, supplies of Labnovation's COVID-19 ART Test Kits as well as consumables and medicines used by the medical clinics/centres and renal care services.

Employee benefits expense

Employee benefits expense decreased by 13.2% or S\$0.59 million, from S\$4.49 million in 1H 2021 to S\$3.90 million in 1H 2022 mainly due to a decrease in bonus and share-based payments made pursuant to the performance bonus scheme based on prior period performance in 1H 2021. The Company's performance bonus scheme is based on prior year performance that aims to promote higher performance goals and recognise the achievements of employees.



Depreciation expense

Depreciation expense decreased by 8.9% or S\$0.15 million from S\$1.73 million in 1H 2021 to S\$1.58 million in 1H 2022 mainly due to medical equipment and capital equipment incurred for joint operation contracts with hospitals being fully depreciated in 1H 2021.

Amortisation expense

Amortisation expense remained relatively stable at S\$0.3 million in both 1H2022 and 1H2021.

Other income

Other income decreased by 92.8% or S\$2.39 million, from S\$2.57 million in 1H 2021 to S\$0.18 million in 1H 2022 mainly due to the absence of the gain on disposal of the CBBP group of S\$2.01 million recorded in 1H 2021 and a decrease in grant income of S\$0.24 million from government grants relating to the Jobs Support Scheme, Enterprise Singapore Grant and other grants from government agencies. These were partially offset by the gain on disposal of the Mapex Property of S\$0.08 million which was completed on 7 March 2022.

Fair value loss on an associate

The Group recorded a fair value loss on an associate amounting to S\$7.10 million in 1H 2022. The fair value loss on an associate was due to the decrease in the market value of the Group's interest in Biolidics Limited ("**Biolidics**"), a company listed on SGX Catalist.

Fair value loss on derivative financial instruments

Fair value changes on derivative financial instruments were mainly attributable to the fair value of the Convertible Bonds issued by the Company as well as the fair value of the call options on convertible preference shares issued by Clearbridge Medical Group Pte. Ltd. ("**CBMG Call Option**").

The Group recorded a fair value loss on derivative financial instruments of S\$0.05 million in 1H 2022, compared to a loss of S\$2.62 million in 1H 2021 due to increase in fair value gain on the Convertible Bonds issued by the Company of S\$0.09 million and the derecognition of the call options granted by Seeds Capital Pte Ltd ("**Seeds Capital**") to the Group in respect of Seeds Capital's 9.75% interests in Biolidics which expired on 28 May 2021 of S\$2.75 million in 1H 2021.

These were partially offset by the increase in fair value loss on the CBMG Call Option of S\$0.20 million and the absence in 1H 2022 of the fair value gain on the convertible bonds issued by CBBP to Seeds Capital of S\$0.07 million in 1H 2021.

The fair value of the Convertible Bonds and the CBMG Call Option was arrived at based on an option pricing model which took into account, among others, the fair value of Biolidics, the Company as well as volatilities in the valuation of comparable companies.

Other operating expenses

Other operating expenses decreased by 7.3% or S\$0.24 million, from S\$3.32 million in 1H 2021 to S\$3.08 million in 1H 2022. This was mainly due to decrease in foreign exchange loss of S\$0.43 million recorded by the Group and decrease in impairment of plant and equipment recorded by the Philippines of S\$0.17 million.

The decreases were partially offset by (i) an increase of S\$0.15 million in travelling expenses incurred by the Group, (ii) an increase in professional fees relating to litigation in Indonesia of S\$0.11 million recorded by the Group, (iii) an increase in provision of expected credit losses on trade receivables of S\$0.06 million recorded by Indonesia, and (iv) an increase in bad debt written off recorded by Hong Kong and the Philippines in aggregate of S\$0.03 million.

To provide better clarity to the readers, other operating expenses in 1H 2022 which were non-recurring expenses are as follows:

- i) professional fees relating to litigation in Indonesia in 1H 2022 of S\$0.13 million (1H 2021: S\$0.05 million);
- ii) provision of expected credit losses on trade receivables in 1H 2022 of S\$0.26 million (1H 2021: S\$0.21 million);
- iii) trade and other receivables written off in 1H 2022 of S\$0.04 million (1H 2021: Nil);
- iv) inventories written off in 1H 2022 of S\$0.02 million (1H 2021: Nil); and
- v) impairment of property, plant and equipment recorded by the Group's subsidiaries in the Philippines in 1H 2022 of S\$0.04 million (1H 2021: S\$0.21 million);

Finance costs

The Group's finance costs comprise mainly interest expense incurred on bank loans, lease liabilities and the Convertible Bonds. Finance costs decreased by 46.1% or S\$0.45 million, from S\$0.97 million in 1H 2021 to S\$0.52 million in 1H 2022 mainly due to a decrease in interest expense incurred on the bank loans taken up by the Group for its acquisitions and working capital purpose as some of the bank loans were fully repaid in 1H 2022 and decrease in interest charged on the Convertible Bonds issued by the Company due to partial redemption of Convertible Bonds in October 2021.

Income tax expense

Income tax expense increased by 94.4% or S\$0.22 million, from S\$0.23 million in 1H 2021 to S\$0.45 million in 1H 2022. The increase in income tax expense was mainly due to under provision of prior year tax expenses recognised by IGM Labs.

Loss for the period

As a result of the foregoing, the Group recorded a loss of S\$8.12 million in 1H 2022 as compared to a loss of S\$6.30 million in 1H 2021.

Excluding the abovementioned non-recurring expenses, fair value losses on an associate and derivative financial instruments, the loss before taxation recorded by the Group would have been S\$0.03 million in 1H 2022 as compared to a loss before taxation of S\$3.71 million in 1H 2021.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by 16.4% or S\$8.44 million, from S\$51.61 million as at 31 December 2021 to S\$43.17 million as at 30 June 2022. This was mainly due to (i) a decrease in investment in an associate, Biolidics of S\$7.10 million arising from fair value loss recognised in 1H 2022, (ii) a decrease in property, plant and equipment of S\$0.55 million mainly due to the depreciation expense recorded during the year partially offset by the purchase of property, plant and equipment, (iii) a decrease in right-of-use assets of S\$0.36 million mainly due to depreciation expense partially offset by new lease terms recognised in accordance with SFRS(I) 16, and (iv) a decrease in intangible assets of S\$0.31 million mainly due to amortisation expenses of customer relationship and computer software charged during the period.



Current assets

The Group's current assets decreased by 7.4% or S\$2.29 million, from S\$31.11 million as at 31 December 2021 to S\$28.82 million as at 30 June 2022. This was mainly due to (i) a decrease in cash and bank balances of S\$3.06 million as a result of the repayment of bank loans, (ii) a decrease in assets held for sale of S\$2.01 million due to sale of the Mapex Property completed on 7 March 2022, and (iii) a decrease in derivative financial instruments of S\$0.31 million mainly due to fair value loss recognised in respect of the CBMG Call Option. These decreases were partially offset by an increase in trade receivables of S\$3.03 million due to slow collections by the Group's subsidiaries in Indonesia.

Current liabilities

The Group's current liabilities decreased by 11.3% or S\$1.96 million, from S\$17.22 million as at 31 December 2021 to S\$15.26 million as at 30 June 2022. This was mainly due to decrease in borrowings of S\$2.80 million due to repayment of bank loans and decrease in lease liabilities of S\$0.26 million. These decreases were partially offset by an increase in trade payables of S\$1.25 million mainly due to longer credit repayment period to repay supplier by the Group's subsidiaries in Indonesia.

Non-current liabilities

The Group's non-current liabilities decreased by 6.7% or S\$0.55 million, from S\$8.20 million as at 31 December 2021 to S\$7.65 million as at 30 June 2022. This was mainly due to (i) a decrease in derivative financial instruments of S\$0.25 million due to fair value gain recognised in respect of the Convertible Bonds issued by the Company, (ii) a decrease in borrowings of S\$0.13 million due to repayment of loans, and (iii) a decrease in lease liabilities of S\$0.12 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Cash inflow before changes in working capital for 1H 2022 amounted to S\$2.49 million. Net cash used in working capital for 1H 2022 amounted to S\$2.32 million mainly due to an increase in trade receivables of S\$3.33 million, decrease in other payables of S\$0.18 million, increase in prepayments of S\$0.12 million, increase in inventories of S\$0.07 million and partially offset by increase in trade payables of S\$1.25 million and decrease in other receivables of S\$0.13 million.

As a result, net cash used in operating activities after adjusting for cash paid for income tax, interest expense and interest received, amounted to S\$0.58 million in 1H 2022.

Net cash generated from investing activities for 1H 2022 amounted to S\$1.43 million. This was mainly due to proceeds from disposal of the Mapex Property of S\$2.08 million and partially offset by capital expenditure of S\$0.65 million incurred by the medical clinics/centres in the Philippines, Singapore, Hong Kong and laboratory services in Indonesia.

Net cash used in financing activities for 1H 2022 amounted to S\$3.21 million which was attributable to the repayment of bank loans and lease liabilities of S\$3.12 million and S\$0.58 million respectively and dividends paid to a non-controlling shareholder of S\$0.19 million. These increases were partially offset by a decrease in restricted deposits of S\$0.68 million.

As a result, after adjusting for the effects of foreign exchange rate changes, there was a net decrease in cash and cash equivalents of S\$2.37 million, from S\$11.71 million as at 31 December 2021 to S\$9.34 million as at 30 June 2022.



7. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

8. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic/endemic remains an evolving situation around the world with new variants of the virus continuing to emerge from time to time. As a result, countries in which the Group operates may continue to be impacted by the COVID-19 situation. Therefore, the Group expects to continue to face uncertainties arising from the ever-evolving COVID-19 situation in the near term.

On 26 January 2022, the Group imported Labnovation COVID-19 ART Test Kits and registered it for use in the Philippines. The Labnovation COVID-19 ART Test Kits has been approved by the Food and Drug Administration of the Philippines for self-testing on 24 January 2022. The Group also distributes Labnovation's COVID-19 ART Test Kits in Hong Kong.

Barring unforeseen circumstances, the Company expects the distribution of Labnovation's COVID-19 ART Test Kits to continue to contribute positively to the revenue of the Group for the current financial year ending 31 December 2022. The Company, however, is unable to quantify such financial impact as the sales uptake of Labnovation's COVID-19 ART Test Kit cannot be determined currently.

The Group will also continue to explore suitable opportunities to expand its business regionally through organic expansion, investments, mergers and acquisitions, joint ventures and/or strategic collaborations and focus on the organic growth of its core healthcare businesses with the continual expansion of its healthcare distribution network in Asia to deepen market access.

9. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

Nil

(b) (i) Amount per share

Nil

(ii) Previous corresponding period

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.



10. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared by the Company for 1H 2022 as the Company was not profitable.

11. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions. There was no interested person transaction of S\$100,000 or more in 1H 2022.

12. Negative confirmation by the Board pursuant to Rule 705(5)

To the best of the knowledge of the board of directors of the Company (“**Board**”), nothing has come to the attention of the Board which may render the financial results for 1H 2022 of the Group and the Company to be false or misleading in any material aspect.

13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company has procured the undertaking from all of its directors and executive officers as required under Rule 720(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

14. Use of IPO proceeds

Pursuant to the initial public offering of the Company further to the offer document dated on 11 December 2017 (“**Offer Document**”), the Company received net proceeds of approximately S\$22.00 million (the “**IPO Net Proceeds**”). As at the date of this announcement, the IPO Net Proceeds have been utilised as follows:

	Amount allocated (as disclosed in the Offer Document) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance (S\$'000)
Expansion of medical clinics/centres business organically or through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaborations	11,000	(7,707)	3,293
Expansion of laboratory testing services business organically or through, <i>inter alia</i> , investments, mergers and acquisitions, joint ventures and/or strategic collaborations	3,000	(3,000)	-
Working capital and general corporate purposes ⁽¹⁾	8,000	(8,000)	-
Total	22,000	(18,707)	3,293

Note:

⁽¹⁾ Comprises operating expenses.



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15. Use of placement shares proceeds

Pursuant to the issuance of the placement shares further to the Company's placement shares announcement dated on 19 August 2019 ("Placement Shares Announcement"), the Company received net proceeds of approximately S\$11.28 million (the "Placement Net Proceeds"). As at the date of this announcement, the Placement Net Proceeds have been utilised as follows:

	Amount allocated (as disclosed in the Placement Shares Announcement) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance (S\$'000)
Expansion of the Company's businesses through mergers and acquisitions, joint ventures, strategy collaborations and/or investment, or organically in Asia	7,893	-	7,893
General working capital purposes ⁽¹⁾	3,383	(3,383)	-
Total	11,276	(3,383)	7,893

Note:

⁽¹⁾ Comprises operating expenses.

ON BEHALF OF THE BOARD

Yee Pinh Jeremy
Executive Director and Chief Executive Officer

Chen Johnson
Non-Executive Non-Independent Chairman

Date
14 August 2022