



Clearbridge Health Limited
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UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

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 Catalist. 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. Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a)(i) An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP					
	Q3		Increase/	9M		Increase/
	FY2019	FY2018	(Decrease)	FY2019	FY2018	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	6,392	2,052	211.5	13,245	3,885	240.9
Purchases	(4,384)	(1,020)	329.8	(8,651)	(1,929)	348.5
Employee benefits expense	(1,784)	(1,486)	20.1	(5,225)	(4,264)	22.5
Depreciation expense	(1,238)	(280)	342.1	(2,017)	(697)	189.4
Amortisation expense	(23)	(14)	64.3	(77)	(41)	87.8
Research and development expenses	-	-	n.m.	-	(20)	(100.0)
Other income	125	323	(61.3)	427	499	(14.4)
Fair value loss on other investments	-	-	n.m.	-	(1,444)	(100.0)
Fair value (loss)/gain on an associate	(2,405)	-	n.m.	1,804	(5,374)	n.m.
Fair value loss on derivative financial instruments	(2,694)	(183)	1,372.1	(3,323)	(2,283)	45.6
Other operating expenses*	(271)	(1,729)	(84.3)	(3,455)	(4,347)	(20.5)
Finance costs	(596)	(80)	645.0	(1,310)	(235)	457.4
Loss before taxation	(6,878)	(2,417)	184.6	(8,582)	(16,250)	(47.2)
Income tax expense	(12)	(39)	(69.2)	(74)	(174)	(57.5)
Loss for the period	(6,890)	(2,456)	180.5	(8,656)	(16,424)	(47.3)
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange difference on translation of foreign operations	(165)	(286)	(42.3)	127	(385)	n.m.
Total comprehensive income for the period	(7,055)	(2,742)	157.3	(8,529)	(16,809)	(49.3)
Loss attributable to:						
Owners of the Company	(6,866)	(2,504)	174.2	(8,210)	(16,223)	(49.4)
Non-controlling interest	(24)	48	n.m.	(446)	(201)	121.9
	(6,890)	(2,456)	180.5	(8,656)	(16,424)	(47.3)
Total comprehensive income attributable to:						
Owners of the Company	(7,022)	(2,657)	164.3	(8,202)	(16,486)	(50.2)
Non-controlling interest	(33)	(85)	(61.2)	(327)	(323)	1.2
	(7,055)	(2,742)	157.3	(8,529)	(16,809)	(49.3)

Note:

n.m. - not meaningful

* In order to provide more clarity to readers, the Group has identified the following major expenses as recurring and non-recurring for Q3 FY2019:

	Q3 FY2019			9M FY2019		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Other operating expenses/(income)	894	(623)	271	2,284	1,171	3,455

The net non-recurring other operating income of S\$0.62 million were mainly due to reversal of expected credit losses and the fair value adjustment on contingent consideration for business combinations of \$1.07 million. This was partially offset by non-recurring other operating expenses of S\$0.45 million mainly due to one-off legal and professional fees incurred pursuant to business acquisitions and collaborations, one-off consultancy fee and other administrative expenses for research and development activities, expenses in connection with the termination of employment of certain employees due to the cessation of operation in the United States of America.

Excluding the abovementioned non-recurring expenses and fair value changes in other investments, associates and derivative financial instruments, the Group's loss before taxation would have been S\$2.40 million in Q3 FY2019 (Q3 FY2018: S\$1.56 million). Increase in loss before taxation mainly due to increase in purchases, employee benefit expense, depreciation expense and finance cost, and partially offset by an increase in revenue.

1(a)(ii) Notes to income statement and other comprehensive income.

The Group's net loss was arrived after (charging)/crediting the following:

	GROUP					
	Q3 FY2019	Q3 FY2018	Increase/ (Decrease)	9M FY2019	9M FY2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest expense on:						
- Call options	(60)	(60)	-	(180)	(180)	-
- Borrowings	(114)	(20)	470.0	(241)	(55)	338.2
- Convertible bonds	(401)	-	n.m.	(836)	-	n.m.
- Lease liabilities ⁽¹⁾	(21)	-	n.m.	(53)	-	n.m.
Depreciation expense on:						
- Property, plant and equipment	(1,082)	(280)	286.4	(1,768)	(697)	153.7
- Right-of-use assets ⁽¹⁾	(156)	-	n.m.	(249)	-	n.m.
Amortisation expense	(23)	(14)	64.3	(77)	(41)	87.8
Other income:						
- Grant income	56	101	(44.6)	159	124	28.2
- Interest income	23	36	(36.1)	167	184	(9.2)
- Licensing income	16	170	(90.6)	51	170	(70.0)
- Others	30	16	87.5	50	21	138.1
Material items included in other operating expenses:						
- Fair value adjustment on contingent consideration for business combinations	14	-	n.m.	(277)	-	n.m.
- Foreign exchange gain/(loss)	187	(167)	n.m.	412	(64)	n.m.
- Professional fees ⁽²⁾	(616)	(784)	(21.4)	(1,752)	(2,022)	(13.4)
- Rental ⁽³⁾	(47)	(168)	(72.0)	(271)	(522)	(48.1)
- Share-based payment - equity settled	(48)	-	n.m.	(424)	-	n.m.
- Share option expenses	-	-	n.m.	(405)	-	n.m.
- Reversal of expected credit losses	1,062	-	n.m.	1,062	-	n.m.

n.m. - not meaningful

Notes:

- (1) In FY2019, the Group has adopted SFRS(I) 16 *Leases* effective for annual periods beginning on or after 1 January 2019. The Group recognises liabilities to make lease payments (i.e. lease liabilities) and assets representing the right to use the underlying assets during the lease term (i.e. right-of-use assets) in the statement of financial position and separately recognises the interest expense on the lease liabilities and the depreciation expense on the right-of-use assets in profit or loss during the period.
- (2) This includes the non-recurring professional fees incurred pursuant to business acquisitions and collaborations, and loan financing which amounted to S\$0.30 million in Q3 FY2019 (Q3 FY2018: S\$0.58 million).
- (3) Rental expenses for Q3 FY2019 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.



1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	30/09/19 S\$'000	31/12/18 S\$'000	30/09/19 S\$'000	31/12/18 S\$'000
Non-current assets				
Investments in subsidiaries	-	-	33,181	33,181
Investment in an associate	15,034	13,230	-	-
Derivative financial instruments	3,085	3,788	-	-
Property, plant and equipment	13,243	6,625	18	23
Right-of-use assets	1,586	-	-	-
Intangible assets	206	266	3	3
Goodwill on consolidation	32,668	22,296	-	-
Other investments	1,860	1,860	-	-
Amounts due from subsidiaries	-	-	27,569	23,783
	<u>67,682</u>	<u>48,065</u>	<u>60,771</u>	<u>56,990</u>
Current assets				
Cash at banks and short-term deposits	15,097	8,005	11,733	3,509
Trade receivables	8,946	2,050	-	-
Prepayments	503	275	333	86
Other receivables	4,815	3,954	119	88
Amounts due from subsidiaries	-	-	27,887	15,307
Inventories	2,877	413	-	-
	<u>32,238</u>	<u>14,697</u>	<u>40,072</u>	<u>18,990</u>
Total assets	<u>99,920</u>	<u>62,762</u>	<u>100,843</u>	<u>75,980</u>
Current liabilities				
Borrowings	3,681	470	2,051	400
Trade payables	5,062	1,007	-	-
Other payables	12,748	7,072	544	360
Amounts due to subsidiaries	-	-	3,471	2,848
Lease liabilities	703	-	-	-
Contract liabilities	454	473	-	-
Income tax payable	305	196	-	15
	<u>22,953</u>	<u>9,218</u>	<u>6,066</u>	<u>3,623</u>
Net current assets	<u>9,285</u>	<u>5,479</u>	<u>34,006</u>	<u>15,367</u>
Non-current liabilities				
Borrowings	16,814	2,419	12,599	611
Other payables	2,570	1,774	-	-
Lease liabilities	903	-	-	-
Derivative finance instruments	3,293	-	3,293	-
Deferred tax liabilities	1,823	1,821	-	-
	<u>25,403</u>	<u>6,014</u>	<u>15,892</u>	<u>611</u>
Total liabilities	<u>48,356</u>	<u>15,232</u>	<u>21,958</u>	<u>4,234</u>
NET ASSETS	<u>51,564</u>	<u>47,530</u>	<u>78,885</u>	<u>71,746</u>
Equity attributable to owners of the Company				
Share capital	88,945	77,670	88,945	77,670
Capital reserve	(2,179)	(2,179)	(6,716)	(6,716)
Share-based payment reserve	2,005	1,379	1,394	1,214
Fair value reserve	1,110	1,110	-	-
Currency translation reserve	(255)	(263)	-	-
Accumulated losses	(37,803)	(30,041)	(4,738)	(422)
Equity attributable to owners of the Company	<u>51,823</u>	<u>47,676</u>	<u>78,885</u>	<u>71,746</u>
Non-controlling interests	(259)	(146)	-	-
TOTAL EQUITY	<u>51,564</u>	<u>47,530</u>	<u>78,885</u>	<u>71,746</u>



1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 September 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,137	544	470	-

Amount repayable after one year

As at 30 September 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
5,803	11,011	2,419	-

Details of any collateral

As at the balance sheet date:

- i) The Group's bank borrowings of (a) S\$1.63 million (31 December 2018: S\$1.60 million) is secured by the property at 37 Jalan Pemimpin, #04-13 Mapex, Singapore 577177 (the "**Mapex Property**"), (b) S\$3.82 million (31 December 2018: S\$1.01 million) is secured by all the rights and interests in all material contracts and assets owned by the Company's subsidiaries, (c) S\$3.26 million (31 December 2018: Nil) is secured by a charge over the issued share capital of the Company's subsidiaries, fixed deposit in the name of the Company's subsidiaries and corporate guarantee provided by the Company, and (d) S\$0.73 million (31 December 2018: Nil) is secured by personal guarantee provided by a minority shareholder and corporate guarantee provided by the Company's subsidiaries.
- ii) The Group's finance lease liability of S\$0.23 million (31 December 2018: S\$0.28 million) is secured by the Group's laboratory equipment.
- iii) On 8 March 2019 and 17 May 2019, the Company had issued convertible bonds ("**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 as announced on 1 August 2019.

As at 30 September 2019, the carrying amount of the Convertible Bonds amounted to S\$10.83 million (31 December 2018: Nil), of which S\$0.08 million is included as current liabilities and S\$10.75 million as non-current liabilities (31 December 2018: Nil).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		GROUP	
	Q3 FY2019 S\$'000	Q3 FY2018 S\$'000	9M FY2019 S\$'000	9M FY2018 S\$'000
Operating activities				
Loss before taxation	(6,878)	(2,417)	(8,582)	(16,250)
Adjustments for:				
Share-based payment - equity settled	48	-	829	-
Depreciation of property, plant and equipment	1,082	280	1,768	697
Depreciation of right-of-use assets	156	-	249	-
Amortisation of intangible assets	23	14	77	41
Interest income	(23)	(36)	(167)	(184)
Interest expense	596	80	1,310	235
Property, plant and equipment written off	-	-	32	-
Inventories written off	52	-	52	-
Fair value adjustment on contingent consideration	(14)	-	277	-
Fair value loss on derivative financial instruments	2,694	183	3,323	2,283
Fair value loss/(gain) on associates	2,405	-	(1,804)	5,374
Fair value loss on other investments	-	-	-	1,444
Unrealised foreign exchange loss/(gain)	-	71	(89)	(5)
Operating cash flows before changes in working capital	141	(1,825)	(2,725)	(6,365)
Increase in trade receivables	(3,997)	(294)	(6,432)	(412)
(Increase)/decrease in prepayments	(30)	31	(266)	143
Decrease/(increase) in other receivables	485	(17)	3,413	(424)
Increase in inventories	(869)	(36)	(1,133)	(244)
Increase/(decrease) in trade payables	1,476	(193)	3,084	59
Increase/(decrease) in other payables	708	(1)	(1,579)	(1,407)
Cash flows used in operations	(2,086)	(2,335)	(5,638)	(8,650)
Income tax paid	(56)	(3)	(69)	(7)
Interest paid	(401)	(10)	(475)	(23)
Interest received	24	-	49	-
Net cash flows used in operating activities	(2,519)	(2,348)	(6,133)	(8,680)
Investing activities				
Purchase of property, plant and equipment	(578)	(255)	(1,342)	(997)
Acquisition of intangible asset	(14)	-	(17)	-
Acquisition of a subsidiary	(3,188)	-	(11,593)	(5,454)
Payment for contingent consideration	-	-	(2,000)	-
Loan to a third party	-	(1,395)	-	(1,395)
Net cash flows used in investing activities	(3,780)	(1,650)	(14,952)	(7,846)
Financing activities				
Dividend paid to non-controlling interests	(81)	-	(205)	-
Proceeds from bank loans	3,282	1,103	7,280	1,103
Proceeds from issuance of Convertible Bonds	-	-	11,000	-
Proceeds from issuance of ordinary shares	11,275	-	11,275	-
Repayment of loans and borrowings	(748)	(13)	(1,300)	(40)
Increase in restricted deposits	(750)	-	(1,920)	-
Net cash generated from financing activities	12,978	1,090	26,130	1,063
Net increase/(decrease) in cash and cash equivalents	6,679	(2,908)	5,045	(15,463)
Cash and cash equivalents at the beginning of the period	6,428	15,097	7,770	27,740
Effects of foreign exchange rate changes, net	(165)	(297)	127	(385)
Cash and cash equivalents at the end of the period	12,942	11,892	12,942	11,892

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

	Q3 FY2019 S\$'000	Q3 FY2018 S\$'000	9M FY2019 S\$'000	9M FY2018 S\$'000
Cash and banks and short-term deposits	15,097	11,892	15,097	11,892
Less: Restricted deposits	(2,155)	-	(2,155)	-
Cash and cash equivalents	12,942	11,892	12,942	11,892



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

(In S\$'000)

	Share capital	Capital reserve	Share-based / option payment reserve	Fair value reserve	Currency translation reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Group									
Balance as at 1 January 2019	77,670	(2,179)	1,379	1,110	(263)	(30,041)	47,676	(146)	47,530
<i>Total comprehensive income for the period</i>									
Loss for the period	-	-	-	-	-	(1,344)	(1,344)	(422)	(1,766)
Other comprehensive income for the period	-	-	-	-	164	-	164	128	292
Total comprehensive income for the period	-	-	-	-	164	(1,344)	(1,180)	(294)	(1,474)
<i>Transactions with owners, recognised directly in equity</i>									
Dividend	-	-	-	-	-	-	-	(124)	(124)
Share-based payment - equity settled	-	-	578	-	-	-	578	203	781
Effects of dilution of interest in subsidiaries	-	-	-	-	-	448	448	(448)	-
<i>Changes in ownership interests in subsidiaries</i>									
Acquisition of a subsidiary	-	-	-	-	-	-	-	591	591
Balance as at 30 June 2019	77,670	(2,179)	1,957	1,110	(99)	(30,937)	47,522	(218)	47,304
<i>Total comprehensive income for the period</i>									
Loss for the period	-	-	-	-	-	(6,866)	(6,866)	(24)	(6,890)
Other comprehensive income for the period	-	-	-	-	(156)	-	(156)	(9)	(165)
Total comprehensive income for the period	-	-	-	-	(156)	(6,866)	(7,022)	(33)	(7,055)
<i>Transactions with owners, recognised directly in equity</i>									
Dividend	-	-	-	-	-	-	-	(81)	(81)
Share-based payment - equity settled	-	-	48	-	-	-	48	-	48
Issuance of ordinary shares	11,275	-	-	-	-	-	11,275	-	11,275
Effects of dilution of interest in subsidiaries	-	-	-	-	-	-	-	-	-
<i>Changes in ownership interests in subsidiaries</i>									
Acquisition of a subsidiary	-	-	-	-	-	-	-	73	73
Balance as at 30 September 2019	88,945	(2,179)	2,005	1,110	(255)	(37,803)	51,823	(259)	51,564



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(In S\$'000)

<u>Group</u>	Share capital	Capital reserve	Share option reserve	Fair value reserve	Currency translation reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2018 (FRS framework)	73,897	(2,179)	165	-	(85)	(10,858)	60,940	(1,297)	59,643
Adoption of SFRS(I) 9	-	-	-	735	-	(735)	-	-	-
Balance as at 1 January 2018 (SFRS(I) framework)	73,897	(2,179)	165	735	(85)	(11,593)	60,940	(1,297)	59,643
<i>Total comprehensive income for the period</i>									
Loss for the period	-	-	-	-	-	(13,719)	(13,719)	(249)	(13,968)
Other comprehensive income for the period	-	-	-	-	(110)	-	(110)	11	(99)
Total comprehensive income for the period	-	-	-	-	(110)	(13,719)	(13,829)	(238)	(14,067)
<i>Change in ownership interest in subsidiaries</i>									
Acquisition of a subsidiary	4,498	-	-	-	-	-	4,498	1,749	6,247
Balance as at 30 June 2018	78,395	(2,179)	165	735	(195)	(25,312)	51,609	214	51,823
<i>Total comprehensive income for the period</i>									
Loss for the period	-	-	-	-	-	(2,504)	(2,504)	48	(2,456)
Other comprehensive loss for the period	-	-	-	-	(153)	-	(153)	(133)	(286)
Total comprehensive income for the year	-	-	-	-	(153)	(2,504)	(2,657)	(85)	(2,742)
<i>Change in ownership interest in subsidiaries</i>									
Acquisition of subsidiaries	-	-	-	-	-	-	-	(11)	(11)
Balance as at 30 September 2018	78,395	(2,179)	165	735	(348)	(27,816)	48,952	118	49,070



(In S\$'000)

<u>Company</u>	Share capital	Capital reserve	Share-based payment reserve	Retained earnings / (accumulated losses)	Total equity
Balance as at 1 January 2019	77,670	(6,716)	1,214	(422)	71,746
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,687)	(1,687)
Share-based payment - equity settled	-	-	132	-	132
Balance as at 30 June 2019	77,670	(6,716)	1,346	(2,109)	70,191
Loss for the period, representing total comprehensive loss for the period	-	-	-	(2,629)	(2,629)
Issuance of ordinary shares	11,275	-	-	-	11,275
Share-based payment - equity settled	-	-	48	-	48
Balance as at 30 September 2019	88,945	(6,716)	1,394	(4,738)	78,885
Balance as at 1 January 2018	73,897	(6,716)	-	1,730	68,911
Loss for the period, representing total comprehensive loss for the period	-	-	-	(651)	(651)
Issuance of shares for acquisition of subsidiaries	4,498	-	-	-	4,498
Balance as at 30 June 2018	78,395	(6,716)	-	1,079	72,758
Loss for the period, representing total comprehensive loss for the period	-	-	-	(343)	(343)
Balance as at 30 September 2018	78,395	(6,716)	-	736	72,415



1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Issued and paid-up share capital S\$
As at 30 June 2019	494,120,702	77,669,318
Issuance of shares ⁽¹⁾	80,450,200	11,343,478
Share issuance expense	-	(68,000)
As at 30 September 2019	574,570,902	88,944,796

Note:

⁽¹⁾ On 19 August 2019, the Company had allotted and issued 80,450,200 ordinary shares of the Company pursuant to subscription agreements entered.

As at 30 September 2019, the Company has outstanding Convertible Bonds with an aggregate principal amount of S\$11 million, convertible into approximately 78,571,428 ordinary shares of the Company at an adjusted conversion price of S\$0.14 per Conversion Share. There were no outstanding convertibles as at 30 September 2018.

As at 30 September 2019 and 30 September 2018, there were no treasury shares held by the Company and there were no subsidiary holdings.

1(d)(iii) 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 September 2019	31 December 2018
Total number of issued ordinary shares excluding treasury shares	574,570,902	489,310,702

1(d)(iv) 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.

1(d)(v) 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.

2 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.

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

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial reporting period as compared to those applied in the audited financial statements for the financial year ended 31 December 2018 ("FY2018").

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all applicable new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which became effective for annual periods beginning on or after 1 January 2019. The adoption of the new and revised SFRS(I) has no material effect on the financial statements for the current financial period, except as described below:

SFRS(I) 16 Leases ("SFRS(I) 16**")**

SFRS(I) is effective for financial years beginning on or after 1 January 2019.

Under the new standard, an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset) and a liability to make lease payments (i.e. the lease liability) are recognised. Interest expense on the lease liability and the depreciation expense on the right-of-use asset are recognised separately in profit or loss.

The Group has applied the modified retrospective approach and does not restate comparative amounts for the year prior to first adoption.

In addition, the Group has elected practical expedients to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019 and to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

On the adoption of SFRS(I) 16, the Group measured lease liability based on remaining lease payments discounted using the incremental borrowing rate at the date of initial application, 1 January 2019. Right-of-use asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

On the adoption of SFRS(I) 16, the Group recognised right-of-use assets of S\$0.80 million and lease liabilities of S\$0.80 million for its leases previously classified as operating lease as of 1 January 2019.



6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	<u>Q3 FY2019</u>	<u>Q3 FY2018</u>	<u>9M FY19</u>	<u>9M FY18</u>
Loss attributable to owners of the Company (S\$'000)	(6,866)	(2,504)	(8,210)	(16,223)
Weighted average number of shares ('000)	500,330	489,311	500,330	489,311
Loss per share (cents)				
- Basic and diluted	(1.37)	(0.51)	(1.64)	(3.32)

For the purpose of calculating diluted loss per share, loss attributable to owners of the Company and the weighted average number of shares are adjusted for the effects of all dilutive potential ordinary shares.

Basic and diluted loss per share is the same as the Convertible Bonds are anti-dilutive.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
Net asset value (S\$'000)	51,823	47,676	78,885	71,746
Number of shares ('000)	574,571	489,311	574,571	489,311
Net asset value per share (cents)	9.02	9.74	13.73	14.66

8 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 211.5% or S\$4.34 million, from S\$2.05 million in Q3 FY2018 to S\$6.39 million in Q3 FY2019.

Revenue from the medical clinics/centres increased by S\$0.52 million, from S\$0.93 million in Q3 FY2018 to S\$1.45 million in Q3 FY2019 mainly due to contributions from nine dental clinics of S\$0.52 million which were acquired by the Group in late August 2019. The dental clinics provide a wide range of dental services that include primary dental care, restorative and aesthetics dentistry and pain management and aim to provide patient-centric and affordable dental services using the latest technology in up-to-date facilities.



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Revenue from the healthcare systems, comprising the provision of laboratory services and renal care services increased by S\$3.82 million, from S\$1.12 million in Q3 FY2018 to S\$4.94 million in Q3 FY2019. The increase was mainly contributed by PT Tirta Medika Jaya (“PT TMJ”) of S\$0.32 million and PT Indo Genesis Medika (“IGM Labs”) of S\$3.50 million. PT TMJ offers renal care services through joint operations with equipment manufacturers and hospitals in Indonesia. Since the acquisition of PT TMJ, the Group has significantly increased the number of renal care centres from 15 to 41 that are under contract with hospitals in Indonesia. IGM Labs operate diagnostics laboratories with partnering hospitals in Indonesia under joint operation contracts (“JOs”). Since the acquisition of IGM Labs in May 2019, 11 JOs have been successfully novated and operated under IGM Labs.

In comparison with the Group’s revenue in Q2 FY2019 of S\$4.64 million, the Group’s revenue in Q3 FY2019 increased by 37.7% or S\$1.75 million to S\$6.39 million in Q3 FY2019, mainly due to the acquisition of IGM Labs and nine dental clinics.

Purchases

Purchases increased by 329.8% or S\$3.36 million, from S\$1.02 million in Q3 FY2018 to S\$4.38 million in Q3 FY2019, in line with the increase in revenue.

Purchases mainly comprised direct expenses incurred in processing specimens by in-house laboratory testing facilities or outsourced third party clinical laboratories, as well as consumables and medicines used by medical clinics/centres and renal care services.

Employee benefits expense

Employee benefits expense increased by 20.1% or S\$0.29 million, from S\$1.49 million in Q3 FY2018 to S\$1.78 million in Q3 FY2019. This was attributable to a share-based payment to an employee of the Group pursuant to a service agreement and an increase in headcount arising from the acquisition of IGM Labs and nine dental clinics.

Depreciation expense

Depreciation expense increased by 342.1% or S\$0.96 million from S\$0.28 million in Q3 FY2018 to S\$1.24 million in Q3 FY2019 mainly due to (a) additional laboratory equipment purchased subsequent to Q3 FY2018, (b) expansion in the medical clinics in Hong Kong and renal care services in Indonesia, and (c) depreciation expenses recorded by IGM Labs acquired in May 2019.

Amortisation expense

Amortisation expense increased by 64.3% or S\$9,000, from S\$14,000 in Q3 FY2018 to S\$23,000 in Q3 FY2019. The increase in amortisation expense was attributable to the intangible assets identified from the acquisition of PT TMJ, Medic Laser Pte. Ltd. and Medic Surgical Pte. Ltd.

Other income

Other income decreased by 61.3% or S\$0.19 million, from S\$0.32 million in Q3 FY2018 to S\$0.13 million in Q3 FY2019 mainly due to a decrease in licensing income from the licensing of patents for fourier ptychographic microscope.

Fair value loss on an associate

The Group recorded a fair value loss on an associate amounted to S\$2.41 million in Q3 FY2019. The fair value loss on an associate was due to the decrease in fair value of the Group’s interest in Biolidics Limited. Biolidics Limited was listed on the Catalist Board of the SGX-ST on 19 December 2018.



Fair value loss on derivative financial instruments

Fair value loss on derivative financial instruments was mainly attributable to changes in the fair value of the call options granted by SPRING SEEDS Capital Pte. Ltd. ("**Spring Seeds Capital**") to the Group in respect of Spring Seeds Capital's interests in Biolidics Limited (the "**Biolidics Call Option**") and Singapore Institute of Advanced Medicine Holdings Pte. Ltd. ("**SIAMH**") (the "**SIAMH Call Option**"), as well as changes in the fair value of the Convertible Bonds issued by the Company.

The fair value loss on derivative financial instruments increased by S\$2.51 million, from S\$0.18 million in Q3 FY2018 to S\$2.69 million in Q3 FY2019 due to decrease in the fair value of the Biolidics Call Option of S\$0.56 million and fair value of the Convertible Bond of S\$1.96 million, and partially offset by an increase in fair value of the SIAMH Call Option of S\$0.01 million.

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

Other operating expenses

Other operating expenses decreased by 84.3% or S\$1.46 million, from S\$1.73 million in Q3 FY2018 to S\$0.27 million in Q3 FY2019. This was mainly due to (a) the foreign exchange gain of S\$0.19 million recorded by the Group in Q3 FY2019 as compared to an exchange loss of S\$0.17 million in Q3 FY2018, (b) decrease of S\$0.12 million in training expenses due to course fee incurred in previous year reversed in Q3 FY2019 as the expenses was recovered from a staff due to termination of educational bond agreement (c) decrease of S\$0.12 million in travelling expenses incurred by the Group and (d) reversal of expected credit losses on accounts receivables of S\$1.06 million made by IGM Labs.

The decrease was partially offset by an increase in operating expenses of S\$0.15 million recorded by IGM Labs acquired in May 2019, as well as an increase in inventory written off of S\$0.05 million.

To provide better clarity to the readers, the Group has identified the following other operating expenses as non-recurring expenses:

- i) professional fees and other miscellaneous expense relating to business acquisitions and collaborations in Q3 FY2019 of S\$0.30 million (Q3 FY2018: S\$0.58 million);
- ii) consultancy fees and other administrative expenses of S\$0.15 million (Q3 FY2018: S\$0.09 million) incurred for research and development activities which were streamlined; and partially offset by the following:
- iii) fair value adjustment of S\$0.01 million in Q3 FY2019 in respect of the contingent consideration payable for the acquisition of Clearbridge Medical (Philippines), Inc., Medic Laser, Medic Surgical and PT TMJ.
- iv) reversal of expected credit losses on accounts receivables of S\$1.06 million made by IGM Labs



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Finance costs

The Group's finance costs comprise mainly interest accrued on the call options granted by Spring Seeds Capital to the Group in respect of Spring Seeds Capital's investments in Clearbridge Biophotonics Pte. Ltd. and interest expense incurred on bank loans, finance lease and the Convertible Bonds.

Finance costs increased by 645.0% or S\$0.52 million, from S\$0.08 million in Q3 FY2018 to S\$0.60 million in Q3 FY2019 mainly due to interest expense incurred on the bank loans taken up by the Group for its acquisitions, interest expense incurred on the finance lease for assets used in the provision of laboratory services and interest charged on the Convertible Bonds issued by the Company in March 2019 and May 2019.

Income tax expense

Income tax expense decreased by 69.2% or S\$27,000, from S\$39,000 in Q3 FY2018 to S\$12,000 in Q3 FY2019. Decrease in income tax expense due to reversal of over provision of income tax.

Loss for the period

As a result of the foregoing, the Group recorded a loss of S\$6.89 million in Q3 FY2019 as compared to a loss of S\$2.46 million in Q3 FY2018.

Excluding the abovementioned non-recurring expenses identified in other operating expenses, fair value changes in other investments, an associate and derivative financial instruments, the loss before taxation recorded by the Group would have been S\$2.40 million as compared to a loss before taxation of S\$1.56 million in Q3 FY2018.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by 40.8% or S\$19.61 million, from S\$48.07 million as at 31 December 2018 to S\$67.68 million as at 30 September 2019. This was mainly due to (a) an increase in provisional goodwill on consolidation of S\$10.37 million in relation to the acquisition of IGM Labs in May 2019 and nine dental clinics in August 2019, (b) an increase in property, plant and equipment of S\$6.62 million which arose from the acquisition of IGM Labs in May 2019 and nine dental clinics in August 2019, (c) an increase in investment in an associate, Biolidics Limited of S\$1.80 million and (d) an increase in right-of-use assets of S\$1.59 million representing the Group's right to use the office premises, clinics and medical centres during the lease terms recognised in accordance with SFRS(I) 16, partially offset by a decrease in derivative financial instruments of S\$0.70 million.

Current assets

The Group's current assets increased by 119.3% or S\$17.54 million, from S\$14.70 million as at 31 December 2018 to S\$32.24 million as at 30 September 2019. This was mainly due to an increase in cash and bank balances of S\$7.09 million as a result of the proceeds from the placement shares. Trade receivable, other receivables, inventories and prepayment increased by S\$10.45 million mainly as a result of acquisition of IGM Labs and nine dental clinics.



Current liabilities

The Group's current liabilities increased by 148.9% or S\$13.73 million, from S\$9.22 million as at 31 December 2018 to S\$22.95 million as at 30 September 2019. This was mainly due to (a) an increase in borrowings of S\$3.21 million comprising the current portion of bank loans and the Convertible Bonds, (b) an increase in trade payables of S\$4.05 million mainly due to higher purchases by the Group's subsidiaries in Singapore and Indonesia, (c) an increase in other payable of S\$7.68 million mainly due to other payables and accrued expenses of S\$4.27 million which arose from the acquisition of IGM Labs, accrued legal and professional fee in relation to acquisition and issuance of convertible bonds, consideration payable of S\$1.86 million for acquisition of IGM Labs and nine dental clinics, recognition of payable to Spring Seeds Capital of S\$1.0 million relating to call options, contingent consideration payable of S\$0.55 million for acquisition of PT TMJ classified from non-current to current liabilities and (d) lease liabilities of S\$0.70 million representing the amounts payable by the Group as at 30 September 2019 for its right to use the office premises, clinics and medical centres during the lease terms.

The increases in other payables were partially offset by a decrease in consideration paid in Q1 FY2019 for the acquisition of Medic Laser Pte. Ltd. and Medic Surgical Pte. Ltd. which amounted to S\$2.0 million.

Non-current liabilities

The Group's non-current liabilities increased by 322.6% or S\$19.39 million, from S\$6.01 million as at 31 December 2018 to S\$25.40 million as at 30 September 2019. This was mainly due to (a) an increase in borrowings of S\$14.40 million comprising the non-current portion of bank loans and the Convertible Bonds, (b) an increase in other payables due to the recognition of contingent consideration of S\$1.33 million payable for the acquisition of nine dental clinics, partially offset by a decrease in contingent consideration of S\$0.55 million for acquisition of PT TMJ which was reclassified from non-current liabilities to current liabilities, (c) an increase in the non-current portion of lease liabilities of S\$0.90 million and (d) derivative financial instruments in respect of the Convertible Bonds measured at fair value of S\$3.29 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Cash inflow before changes in working capital for Q3 FY2019 amounted to S\$0.14 million. Net cash used in working capital for Q3 FY2019 amounted to S\$2.23 million mainly due to increase in trade receivables of S\$4.0 million, increase in inventories of S\$0.87 million and increase in prepayments of S\$0.03 million and partially offset by increase in trade and other payables of S\$2.18 million and decrease in other receivables of S\$0.49 million.

As a result, net cash used in operating activities after adjusting for cash paid for income tax and interest expense, amounted to S\$2.52 million in Q3 FY2019.

Net cash used in investing activities for Q3 FY2019 amounted to S\$3.78 million. This was mainly due to the consideration paid for the acquisition of nine dental clinics of S\$3.19 million and capital expenditure for the expansion of renal care services in Indonesia of S\$0.58 million.

Net cash generated from financing activities for Q3 FY2019 amounted to S\$12.98 million was attributable to net proceeds from the issuance of placement shares of S\$11.28 million and bank loans secured by the Group of S\$3.28 million for acquisition of nine dental clinics. This increase was partially offset by the repayment of bank loans of S\$0.75 million, an increase in restricted deposits of S\$0.75 million and dividend paid to a non-controlling shareholder of S\$0.08 million.

As a result, after adjusting for the effects of foreign exchange rate changes, there was a net increase in cash and cash equivalents of S\$6.51 million, from S\$6.43 million as at 30 June 2019 to S\$12.94 million as at 30 September 2019.



9 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.

10 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 Group believes that the outlook of the laboratory testing services and medical clinics/centres businesses is expected to remain positive as growth in populations, coupled with an increase in life expectancy, is likely to lead to an ageing population which will drive demand for more and better healthcare services. These are focus areas for precision medicine and are likely to lead to an increase in demand for laboratory testing services as well as the Group's business in the ownership and operation of medical clinics/centres.

To manage its cost, the Group continues to enhance its internal capabilities and processes to achieve greater efficiencies and returns.

The Group will also continue to explore suitable opportunities to expand its business regionally through investments, mergers and acquisitions, joint ventures and/or strategic collaborations.

11 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.

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

No dividend was declared by the Company for the current financial period reported on as the Company is not profitable yet.

13 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 Q3 FY2019.

14 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 Q3 FY2019 of the Group and the Company to be false or misleading in any material aspect.

15 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.

16 Use of IPO proceeds

Pursuant to the initial public offering of the Company, 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	(6,527)	4,473
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	(17,527)	4,473

Note:

⁽¹⁾ Comprises operating expenses.

17. Use of Convertible Bonds proceeds

Pursuant to the issuance of the Convertible Bonds, the Company received net proceeds of approximately S\$10.48 million (the “**CB Net Proceeds**”). As at the date of this announcement, the CB Net Proceeds have been utilised as follows:

	Amount allocated (as disclosed in the Convertible Bonds announcement) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance (S\$'000)
Expansion of the Company's medical clinics, medical centres and/or laboratory testing services business through mergers and acquisitions, joint ventures, strategic collaborations and/or investment, or organically	7,336	(7,336)	-
General working capital purposes ⁽¹⁾	3,144	(3,144)	-
Total	10,480	(10,480)	-

Note:

⁽¹⁾ Comprises operating expenses.

18. Use of Placement Shares proceeds

Pursuant to the issuance of the Placement Shares, 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	(738)	2,645
Total	11,276	(738)	10,538

Note:

⁽¹⁾ Comprises operating expenses.



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ON BEHALF OF THE BOARD

Yee Pinh Jeremy
Executive Director and Chief Executive Officer

Chen Johnson
Non-Executive Non-Independent Chairman

Date
14 November 2019