

**RESPONSE TO QUERIES FROM SGX REGCO  
REGARDING THE COMPANY'S CIRCULAR DATED 8 OCTOBER 2024**

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The board of directors (the “**Board**” or “**Directors**”) of Clearbridge Health Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the circular to shareholders of the Company (“**Shareholders**”) dated 8 October 2024 (the “**Circular**”) in relation to:

- (i) the proposed renounceable non-underwritten rights issue of up to 1,279,125,560 new ordinary shares in the capital of the Company (“**Rights Shares**”) at an issue price of S\$0.002 on the basis of 2 Rights Shares for every 1 existing ordinary share of the Company (“**Proposed Rights Issue**”); and
- (ii) the potential transfer of controlling interest in the Company to Ms Lee Su Hui Lena arising from the Proposed Rights Issue (“**Potential Transfer of Controlling Interest**”).

The Board wishes to inform that Singapore Exchange Regulation (“**SGX RegCo**”) had raised some queries in respect to the Circular and the Company would like to announce its responses below.

*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as ascribed to them in the Circular.*

*SGX RegCo’s Query 1:*

*As set out in Section 2.4.12 of the Circular, pursuant to the terms and conditions of the Bonds, the Conversion Price will be adjusted in the event of any rights issue of the Company. Details of such adjustment pursuant to the Proposed Rights Issue will be announced by the Company separately in due course. In the event that additional Conversion Shares are to be issued as a result of such adjustment pursuant to the Proposed Rights Issue, the Company will make a separate application to the SGX-ST through its continuing sponsor, ZICO Capital Pte. Ltd., for permission to deal in and for the listing of and quotation for the additional Conversion Shares on the Catalist Board of the SGX-ST.*

*(i) Please clarify if the additional Conversion Shares (if any) will be subject to shareholders’ approval or if the additional Conversion Shares will be issued from the shareholders’ general mandate.*

Company’s response: Pursuant to the terms and conditions of the Bonds, the Proposed Rights Issue will likely require a downward adjustment to the Conversion Price of the Conversion Shares for the Outstanding Bonds, which will likely result in the issuance of additional Conversion Shares on conversion of the Outstanding Bonds. The adjustment formula to the Conversion Price of the Bonds applicable to the Proposed Rights Issue (“**Adjustment Formula**”) is disclosed in Paragraph (d) of Appendix 1 to the Company’s circular to Shareholders dated 10 April 2019. The Company notes that, based on the Adjustment Formula to the Conversion Price of the Bonds applicable to the Proposed Rights Issue, the adjusted Conversion Price requires the enlarged issued and paid-up share capital of the Company to be determined, which can only be determined upon the completion of the Proposed Rights Issue. Accordingly, as at the date of this announcement, the Company will not be able to determine the adjusted Conversion Price and consequently, the Company will also not be able to determine the number of additional Conversion Shares to be issued.

Nevertheless, in the event that the Bondholders exercise their rights to convert all or part of their Bonds, the Company intends to issue the additional Conversion Shares to Bondholders, as a result of an adjustment to the Conversion Price, pursuant to the general mandate granted by Shareholders at the

Company's last annual general meeting held on 29 April 2024 (the "**General Mandate**"). The General Mandate authorises the Company to issue new Shares not exceeding 100% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the passing of the resolution (being up to 619,741,352 new Shares), after certain adjustments, of which the aggregate number of new Shares to be issued other than on a *pro-rata* basis to existing Shareholders shall not exceed 50% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) (being up to 309,870,676 new Shares). As at the date of this announcement, the Company has not utilised the General Mandate and the Company does not expect the additional Conversion Shares to exceed the amount which the Company is authorised to issue under the General Mandate.

**SGX RegCo's Query 2:**

*Who had proposed the Proposed Rights Issue and its terms? What did the Board of Directors of the Company ("Board") consider in approving the Proposed Rights Issue?*

Company's response: The management of the Company proposed the Proposed Rights Issue and its terms.

The Board had reviewed and considered the following factors in approving the Proposed Rights Issue, as disclosed in Section 3 of the Circular:

- 1) the Group's current operating environment, cash flow, as well as investment and expansion plans;
- 2) the Group's current operating environment has become increasingly competitive, such as the market for the distribution of the Group's products becoming increasingly more competitive, with increasing costs, as more technologies and products enter into the market. The Group has also faced headwinds in connection with operation of medical clinics and centres in Singapore and Philippines due to, amongst others, increased competition and costs in these spaces;
- 3) with the cash and cash equivalents of the Group having decreased from S\$3,671,000 as of 31 December 2023 to S\$1,586,000 as of 30 June 2024 (as shown in the Company's unaudited condensed interim financial statements for 1H FY2024), the Group foresees that it would be prudent to require additional cash reserves to support the Group's ongoing working capital requirements;
- 4) the Group is currently evaluating its options to preserve value for the Group and if need be, will undertake certain corporate exercises to restructure its businesses and operations to achieve sustainability. 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
- 5) the Company is of the view that Proposed Rights Issue will strengthen the Group's financial position and provide the Group with financial flexibility in fulfilling its working capital requirements. In the event that there are any business opportunities that arise, the Group would also be in a better position to seize these opportunities in a timely manner, so as to secure the Group's competitiveness in its operating environment. The Company is also of the view that the Proposed Rights Issue provides an opportunity for Shareholders who are confident in the future prospects of the Group to subscribe for additional Shares.

To provide background context, the Company had been evaluating various fundraising options, including a rights issue or placement and had engaged with its Substantial Shareholders, convertible bondholders and previous investors ("**Key Stakeholders**") to ascertain their respective interest levels on further investments into the Company. Save for Mr Chen Johnson and Mr Yee Pinh Jeremy, the Key Stakeholders had indicated that they were not keen to invest further into the Company at this time.

Thereafter, the Company arrived at the decision to conduct a rights issue given the current market conditions, the Company's situation and needs (as described above) and poor liquidity factors, thereby affording all Shareholders the opportunity and entitlement to participate in the fundraising exercise, ensuring that no Shareholders would be prejudiced in the proposed fundraising exercise. Furthermore, the Proposed Rights Issue is offered at a discount to encourage and attract as many Shareholders as possible to participate in the Proposed Rights Issue and to subscribe for the Rights Shares.

SGX RegCo's Query 3:

*We note that Ms Lee Su Hui Lena ("Ms Lee") currently holds an aggregate of 5,000 Shares, representing 0.000807% of the existing issued and paid-up share capital of the Company and has provided an irrevocable undertaking to the Company to, amongst others, fully subscribe and/or procure the full subscription for her pro-rata entitlement, which amounts to 10,000 Rights Shares, and 249,990,000 Excess Rights Shares ("Ms Lee Excess Rights Shares") ("Irrevocable Undertaking"). As such, under the Minimum Subscription Scenario, Ms Lee's interest in the Company will increase from approximately 0.000807% to 24.95% upon completion of the Proposed Rights Issue, resulting in a transfer of controlling interest.*

*(i) Please provide more information on Ms Lee's background.*

Company's response:

*The information below was provided to the Company by Ms Lee and/or her representatives. The Directors have not conducted an independent review or verification of the accuracy of the statements and information set out below.*

Ms Lee is currently a philanthropist, having been dedicated to a wide spectrum of charitable and philanthropic activities for more than 20 years. She was a psychologist by profession. Additionally, she has served as a counsellor, management consultant, educator and corporate human resource executive in both Singapore and Australia.

*(ii) How was Ms Lee introduced to the Company?*

Company's response: On 27 August 2024, the Company received a letter from Ms Lee (the "**Letter**"), an existing Shareholder as at the date of the Letter. In the Letter, Ms Lee recommended that the Company may want to consider raising funds to strengthen the Group's cash position, thereby better positioning the Group to undertake any potential business opportunities, and to weather any adverse economic changes, in view of its cash position as at 30 June 2024. Ms Lee further suggested that if the Company is indeed considering raising funds from the capital markets, the Company may want to consider raising funds by way of a rights issue, rather than by way of a private placement, as a rights issue would be more equitable for existing Shareholders, as it would allow all existing Shareholders to participate in the issuance of the Company's Shares. As a sign of support, Ms Lee indicated her personal preparedness to commit funds to support a rights issue should the Company choose to raise funds through a rights issue. Subsequently, the management of the Company reached a decision to proceed with a rights issue to raise funds, and in view of the Letter, the management of the Company had approached Ms Lee to explore the possibility of her providing an irrevocable undertaking to the Company ("**Irrevocable Undertaking**") in respect of the Proposed Rights Issue.

*(iii) Please elaborate on the circumstances leading to Ms Lee providing the Irrevocable Undertaking.*

Company's response: Please refer to the abovementioned response in 3(ii).

*(iv) The Issue Price of S\$0.002 per Rights Share is at a 77.78% discount to VWAP on last market day, and 53.49% discount to the theoretical ex-rights price. What did the Board and Management consider*

*in proposing and agreeing to the Irrevocable Undertaking? How is this in the best interest of the Company and its shareholders?*

Company's response: The Company wishes to highlight that the Irrevocable Undertaking from Ms Lee will not result in the Shareholders losing the chance of subscribing to their Rights Shares and applying for Excess Rights Shares. Accordingly, there is no prejudice to the Shareholders as all Shareholders have the same right to participate in the Proposed Rights Issue at the same Issue Price. The Company wishes to highlight that the Issue Price (being a substantial discount to the theoretical ex-rights price) is meant to encourage and attract as many Shareholders as possible to participate in the Proposed Rights Issue and to subscribe for the Rights Shares, given the current market conditions, the Company's situation and needs and poor liquidity.

Furthermore, the Irrevocable Undertaking from Ms Lee is in the best interest of the Company as it provides certainty that in the event that the Proposed Rights Issue is not fully taken up by Shareholders, the Net Proceeds will minimally be increased by S\$500,000 pursuant to the Irrevocable Undertaking from Ms Lee (as illustrated under the Minimum Subscription Scenario as set out in Section 3.2.1 of the Circular). Overall, the Irrevocable Undertaking from Ms Lee will improve the Company's chances of raising Net Proceeds of S\$2,308,000 under the Maximum Subscription Scenario.

*(v) How was the Ms Lee Excess Rights Shares of 249,990,000 arrived at?*

Company's response: The LSHL Excess Rights Shares were arrived at based on the amount of S\$500,000 that LSHL has undertaken to subscribe for both LSHL Entitled Rights Shares and LSHL Excess Rights Shares. LSHL is entitled to 10,000 Entitled Rights Shares (subscription amount of S\$20 at S\$0.002 per Rights Share), which will result in the remaining S\$499,980 being set aside for 249,990,000 LSHL Excess Rights Shares, to the extent that there are sufficient Excess Rights Shares to be allocated to Ms Lee.

*(vi) Assuming shareholders approve the Proposed Rights Issue and the Potential Transfer of Controlling Interest, Ms Lee may become the single largest controlling shareholder of the Company, with a 24.95% stake.*

*(a) What are Ms Lee's plans for the Company and the Group?*

*(b) Will Ms Lee and / or her nominees be appointed to the Board and / or Key Management of the Company?*

Company's response: The Company understands that Ms Lee will remain a passive shareholder as at the date of this announcement. There are currently no plans for Ms Lee and/or her nominees to be appointed to the Board and/or become a key management of the Company. The Company has not entered into any agreement(s) with Ms Lee to appoint her and/or her nominees to the Board and/or as a key management of the Company and there had been no such request from Ms Lee.

*(vii) What did the Board consider when assessing whether (a) Ms Lee has entered into, or proposes to enter into an agreement or undertaking (whether formal or informal, directly or indirectly) with any persons in connection with the Proposed Rights Issue and / or the Irrevocable Undertaking; (b) Ms Lee is subscribing for the Excess Rights Shares for her own account for investment purposes and will not be holding the Excess Rights Shares in trust or as a nominee for other persons; (c) Ms Lee is independent of the Company, its directors, substantial shareholders and their associates; and (d) Ms Lee and her associates hold, directly or indirectly, any shares in the Company or any instruments that may be converted into shares in the Company.*

Company's response: The Company understands that Ms Lee has no associates who hold Shares in the Company as at the date of this announcement and Ms Lee has no intention to consolidate control of the Company.

Ms Lee has further represented, warranted and undertaken to the Company in an additional irrevocable undertaking dated 15 October 2024 (the “**Additional Irrevocable Undertaking**”), *inter alia*, that:

- (a) she has not entered into, nor proposed to enter into, any agreement or undertaking (whether formal or informal, directly or indirectly) with any persons in connection with the Proposed Rights Issue and/or the Irrevocable Undertaking;
- (b) she is subscribing for the Excess Rights Shares for her own account for investment purposes and will not be holding the Excess Rights Shares in trust or as a nominee or as an agent for or otherwise on behalf of any other person or entity;
- (c) she and her associates are independent of the Company, Directors, Substantial Shareholders and their respective associates;
- (d) she is not acting in concert with and/or in accordance with the instructions of any party in relation to the Proposed Rights Issue and/or Shares in the Company; and
- (e) save for her interest in 5,000 Shares held either directly or indirectly and/or through nominee account(s), she and her associates (i) do not hold, directly or indirectly, any Shares in the Company or any instruments that may be converted into Shares in the Company; and (ii) do not have any existing connection (including business relationships) with any of the Directors or Substantial Shareholders and their respective associates.

*(viii) It is stated that Ms Lee had undertaken to vote in favour of the Proposed Rights Issue. Please elaborate on why Ms Lee is not required to abstain from voting, given that she has vested interest in the Proposed Rights Issue by virtue of her Irrevocable Undertaking pursuant to which she may become the single largest shareholder of the Company with controlling stake of 24.95%.*

Company’s response: As disclosed in the Circular, Ms Lee shall abstain, and shall procure her associates to abstain from voting at the EGM on Ordinary Resolution 2, which approves the potential Transfer of Controlling Interest to Ms Lee and shall also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of Ordinary Resolution 2 unless Shareholders appointing her as proxy give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the said resolution.

The Company is of the view that there is no legal requirement for Ms Lee to abstain from voting on Ordinary Resolution 1 as the two resolutions are separate and distinct. Ordinary Resolution 1 relates to the Proposed Rights Issue, which is open to all Shareholders, and the Company may proceed with the Proposed Rights Issue even if Ordinary Resolution 2 is not passed (i.e. the passing of Ordinary Resolution 1 is not conditional upon the passing of Ordinary Resolution 2), as all the Company would be required to do is to restrict the Excess Rights Shares allocated to Ms Lee to ensure that there is no transfer of Controlling Interest. Accordingly, there is no conflict of interests arising from Ms Lee voting on Ordinary Resolution 1.

Nevertheless, the Company has requested Ms Lee to provide, and Ms Lee has agreed, to provide the Additional Irrevocable Undertaking, pursuant to which she has undertaken, *inter alia*, to abstain, and to procure her associates to abstain, from voting at the EGM on Ordinary Resolution 1 approving the Proposed Rights Issue and also refrain from accepting nomination as proxy or otherwise vote at the EGM in respect of Ordinary Resolution 1 unless Shareholders appointing her as proxy give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for the said resolution.

SGX RegCo's Query 4:

*The use of proceeds from the Proposed Rights Issue is solely for general working capital purposes. Please provide a breakdown of the nature of such working capital expenditure.*

Company's response: The proceeds will primarily be used for the payments for payroll-related expenses and Directors' fees, payments to suppliers, payments for professional fees, payments for rental and payments for other miscellaneous operating expenses. In accordance with the Catalist Rules, where the proceeds have been used for general corporate and/or working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the Company's announcements and annual reports.

SGX RegCo's Query 5:

*As set out in Section 2.5.1 of the Circular, in relation to the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots, and the Directors and the Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Proposed Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The Company will not make any allotment and issuance of any Excess Rights Shares that will result in a transfer of any Controlling Interest in the Company unless otherwise approved by Shareholders in a general meeting.*

*We refer to the SGX Regulator's Column dated 15 December 2023 and titled "What SGX RegCo expects of listed issuers when allotting excess rights shares" ("Column"). The Column sets out, amongst others, that compliance with Catalist Rule 814(3) on allotment of excess rights shares requires issuers not only to provide the necessary confirmation in form but to enact it in substance. The Column also sets out various non-exhaustive scenarios, for instance the "Oversubscription Scenario" where the listed issuer is expected to determine an appropriate allocation methodology for allocation amongst all minority shareholders.*

*(i) Please identify the relevant directors and substantial shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, and how the excess rights shares are to be allocated to the persons who have applied for excess rights shares, including Ms Lee.*

Company's response: Mr Chen Johnson, Mr Yee Pinh Jeremy and Mr Mark Benedict Ryan who are each a Director and Shareholder, will be considered to have control and/or influence over the Company in connection with the day-to-day affairs of the Company.

As disclosed in the Circular, in relation to the allotment of any Excess Rights Shares, preference will be given to the rounding of odd lots and the Directors and the Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Proposed Rights Issue, or have a representation (direct or through a nominee) on the Board, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. Furthermore, Company will not make any allotment and issuance of any Excess Rights Shares that will result in a transfer of any Controlling Interest in the Company unless otherwise approved by Shareholders in a general meeting. For the avoidance of doubt, the Company will not issue and allot any of the Excess Rights Shares that would result in the Transfer of Controlling Interest to Ms Lee unless Shareholders' approval for the Transfer of Controlling Interest has been obtained at the EGM.

The Company intends to adopt the following methodology for the allocation of Excess Rights Shares:

- 1) Step 1\*: Excess Rights Shares will be allotted to Shareholders for the purposes of rounding the aggregate of their existing shareholding in the Company and number of Rights Shares accepted to the nearest board lot.

- 2) Step 2\*: Shareholders who have applied for Excess Rights Shares will be allotted in tiers based on their existing shareholding in the Company and number of Right Shares accepted. However, these tiers can only be determined at a later date depending on the number of Excess Rights Shares available for allotment.

**For illustrative purposes only**, Shareholders whose aggregate existing shareholding in the Company and number of Rights Shares applied is between 1 to 5,999 will be allotted up to 100,000 Excess Rights Shares, Shareholders whose aggregate existing shareholding in the Company and number of Rights Shares applied is between 6,000 to 9,999 will be allotted up to 250,000 Excess Rights Shares, and so forth.

- 3) Step 3: Excess Rights Shares remaining (if any) will be allotted to the Restricted Individuals first for the purposes of rounding the aggregate of their existing shareholding in the Company and number of Rights Shares accepted to the nearest board lot, and thereafter, to satisfy the applications for Excess Rights Shares in such proportion or manner as the Board may determine.

*\* Where indicated in the respective steps, the Directors and the Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or the terms of the Proposed Rights Issue, or have a representation (direct or through a nominee) on the Board (i.e. “**Restricted Individuals**” as defined in the Column) would be excluded from allotment. For the avoidance of doubt, the Company will also consider Ms Lee a Restricted Individual in the allocation of Excess Rights Shares.*

The Company wishes to highlight that as the undertaking Directors are only intending to subscribe for their respective Rights Entitlement and not for Excess Rights Shares, they will not be in a position of conflict when deciding on the allocation of Excess Rights Shares. In the event that any undertaking Director submits an application for Excess Rights Shares, the Director will abstain from making any decision in relation to the allotment of Excess Rights Shares.

The Company will ultimately adjust the methodology applied or adopt another methodology, if appropriate, to arrive at the most equitable outcome for the Shareholders, to balance the Company's objectives of, *inter alia*, (i) allowing the greatest number of Shareholders to participate in excess allotment; and (ii) rewarding long-time Shareholders who have shown their support by subscribing for their Rights Entitlements.

*(ii) In view of the terms of the Proposed Rights Issue and the Irrevocable Undertaking, please elaborate on how the Company intends to adhere to the form and substance of the Catalist Rules when determining an allocation methodology for allocation of excess rights shares, with a view to achieving a fair outcome for all minority shareholders (particularly under an “Oversubscription Scenario”).*

Company's response: Please refer to the abovementioned response in 5(i).

**SGX RegCo's Query 6:**

Please provide the Board's confirmation on whether sufficient information has been disclosed for the trading of the Company's securities to continue in an orderly manner and whether the Board is aware of any material information that requires disclosure but remains undisclosed as of the date of this response.

The Board are reminded of Paragraph 8 of Appendix 7A of the Catalist Rules which states that “information must not be divulged to any person (outside of the issuer and its advisers) in such a way as to place in a privileged dealing position any person”. The Board should also restrict access to material

price and trade sensitive information to the extent possible, to the highest possible levels of management and should be disclosed to officers, employees and others only on a need-to-know basis.

[Company's response](#): The Board confirms that sufficient information has been disclosed for the trading of the Company's securities to continue in an orderly manner and the Board is not aware of any material information that requires disclosure but remains undisclosed as of the date of this announcement.

## **By Order of the Board**

Yee Pinh Jeremy  
Executive Director and Chief Executive Officer

16 October 2024

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalyst.*

*This announcement has not been examined or approved by the SGX-ST and 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 Ms Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.*