



Clearbridge Health Limited
37 Jalan Pemimpin #08-05 Mapex Singapore 577177
TEL 65 6251 0136 FAX 65 6251 0132
clearbridgehealth.com

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 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 FIRST QUARTER ENDED 31 MARCH 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		Increase/ (Decrease) %
	Q1 FY2019 S\$'000	Q1 FY2018 S\$'000	
Revenue	2,214	377	487.3
Purchases	(1,252)	(158)	692.4
Employee benefits expense	(1,733)	(1,159)	49.5
Depreciation expense	(355)	(81)	338.3
Amortisation expense	(27)	(5)	440.0
Research and development expenses	-	(19)	n.m.
Other income	234	65	260.0
Fair value gain on other investments	-	29	n.m.
Fair value gain on an associate	2,405	8	n.m.
Fair value (loss)/gain on derivative financial instruments	(347)	758	n.m.
Other operating expenses*	(1,011)	(1,411)	(28.3)
Finance costs	(194)	(78)	148.7
Loss before taxation	(66)	(1,674)	(96.1)
Income tax expense	(28)	(116)	(75.9)
Loss for the period	(94)	(1,790)	(94.7)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange difference on translation of foreign operations	280	31	803.2
Total comprehensive income for the period	186	(1,759)	n.m.
Profit/(loss) attributable to:			
Owners of the Company	1	(1,489)	n.m.
Non-controlling interest	(95)	(301)	(68.4)
	(94)	(1,790)	n.m.
Total comprehensive income attributable to:			
Owners of the Company	190	(1,474)	n.m.
Non-controlling interest	(4)	(285)	(98.6)
	186	(1,759)	n.m.

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 Q1 FY2019:

	Recurring S\$'000	Non- recurring S\$'000	Total S\$'000
Other operating expenses	330	681	1,011

The non-recurring other operating expenses were mainly due to one-off legal and professional fees incurred pursuant to the business acquisitions, collaborations and loan financing, one-off consultancy fee and other administrative expenses for research and development activities, as well as the fair value adjustment on contingent consideration for business combinations.

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\$1.44 million in Q1 FY2019 (Q1 FY2018: S\$2.05 million).



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

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

	GROUP		
	Q1 FY19 S\$'000	Q1 FY18 S\$'000	Increase/ (Decrease) %
Interest expense on:			
- Call options	(60)	(60)	-
- Borrowings	(36)	(18)	100.0
- Convertible bonds	(75)	-	n.m.
- Lease liabilities ⁽¹⁾	(23)	-	n.m.
Depreciation expense on:			
- Property, plant and equipment	(302)	(81)	272.8
- Right-of-use assets ⁽¹⁾	(53)	-	n.m.
Amortisation expense	(27)	(5)	440.0
Other income:			
- Grant income	101	1	n.m.
- Interest income	98	64	53.1
- Licensing income	35	-	n.m.
Material items included in other operating expenses:			
- Fair value adjustment on contingent consideration for business combinations	(202)	-	n.m.
- Foreign exchange gain/(loss)	368	(186)	n.m.
- Professional fees ⁽²⁾	(594)	(448)	32.6
- Rental ⁽³⁾	(105)	(138)	(23.9)
- Share-based payment - equity settled	(84)	-	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 the business acquisitions and collaborations, and loan financing which amounted to S\$0.20 million in Q1 FY2019 (Q1 FY2018: S\$0.17 million).
- (3) Rental expenses for Q1 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	
	31/03/19 S\$'000	31/12/18 S\$'000	31/03/19 S\$'000	31/12/18 S\$'000
Non-current assets				
Investments in subsidiaries	-	-	33,181	33,181
Investment in an associate	15,636	13,230	-	-
Derivative financial instruments	3,236	3,788	-	-
Property, plant and equipment	6,585	6,625	22	23
Right-of-use assets	747	-	-	-
Intangible assets	239	266	3	3
Goodwill on consolidation	22,296	22,296	-	-
Other investments	1,860	1,860	-	-
Amounts due from subsidiaries	-	-	26,270	23,783
	<u>50,599</u>	<u>48,065</u>	<u>59,476</u>	<u>56,990</u>
Current assets				
Cash at banks and short-term deposits	14,597	8,005	11,395	3,509
Trade receivables	2,503	2,050	-	-
Prepayments	429	275	263	86
Other receivables	5,215	3,954	81	88
Amounts due from subsidiaries	-	-	16,692	15,307
Inventories	496	413	-	-
	<u>23,240</u>	<u>14,697</u>	<u>28,431</u>	<u>18,990</u>
Total assets	<u>73,839</u>	<u>62,762</u>	<u>87,907</u>	<u>75,980</u>
Current liabilities				
Borrowings	2,024	470	1,954	400
Trade payables	1,253	1,007	-	-
Other payables	5,608	7,072	526	360
Amounts due to subsidiaries	-	-	3,255	2,848
Lease liabilities	185	-	-	-
Contract liabilities	423	473	-	-
Income tax payable	182	196	-	15
	<u>9,675</u>	<u>9,218</u>	<u>5,735</u>	<u>3,623</u>
Net current assets	<u>13,565</u>	<u>5,479</u>	<u>22,696</u>	<u>15,367</u>
Non-current liabilities				
Borrowings	11,908	2,419	10,144	611
Other payables	1,872	1,774	-	-
Lease liabilities	581	-	-	-
Derivative finance instruments	311	-	311	-
Deferred tax liabilities	1,816	1,821	-	-
	<u>16,488</u>	<u>6,014</u>	<u>10,455</u>	<u>611</u>
Total liabilities	<u>26,163</u>	<u>15,232</u>	<u>16,190</u>	<u>4,234</u>
NET ASSETS	<u>47,676</u>	<u>47,530</u>	<u>71,717</u>	<u>71,746</u>
Equity attributable to owners of the Company				
Share capital	77,670	77,670	77,670	77,670
Capital reserve	(2,179)	(2,179)	(6,716)	(6,716)
Share-based payment reserve	1,463	1,379	1,298	1,214
Fair value reserve	1,110	1,110	-	-
Currency translation reserve	(74)	(263)	-	-
Accumulated losses	(30,040)	(30,041)	(535)	(422)
Equity attributable to owners of the Company	<u>47,950</u>	<u>47,676</u>	<u>71,717</u>	<u>71,746</u>
Non-controlling interests	(274)	(146)	-	-
TOTAL EQUITY	<u>47,676</u>	<u>47,530</u>	<u>71,717</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 31 March 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,986	38	470	-

Amount repayable after one year

As at 31 March 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,887	9,021	2,419	-

Details of any collateral

As at the balance sheet date:

- i) The Group's bank borrowings of (a) S\$1.57 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**") and (b) S\$3.04 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.
- ii) The Group's finance lease liability of S\$0.26 million (31 December 2018: S\$0.28 million) is secured by the Group's laboratory equipment.
- iii) On 8 March 2019, the Company had issued convertible bonds ("**Convertible Bonds**") with an aggregate principal amount of S\$9.50 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. As the conversion price may be subject to adjustments due to the occurrence of certain events, the Convertible Bonds are accounted for as a liability.

As at 31 March 2019, the carrying amount of the Convertible Bonds amounted to S\$9.06 million (31 December 2018: Nil), of which S\$0.04 million is included as current liabilities and S\$9.02 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	
	Q1 FY2019 S\$'000	Q1 FY2018 S\$'000
Operating activities		
Loss before taxation	(66)	(1,674)
Adjustments for:		
Share-based payment - equity settled	84	-
Depreciation of property, plant and equipment	302	81
Depreciation of right-of-use assets	53	-
Amortisation of intangible assets	27	5
Interest income	(98)	(64)
Interest expense	194	78
Fair value adjustment on contingent consideration	202	-
Fair value loss/(gain) on derivative financial instruments	347	(758)
Fair value gain on associates	(2,405)	(8)
Fair value gain on other investments	-	(29)
Unrealised foreign exchange gain	(400)	(32)
Operating cash flows before changes in working capital	(1,760)	(2,401)
Increase in trade receivables	(453)	(77)
Increase in prepayments	(125)	(114)
Increase in other receivables	(378)	(241)
Increase in inventories	(83)	(67)
Increase in trade payables	246	118
Increase/(decrease) in other payables	214	(1,034)
Cash flows used in operations	(2,339)	(3,816)
Income tax paid	(46)	(1)
Interest paid	(36)	(7)
Interest received	16	-
Net cash flows used in operating activities	(2,405)	(3,824)
Investing activities		
Purchase of property, plant and equipment	(174)	(215)
Acquisition of a subsidiary	-	(905)
Payment for contingent consideration	(2,000)	-
Loan to a third party	(490)	-
Net cash flows used in investing activities	(2,664)	(1,120)
Financing activities		
Dividend paid to non-controlling interests	(124)	-
Proceeds from bank loans	2,119	-
Proceeds from issuance of Convertible Bonds	9,500	-
Repayment of loans and borrowings	(114)	(13)
Increase in restricted deposits	(805)	-
Net cash generated from/(used in) financing activities	10,576	(13)
Net increase/(decrease) in cash and cash equivalents	5,507	(4,957)
Cash and cash equivalents at the beginning of the period	7,770	27,740
Effects of foreign exchange rate changes, net	280	66
Cash and cash equivalents at the end of the period	13,557	22,849

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

	Q1 FY2019 S\$'000	Q1 FY2018 S\$'000
Cash and banks and short-term deposits	14,597	22,849
Less: Restricted deposits	(1,040)	-
Cash and cash equivalents	13,557	22,849



Clearbridge Health Limited
 37 Jalan Pemimpin #08-05 Mapex Singapore 577177
 TEL 65 6251 0136 FAX 65 6251 0132
 clearbridgehealth.com

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 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>									
Profit for the period	-	-	-	-	-	1	1	(95)	(94)
Other comprehensive income for the period					189	-	189	91	280
Total comprehensive income for the period	-	-	-	-	189	1	190	(4)	186
<i>Transactions with owners, recognised directly in equity</i>									
Dividend	-	-	-	-	-	-	-	(124)	(124)
Share-based payment - equity settled	-	-	84	-	-	-	84	-	84
Balance as at 31 March 2019	77,670	(2,179)	1,463	1,110	(74)	(30,040)	47,950	(274)	47,676



Clearbridge Health Limited
 37 Jalan Pemimpin #08-05 Mapex Singapore 577177
 TEL 65 6251 0136 FAX 65 6251 0132
 clearbridgehealth.com

(In S\$'000)

	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
Group									
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	-	-	-	-	-	(1,489)	(1,489)	(301)	(1,790)
Other comprehensive income for the period	-	-	-	-	15	-	15	16	31
Total comprehensive income for the period	-	-	-	-	15	(1,489)	(1,474)	(285)	(1,759)
<i>Transactions with owners, recognised directly in equity</i>									
Acquisition of a subsidiary	-	-	-	-	-	-	-	836	836
Balance as at 31 March 2018	73,897	(2,179)	165	735	(70)	(13,082)	59,466	(746)	58,720



Clearbridge Health Limited
 37 Jalan Pemimpin #08-05 Mapex Singapore 577177
 TEL 65 6251 0136 FAX 65 6251 0132
 clearbridgehealth.com

(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	-	-	-	(113)	(113)
Share-based payment - equity settled	-	-	84	-	84
Balance as at 31 March 2019	77,670	(6,716)	1,298	(535)	71,717
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	-	-	-	(362)	(362)
Balance as at 31 March 2018	73,897	(6,716)	-	1,368	68,549



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 31 March 2019 and 31 December 2018	489,310,702	77,669,318

As at 31 March 2019, the Company has outstanding Convertible Bonds with an aggregate principal amount of S\$9.50 million, convertible into approximately 33,928,572 ordinary shares of the Company at a conversion price of S\$0.28 per Conversion Share. There were no outstanding convertibles as at 31 March 2018.

As at 31 March 2019 and 31 March 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.

	31 March 2019	31 December 2018
Total number of issued ordinary shares excluding treasury shares	489,310,702	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 year ending 31 December 2019 (“FY2019”) 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	
	Q1 FY2019	Q1 FY2018
Profit/(loss) attributable to owners of the Company (S\$'000)	1	(1,489)
Weighted average number of shares ('000)	489,311	481,000
Earnings/(loss) per share (cents)		
- Basic and diluted	- *	(0.31)

* Less than 0.01 cents

For the purpose of calculating diluted earnings/(loss) per share, profit/(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.

The conversion of the Convertible Bonds could potentially dilute basic earnings per share in the future, but have not been included in the calculation of diluted earnings/(loss) per share because there is no dilutive effect for Q1 FY2019.

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	
	31-Mar-19	31-Dec-18	31-Mar-19	31-Dec-18
Net asset value (S\$'000)	47,950	47,676	71,717	71,746
Number of shares ('000)	489,311	489,311	489,311	489,311
Net asset value per share (cents)	9.80	9.74	14.66	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 487.3% or S\$1.83 million, from S\$0.38 million in Q1 FY2018 to S\$2.21 million in Q1 FY2019.

Revenue from the medical clinics/centres increased by S\$0.66 million, from S\$0.24 million in Q1 FY2018 to S\$0.90 million in Q1 FY2019 mainly due to expansion in the operations of the Group's medical clinics/centres in Hong Kong, Malaysia and the Philippines. The increase in revenue was also contributed by Medic Laser Pte. Ltd. ("**Medic Laser**") and Medic Surgical Pte. Ltd. ("**Medic Surgical**") which were acquired by the Group post Q1 FY2018.



Clearbridge Health Limited
37 Jalan Pemimpin #08-05 Mapex Singapore 577177
TEL 65 6251 0136 FAX 65 6251 0132
clearbridgehealth.com

Revenue from the healthcare systems, comprising the provision of laboratory services and renal care services increased by S\$1.17 million, from S\$0.14 million in Q1 FY2018 to S\$1.31 million in Q1 FY2019. The increase was mainly due to revenue recorded by PT Tirta Medika Jaya ("**PT TMJ**") which was acquired by the Group post Q1 FY2018. PT TMJ offers renal care services through joint operations with equipment manufacturers and hospitals in Indonesia. Since the acquisition, the Group has significantly increased the number of renal care centres from 15 to 37 that are under contract with hospitals in Indonesia.

Purchases

Purchases increased by 692.4% or S\$1.09 million, from S\$0.16 million in Q1 FY2018 to S\$1.25 million in Q1 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.

Employee benefits expense

Employee benefits expense increased by 49.5% or S\$0.57 million, from S\$1.16 million in Q1 FY2018 to S\$1.73 million in Q1 FY2019. This was attributable to (a) an increase in the number of employees resulting from the Group's acquisition of Medic Laser, Medic Surgical and PT TMJ in April 2018 and expansion of business in the Philippines, and (b) expenses of S\$0.08 million relating to a share-based payment to an employee of the Group pursuant to a service agreement.

Depreciation expense

Depreciation expense increased by 338.3% or S\$0.28 million from S\$0.08 million in Q1 FY2018 to S\$0.36 million in Q1 FY2019 mainly due to the depreciation expense recorded by entities acquired by the Group subsequent to Q1 FY2018, namely Medic Laser, Medic Surgical and PT TMJ.

Amortisation expense

Amortisation expense increased by 440.0% or S\$22,000, from S\$5,000 in Q1 FY2018 to S\$27,000 in Q1 FY2019. The increase in amortisation expense was attributable to the intangible assets identified from the acquisition of Medic Laser, Medic Surgical and PT TMJ.

Other income

Other income increased by 260.0% or S\$0.16 million, from S\$0.07 million in Q1 FY2018 to S\$0.23 million in Q1 FY2019 mainly due to grants received from Enterprise Singapore and interest income on loans extended to PT Indo Genesis Medika ("**Indo Genesis**").

Fair value gain on an associate

The fair value gain on associates increased by S\$2.40 million, from S\$8,000 in Q1 FY2018 to S\$2.41 million in Q1 FY2019 due to the increase in fair value of the Group's interest in Biolidics Limited ("**Biolidics**"). Biolidics was listed on the Catalist Board of the SGX-ST on 19 December 2018.

Fair value (loss)/gain on derivative financial instruments

Fair value (loss)/gain 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 (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 Group recorded a fair value loss on derivative financial instruments of S\$0.35 million in Q1 FY2019, as compared to a gain of S\$0.76 million in Q1 FY2018. The fair value loss was due to a



decrease in the fair value of the Biolidics Call Option of S\$1.06 million, offset by increases in fair value of the SIAMH Call Option and the Convertible Bonds of S\$0.50 million and S\$0.21 million, respectively.

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, SIAMH and the Company as well as volatilities in the valuation of comparable companies.

Other operating expenses

Other operating expenses decreased by 28.3% or S\$0.40 million, from S\$1.41 million in Q1 FY2018 to S\$1.01 million in Q1 FY2019. This was mainly due to a decrease of S\$0.17 million in travelling expenses incurred by the Group and a foreign exchange gain of S\$0.37 million recorded by the Group in Q1 FY2019 as compared to an exchange loss of S\$0.19 million in Q1 FY2018.

The decrease was partially offset by an increase in rental expenses of S\$0.02 million resulting from the Group's acquisition of Medic Surgical and PT TMJ, as well as an increase in legal and professional fees of S\$0.15 million incurred pursuant to business acquisitions and collaborations, loan financing and patent licensing.

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 expenses relating to business acquisitions and collaborations in Q1 FY2019 of S\$0.20 million (Q1 FY2018: S\$0.17 million);
- ii) consultancy fees and other administrative expenses of S\$0.28 million (Q1 FY2018: S\$0.25 million) incurred for research and development activities which were streamlined; and
- iii) fair value adjustment of S\$0.20 million in Q1 FY2019 in respect of the contingent consideration payable for the acquisition of Clearbridge Medical (Philippines), Inc., Medic Laser, Medic Surgical and PT TMJ.

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 148.7% or S\$0.11 million, from S\$0.08 million in Q1 FY2018 to S\$0.19 million in Q1 FY2019 due to interest expense incurred on the bank loans taken up by the Group for the purpose of financing the acquisition of subsidiaries, 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 on 8 March 2019.

The increase in finance costs was also attributed to the interest expense of S\$0.02 million recognised for lease liabilities of the Group.

Income tax expense

Income tax expense decreased by 75.9% or S\$0.09 million, from S\$0.12 million in Q1 FY2018 to S\$0.03 million in Q1 FY2019. The income tax expense recognised in Q1 FY2018 arose from deferred tax expense in relation to fair value gain on other investments, associates and derivative financial instruments recognised by the Group.

Loss for the year

As a result of the foregoing, the Group recorded a loss of S\$0.09 million in Q1 FY2019 as compared to a loss of S\$1.79 million in Q1 FY2018.



Excluding the abovementioned non-recurring expenses identified in other operating expenses, fair value changes in other investments, associates and derivative financial instruments, the loss before taxation recorded by the Group would have been S\$1.44 million as compared to a loss before taxation of S\$2.05 million in Q1 FY2018.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by 5.3% or S\$2.53 million, from S\$48.07 million as at 31 December 2018 to S\$50.60 million as at 31 March 2019. This was mainly due to an increase in investment in an associate of S\$2.40 million arising from the increase in fair value of the Group's interest in Biolidics and an increase in right-of-use assets of S\$0.75 million.

Right-of-use assets represent the Group's right to use the office premises, clinics and medical centres during the lease terms and are recognised in accordance with SFRS(I) 16.

Derivative financial instruments decreased by S\$0.55 million, from S\$3.79 million as at 31 December 2018 to S\$3.24 million as at 31 March 2019 due to the fair value loss recorded in Q1 FY2019.

Current assets

The Group's current assets increased by 58.1% or S\$8.54 million, from S\$14.70 million as at 31 December 2018 to S\$23.24 million as at 31 March 2019. This was mainly due to an increase in cash and bank balances of S\$6.60 million as a result of the proceeds from the issuance of the Convertible Bonds and drawdown of bank loans by the Group to finance the acquisition of subsidiaries, and increase in trade receivables of S\$0.45 million mainly contributed by PT TMJ, in line with higher sales in Indonesia.

Other receivables increased by S\$1.26 million mainly due to an additional loan of S\$0.49 million extended to a third party, Indo Genesis and accrued loan interests of S\$0.08 million. The increase in other receivables was also attributable to increases in prepaid taxes of S\$0.18 million and other non-trade receivables of S\$0.14 million relating to the expansion of the Philippines operations.

Current liabilities

The Group's current liabilities increased by 5.0% or S\$0.46 million, from S\$9.22 million as at 31 December 2018 to S\$9.68 million as at 31 March 2019. This was mainly due to an increase in borrowings of S\$1.55 million comprising the current portion of bank loans and the Convertible Bonds.

Trade payables increased by S\$0.25 million mainly due to higher purchases by the Group's subsidiaries in Hong Kong and Indonesia.

The lease liabilities of S\$0.19 million represented the amounts payable by the Group as at 31 March 2019 for its right to use the office premises, clinics and medical centres during the lease terms.

These increases were partially offset by a decrease in other payables mainly due to contingent consideration paid in Q1 FY2019 for the acquisition of Medic Laser and Medic Surgical which amounted to S\$2.00 million.

Non-current liabilities

The Group's non-current liabilities increased by 174.2% or S\$10.48 million, from S\$6.01 million as at 31 December 2018 to S\$16.49 million as at 31 March 2019. This was mainly due to an increase in borrowings of S\$9.49 million comprising the non-current portion of bank loans and the Convertible Bonds.



The increase was also due to increases in the non-current portion of lease liabilities of S\$0.58 million and derivative financial instruments in respect of the Convertible Bonds measured at fair value of S\$0.31 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Cash outflow before changes in working capital for Q1 FY2019 amounted to S\$1.76 million. Net cash used in working capital for Q1 FY2019 amounted to S\$0.58 million mainly due to an increase in trade and other receivables of S\$0.83 million, increase in inventories of S\$0.08 million and increase in prepayments of S\$0.13 million, and was partially offset by an increase in trade and other payables of S\$0.46 million. As a result, net cash used in operating activities after adjusting for cash paid for income tax and interest expense, amounted to S\$2.41 million in Q1 FY2019.

Net cash used in investing activities for Q1 FY2019 amounted to S\$2.66 million. This was mainly due to the contingent consideration paid for the acquisition of Medic Laser and Medic Surgical of S\$2.00 million, S\$0.49 million loan extended to Indo Genesis as well as the S\$0.17 million capital expenditure incurred for the expansion of medical clinics/centres in the Philippines and laboratory services in Indonesia.

Net cash generated from financing activities for Q1 FY2019 amounted to S\$10.58 million which was attributable to bank loans secured by the Group of S\$2.12 million and proceeds from the issuance of the Convertible Bonds of S\$9.50 million. This increase was partially offset by the repayment of bank loans of S\$0.11 million, placement of S\$0.81 million restricted deposits for the Group's bank loans and dividend paid to a non-controlling shareholder of S\$0.12 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\$5.79 million, from S\$7.77 million as at 31 December 2018 to S\$13.56 million as at 31 March 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.

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

The Group will also continue to enhance its internal capabilities and processes to achieve greater efficiencies and returns.

11 Dividend

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

Nil



Clearbridge Health Limited
37 Jalan Pemimpin #08-05 Mapex Singapore 577177
TEL 65 6251 0136 FAX 65 6251 0132
clearbridgehealth.com

(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 Q1 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 Q1 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 "**Net Proceeds**"). As at the date of this announcement, the Net Proceeds have been utilised as follows:



Clearbridge Health Limited
 37 Jalan Pemimpin #08-05 Mapex Singapore 577177
 TEL 65 6251 0136 FAX 65 6251 0132
 clearbridgehealth.com

	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	(4,412)	6,588
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	(15,412)	6,588

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 May 2019