

**CLEARBRIDGE HEALTH LIMITED**  
(Company Registration No. 201001436C)

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**PROPOSED ACQUISITION OF SHARES IN PT INDO GENESIS MEDIKA**

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**1. INTRODUCTION**

1.1 The board of directors (the "**Board**" or the "**Directors**") of Clearbridge Health Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 23 August 2018 and 13 November 2018 on the above captioned matter and wishes to announce that the Company's indirect wholly-owned subsidiary, SAM Laboratory Pte. Ltd. ("**SAM**"), has today entered into a conditional sale and purchase agreement (the "**SPA**") with PT Kreasi Putra Nusantara ("**KPN**") in relation to the proposed acquisition of 287,140 Class A Shares (the "**Sale Shares**") in the capital of PT Indo Genesis Medika (the "**Target**") from KPN, representing 49% of the issued and paid-up capital of the Target (the "**Proposed Acquisition**").

1.2 In connection with the Proposed Acquisition:

(a) KPN and SAM have entered into an exchangeable bond subscription agreement (the "**EBSA**") pursuant to which SAM will subscribe for an exchangeable bond (the "**EB**") to be issued by KPN. The EB will be exchangeable at SAM's option into shares in the Target held by KPN representing 20.6% of the total issued share capital of the Target (the "**EB Exchange Shares**");

(b) KPN and SAM have also entered into a redeemable exchangeable bond subscription agreement (the "**REBSA**") pursuant to which SAM will subscribe for a redeemable exchangeable bond (the "**REB**") to be issued by KPN to SAM. The REB will be exchangeable at SAM's option into shares in the Target held by KPN representing 20% of the total issued share capital of the Target (the "**REB Exchange Shares**") subject to KPN's option to redeem the REB within one (1) year from the completion date of the REBSA (collectively, the "**Subscriptions**" and together with the Proposed Acquisition, the "**Proposed Transactions**"); and

(c) the EB and REB will be secured by way of a pledge over the EB Exchange Shares and the REB Exchange Shares respectively.

1.3 None of the Target or KPN is related to the Directors or the controlling shareholders of the Company and their respective associates.

**2. INFORMATION ON THE TARGET**

2.1 The Target was incorporated on 23 May 2018 in Indonesia and is involved in the provision of laboratory testing services by partnering with medical device equipment manufacturers and hospitals. Through joint operation agreements with hospitals, the Target operates laboratories co-located with the partnering hospitals. In addition to managing a laboratory under an existing joint operation contract, the Target is also in the process of having 12 joint operation contracts for the operation of laboratories in public hospitals in Indonesia (the "**JO Contracts**") held by PT Indofarma Global Medika, an Indonesian incorporated company, to be transferred to it. 6 of the JO Contracts are in Grade A hospitals in Indonesia.

- 2.2 As of the date of announcement, the Target has an issued and paid-up share capital of IDR58.6 billion comprising 526,000 Class A Shares and 60,000 Class B Shares.
- 2.3 Based on the unaudited management accounts of the Target for the financial year ended 31 December 2018 ("**FY2018**"), the book value of the Target amounted to approximately IDR59.3 billion (equivalent to approximately S\$5.6 million<sup>1</sup>), net tangible assets ("**NTA**") of the Target amounted to approximately IDR14.8 billion (equivalent to approximately S\$1.4 million) and the net profit of the Target was approximately IDR581.1 million (equivalent to approximately S\$0.06 million). No independent valuation was conducted on the Target.

### **3. CONSIDERATION**

- 3.1 The aggregate consideration for the Sale Shares is IDR54.0 billion (equivalent to approximately S\$5.1 million) (the "**Consideration**"), which will be satisfied in the following manner:
- (a) the first tranche of IDR34.6 billion (equivalent to approximately S\$3.3 million) is to be paid at completion of the Proposed Acquisition;
  - (b) the second tranche of IDR9.5 billion (equivalent to approximately S\$0.9 million) is to be paid within five (5) business days of the date on which 11 JO Contracts have been validly and legally novated to the Target (the "**Novation**"); and
  - (c) the remaining IDR9.9 billion (equivalent to approximately S\$0.9 million) within five (5) business days of the date on which the last JO Contract has been validly and legally novated to the Target.
- 3.2 The issue price for the EB is IDR23.0 billion (equivalent to approximately S\$2.2 million) (the "**EB Issue Price**") and is payable by SAM to KPN upon issuance of the EB which shall be on the date of completion of the Proposed Acquisition.
- 3.3 The issue price for the REB is IDR22.0 billion (equivalent to approximately S\$2.1 million) (the "**REB Issue Price**", and together with the EB Issue Price, the "**Bond Issue Prices**") and is payable by SAM to KPN upon issuance of the REB which shall be five (5) business days from the date on which the completion of the Novation takes place.
- 3.4 The Consideration and the Bond Issue Prices, which shall be satisfied in cash, were determined based on arms' length negotiations and arrived at on a willing-buyer and willing-seller basis. The Consideration and the Bond Issue Prices take into account, among other things, the book value and NTA of the Target.
- 3.5 The Proposed Transactions will be funded by the proceeds from the Company's issuance of convertible bonds.

### **4. CONDITIONS**

- 4.1 Completion of the Proposed Acquisition is conditional upon, among other things:
- (a) the results of a due diligence exercise over the business, affairs, operations, assets, financial condition, prospects and records of the Target being satisfactory to SAM in its absolute discretion;

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<sup>1</sup> All conversions of IDR to S\$ in this announcement are based on an exchange rate of S\$1:IDR10,500.

- (b) the completion of the novation of certain JO Contracts to the Target which amount to or exceed an aggregate of IDR64.0 billion; and
- (c) all consents and approvals required under any applicable laws for the transfer of the Sale Shares being obtained, including listing requirements and compliances required by the SGX-ST and where any consent or approval is subject to conditions, such conditions being satisfactory to SAM in its sole and absolute discretion.

4.2 Completion of the subscription of the EB is conditional upon, among other things:

- (a) all consents and approvals required for the issuance of the EB and to give effect to the transactions contemplated hereunder (including, without limitation, such consents, approvals, notifications or waivers of terms (which would otherwise constitute a default) as may be necessary or required under any and all applicable laws and under any instrument, contract, document or agreement to which KPN is a party or by which KPN or its assets are bound) shall have been obtained or made and shall be in full force and effect;
- (b) the allotment, issue and subscription of the EB not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the EBSA, whether or not having the force of law, by any legislative, executive or regulatory body or authority of Indonesia or elsewhere which is applicable to KPN or SAM; and
- (c) each of the EBSA, the bond certificate and the pledge documents shall have been duly executed and delivered to SAM.

4.3 Completion of the subscription of the REB is conditional upon, among other things:

- (a) all consents and approvals required for the issuance of the REB and to give effect to the transactions contemplated hereunder (including, without limitation, such consents, approvals, notifications or waivers of terms (which would otherwise constitute a default) as may be necessary or required under any and all applicable laws and under any instrument, contract, document or agreement to which KPN is a party or by which KPN or its assets are bound) shall have been obtained or made and shall be in full force and effect;
- (b) the allotment, issue and subscription of the REB not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the REBSA, whether or not having the force of law, by any legislative, executive or regulatory body or authority of Indonesia or elsewhere which is applicable to KPN or SAM;
- (c) each of the REBSA, the bond certificate and the pledge documents shall have been duly executed and delivered to SAM; and
- (d) the completion of the Novation.

**5. CHAPTER 10 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SGX-ST (THE "CATALIST RULES")**

Based on the latest announced unaudited consolidated financial statements of the Group for FY2018 and the management accounts of the Target for FY2018, the relative figures of the Proposed Transactions computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

	<b>Relative Figures for the Proposed Transactions</b>
<b>Rule 1006(a)</b> The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
<b>Rule 1006(b)</b> The net profits attributable to the assets acquired, compared with the Group's net profits	-0.37% <sup>(1)</sup>
<b>Rule 1006(c)</b> The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	11.94% <sup>(2)</sup>
<b>Rule 1006(d)</b> The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
<b>Rule 1006(e)</b> The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	Not applicable

**Notes:**

- (1) The Group's loss before tax was approximately S\$18.7 million for FY2018. The profit before tax of the Target was approximately IDR773.8 million (equivalent to approximately S\$0.07 million) for FY2018.
- (2) Computed based on the Consideration of S\$5.1 million, the EB Issue Price of S\$2.2 million, the REB Issue Price of S\$2.1 million and the market capitalisation of the Company of approximately S\$78.7 million, which is determined by multiplying the issued share capital of the Company of 489,310,702 shares with the volume-weighted average price of such shares transacted on 2 April 2019 (being the date preceding the date of the SPA) of S\$0.1608 per share.

## **6. RATIONALE FOR THE PROPOSED TRANSACTIONS**

The Directors believe the Proposed Transactions are in the best interest of the Group for the following strategic and commercial reasons:

- (a) the Proposed Transactions are in line with the Group's growth plans to expand its healthcare systems business. The Proposed Transactions are expected to provide the Group with a platform to expand its business in Indonesia; and
- (b) the Directors expect the Proposed Transactions to result in revenue synergies as the Group will be able to leverage on the Target's existing network of hospital partners to deliver the Group's precision medicine products and/or services in Indonesia.

## 7. FINANCIAL EFFECTS

The financial effects of the Proposed Transactions on the Company are set out below and are purely for illustrative purposes. The pro forma financial effects of the Proposed Transactions on the Group's NTA and loss per share ("**LPS**") have been computed based on (a) the Group's unaudited consolidated financial statements for FY2018; and (b) the Target's unaudited management accounts for FY2018.

- 7.1 NTA. The pro forma financial effect of the Proposed Transactions on the NTA per share of the Group as at 31 December 2018, assuming the Proposed Transactions had completed on 31 December 2018, is as follows:

	<b>Before the Proposed Transactions</b>	<b>After the Proposed Transactions</b>
NTA attributable to owners of the Company (S\$'000)	25,114	16,949
Number of shares	489,310,702	489,310,702
NTA per share (Singapore cents)	5.13	3.46

- 7.2 LPS. The pro forma financial effect of the Proposed Transactions on the LPS of the Group for FY2018, assuming the Proposed Transactions had completed on 1 January 2018, is as follows:

	<b>Before the Proposed Transactions</b>	<b>After the Proposed Transactions</b>
Loss attributable to owners of the Company (S\$'000)	18,448	18,399
Weighted average number of shares	487,125,171	487,125,171
LPS (Singapore cents)	3.79	3.78

## 8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Transactions other than through their respective shareholding interests in the Company (if any).

## 9. SERVICE CONTRACTS

No directors are proposed to be appointed to the Board in connection with the Proposed Transactions.

## 10. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the SPA, the EBSA and the REBSA are available for inspection at the registered address of the Company for a period of three (3) months from the date of this announcement.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## 12. FURTHER ANNOUNCEMENTS

The Company will make further announcements to keep shareholders informed, as and when there are further material updates and developments in respect of the Proposed Transactions.

## 13. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors should note that completion of the Proposed Transactions is subject to fulfilment of various conditions as set out in the SPA, the EBSA and the REBSA (as the case may be). Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

## BY ORDER OF THE BOARD

Yee Pinh Jeremy  
Chief Executive Officer and Executive Director

3 April 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement. 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 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.*