

Clearbridge maintains strong growth momentum with higher quarter-on-quarter revenue in 3Q2018

- Revenue increased to S\$2.05 million in 3Q2018, an increase of 40.9% from the preceding quarter as acquisitions continue to bear fruits and improved organic growth
- Expects growth momentum to sustain into the next quarter

SINGAPORE – 12 November 2018 – Clearbridge Health Limited (“Clearbridge” or the “Company” and together with its subsidiaries, the “Group”) (明策集团), continues to grow with higher revenue of S\$2.05 million for the three months ended 30 September 2018 (“3Q2018”) on the back of sustained quarter-on-quarter growth across its business segments.

Revenue expanded 40.9% to S\$2.05 million from S\$1.46 million in the preceding three months ended 30 June 2018 (“2Q2018”) mainly attributed to contributions from the Group’s recent acquisitions in the Philippines in January 2018, Indonesia and Singapore in April 2018. Collectively, the new acquisitions contributed revenues of S\$1.80 million, or 87.8%, of the Group’s total revenue for 3Q2018. The remaining revenue was from the provision of laboratory testing services and the Group’s medical clinics/centres in Singapore and Hong Kong, which had improved on its performance since commencing operations in July 2017, especially in Hong Kong which had more than 100% increase in revenue in 3Q2018 compared to 2Q2018.

Overall, the Group recorded a loss attributable to owners of the Company of S\$2.50 million in 3Q2018. There was an increase in expenses in 3Q2018 as a result of business expansion overseas, including increased staff strength and employee benefits expense that rose to S\$1.49 million. Other operating expenses was S\$1.73 million in 3Q2018, which included non-recurring expenses of S\$0.67 million that was related to professional fees and other miscellaneous expenses incurred pursuant recent acquisitions, collaborations and establishment of multicurrency debt issuance programme.

Mr Jeremy Yee (余斌), Executive Director and Chief Executive Officer of Clearbridge, said: *“Our top line continues to register strong quarter-on-quarter expansion and we are on track to achieve further revenue growth due to the success of our business strategy. Excluding the non-recurring operating expenses and fair value changes in other investments, associates and derivative financial instruments, we would have recorded a lower pre-tax loss of S\$1.56 million in 3Q2018. The adjusted EBITDAR decreased by 20% from S\$1.40 million in 2Q2018 to S\$1.12 million in 3Q2018. Since our IPO in December 2017, our revenue has increased quarter-on-quarter (“qoq”) while our adjusted EBITDAR has decreased qoq, as shown below:*

<i>(S\$'000)</i>	<i>FY2017</i>	<i>1Q2018</i>	<i>2Q2018</i>	<i>3Q2018</i>
<i>Revenue</i>	<i>288</i>	<i>377</i>	<i>1,456</i>	<i>2,052</i>
<i>Adjusted EBITDAR</i>	<i>(2,855)</i>	<i>(1,680)</i>	<i>(1,402)</i>	<i>(1,123)</i>

Even as we look to grow our regional presence, we remain disciplined and selective in evaluating potential acquisition targets and partners, and maintaining an optimum capital structure to grow our businesses in a sustainable and prudent manner to build shareholder value."

As at 30 September 2018, the Group's war chest remained sizeable, with a healthy balance sheet comprising cash and bank balances of S\$11.89 million or S\$16.25 million if including undrawn bank facilities and the interest-bearing loan deploy to PT Indo Genesis Medika ("**Indo Genesis**").

RECENT DEVELOPMENT AND OUTLOOK

In the Philippines, the Group's financial performance has improved significantly since the acquisition of the integrated ambulatory medical center in Quezon City. Following its strategic rebranding from Marzan Health Care Diagnostic Centre to Clearbridge Medical Centre ("**CMC**"), the facility is implementing plans to start its 7 specialist outpatient clinics. The expected launch of the dental cone beam CT scan by the last quarter of 2018 is expected to better serve dental patients in Quezon City by providing a broader range of services. CMC also intends to apply for accreditation by the Department of Health and POEA (Philippine Overseas Employment Administration) as an approved Overseas Foreign Workers screening and medical facility by 1Q2019.

Besides the 2 new clinics in the Philippines which are undergoing preliminary works and renovation, the Group has identified a new clinic location for its ClearSkin branded aesthetic services in Cebu, Lapulapu City.

The Group continues to make inroads into Indonesia with the inking of a Memorandum of Understanding ("**MoU**") in August 2018 for a stake in Indo Genesis, which will pave the way for the Group to become one of the largest and dominant clinical laboratory operators in Indonesia via 12 potential joint operations contracts to operate diagnostics laboratories in public hospitals. To facilitate this, the Group will extend interest-bearing loans to Indo Genesis. As of 30 September 2018, the Group has disbursed S\$1.39 million to Indo Genesis.

In Indonesia, the Group's medical clinics/centres operating under its subsidiary, PT Tirta Medika Jaya ("**TMJ**") had contracted with 8 additional hospitals in 3Q2018, increasing the total number of joint operation agreements for renal care services from 20 to 28 hospitals. The new contracts would add 146 dialysis machines to the existing 403 machines contracted to be installed. Compared to 2Q2018, 29 additional machines have been installed and are operating in 3Q2018, performing over 4,000 treatments per month. Of the total 549 machines contracted to be installed over the duration of the agreements, 227 machines have been installed and are operating to-date.



In line with its strategy of regional expansion, the Group will continue to pursue acquisition opportunities to expand its offerings and geographical presence in key cities, as well as strategic partnerships and collaborations with renowned medical and research institutions.

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About Clearbridge Health Limited

Clearbridge Health Limited is a healthcare company with a focus on the delivery of precision medicine in Asia. Its business comprises laboratory testing services, medical clinics/centres and strategic equity participation in complementary precision medical technology companies. Through the delivery of precision medicine in Asia, it seeks to empower clinicians and healthcare professionals to make more reliable and accurate diagnoses, provide insights to disease management, and tailor personalised prevention and timely treatment programmes for patients. It is executing the above strategies by way of primary healthcare and healthcare systems that reside in nexus of high demand.

For more information, please visit us at www.clearbridgehealth.com.

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