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## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 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					
	Q2		Increase/	6M		Increase/
	FY2019	FY2018	(Decrease)	FY2019	FY2018	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	4,639	1,456	218.6	6,853	1,833	273.9
Purchases	(3,015)	(751)	301.5	(4,267)	(909)	369.4
Employee benefits expense	(1,708)	(1,619)	5.5	(3,441)	(2,778)	23.9
Depreciation expense	(424)	(336)	26.2	(779)	(417)	86.8
Amortisation expense	(27)	(22)	22.7	(54)	(27)	100.0
Research and development expenses	-	(1)	(100.0)	-	(20)	(100.0)
Other income	68	111	(38.7)	302	176	71.6
Fair value loss on other investments	-	(1,473)	(100.0)	-	(1,444)	(100.0)
Fair value gain/(loss) on an associate	1,804	(5,382)	n.m.	4,209	(5,374)	n.m.
Fair value loss on derivative financial instruments	(282)	(2,858)	(90.1)	(629)	(2,100)	(70.0)
Other operating expenses*	(2,173)	(1,207)	80.0	(3,184)	(2,618)	21.6
Finance costs	(520)	(77)	575.3	(714)	(155)	360.6
<b>Loss before taxation</b>	<b>(1,638)</b>	<b>(12,159)</b>	<b>(86.5)</b>	<b>(1,704)</b>	<b>(13,833)</b>	<b>(87.7)</b>
Income tax expense	(34)	(19)	78.9	(62)	(135)	(54.1)
<b>Loss for the period</b>	<b>(1,672)</b>	<b>(12,178)</b>	<b>(86.3)</b>	<b>(1,766)</b>	<b>(13,968)</b>	<b>(87.4)</b>
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange difference on translation of foreign operations	12	(130)	n.m.	292	(99)	n.m.
<b>Total comprehensive income for the period</b>	<b>(1,660)</b>	<b>(12,308)</b>	<b>(86.5)</b>	<b>(1,474)</b>	<b>(14,067)</b>	<b>(89.5)</b>
<b>Loss attributable to:</b>						
Owners of the Company	(1,345)	(12,230)	(89.0)	(1,344)	(13,719)	(90.2)
Non-controlling interest	(327)	52	n.m.	(422)	(249)	69.5
	<b>(1,672)</b>	<b>(12,178)</b>	<b>(86.3)</b>	<b>(1,766)</b>	<b>(13,968)</b>	<b>(87.4)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	(1,370)	(12,355)	(88.9)	(1,180)	(13,829)	(91.5)
Non-controlling interest	(290)	47	n.m.	(294)	(238)	23.5
	<b>(1,660)</b>	<b>(12,308)</b>	<b>(86.5)</b>	<b>(1,474)</b>	<b>(14,067)</b>	<b>(89.5)</b>

**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 Q2 FY2019:

	Q2 FY2019			6M FY2019		
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Other operating expenses	1,060	1,113	2,173	1,390	1,794	3,184

The non-recurring other operating expenses were 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, 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\$2.05 million in Q2 FY2019 (Q2 FY2018: S\$1.76 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					
	Q2 FY19	Q2 FY18	Increase/ (Decrease)	6M FY2019	6M FY2018	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest expense on:						
- Call options	(60)	(60)	-	(120)	(120)	-
- Borrowings	(91)	(17)	435.3	(127)	(35)	262.9
- Convertible bonds	(360)	-	n.m.	(435)	-	n.m.
- Lease liabilities <sup>(1)</sup>	(9)	-	n.m.	(32)	-	n.m.
Depreciation expense on:						
- Property, plant and equipment	(384)	(336)	14.3	(686)	(417)	64.5
- Right-of-use assets <sup>(1)</sup>	(40)	-	n.m.	(93)	-	n.m.
Amortisation expense	(27)	(22)	22.7	(54)	(27)	100.0
Other income:						
- Grant income	2	23	(91.3)	103	23	347.8
- Interest income	46	84	(45.2)	144	148	(2.7)
- Licensing income	-	-	-	35	-	n.m.
- Others	20	4	400.0	20	5	300.0
Material items included in other operating expenses:						
- Fair value adjustment on contingent consideration for business combinations	(89)	-	n.m.	(291)	-	n.m.
- Foreign exchange gain/(loss)	(143)	83	n.m.	225	(103)	n.m.
- Professional fees <sup>(2)</sup>	(542)	(790)	(31.4)	(1,136)	(1,238)	(8.2)
- Rental <sup>(3)</sup>	(119)	(216)	(44.9)	(224)	(354)	(36.7)
- Share-based payment - equity settled	(292)	-	n.m.	(376)	-	n.m.
- Share option expenses	(405)	-	n.m.	(405)	-	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\$0.18 million in Q2 FY2019 (Q2 FY2018: S\$0.44 million).
- (3) Rental expenses for Q2 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	
	30/06/19 S\$'000	31/12/18 S\$'000	30/06/19 S\$'000	31/12/18 S\$'000
<b>Non-current assets</b>				
Investments in subsidiaries	-	-	33,181	33,181
Investment in an associate	17,440	13,230	-	-
Derivative financial instruments	3,822	3,788	-	-
Property, plant and equipment	11,312	6,625	21	23
Right-of-use assets	706	-	-	-
Intangible assets	215	266	3	3
Goodwill on consolidation	26,865	22,296	-	-
Other investments	1,860	1,860	-	-
Amounts due from subsidiaries	-	-	27,133	23,783
	<u>62,220</u>	<u>48,065</u>	<u>60,338</u>	<u>56,990</u>
<b>Current assets</b>				
Cash at banks and short-term deposits	7,833	8,005	4,550	3,509
Trade receivables	4,821	2,050	-	-
Prepayments	494	275	332	86
Other receivables	5,595	3,954	64	88
Amounts due from subsidiaries	-	-	25,476	15,307
Inventories	1,714	413	-	-
	<u>20,457</u>	<u>14,697</u>	<u>30,422</u>	<u>18,990</u>
<b>Total assets</b>	<u>82,677</u>	<u>62,762</u>	<u>90,760</u>	<u>75,980</u>
<b>Current liabilities</b>				
Borrowings	2,568	470	2,490	400
Trade payables	2,615	1,007	-	-
Other payables	9,859	7,072	617	360
Amounts due to subsidiaries	-	-	3,333	2,848
Lease liabilities	185	-	-	-
Contract liabilities	410	473	-	-
Income tax payable	294	196	-	15
	<u>15,931</u>	<u>9,218</u>	<u>6,440</u>	<u>3,623</u>
<b>Net current assets</b>	<u>4,526</u>	<u>5,479</u>	<u>23,982</u>	<u>15,367</u>
<b>Non-current liabilities</b>				
Borrowings	14,506	2,419	12,794	611
Other payables	1,257	1,774	-	-
Lease liabilities	533	-	-	-
Derivative finance instruments	1,335	-	1,335	-
Deferred tax liabilities	1,811	1,821	-	-
	<u>19,442</u>	<u>6,014</u>	<u>14,129</u>	<u>611</u>
<b>Total liabilities</b>	<u>35,373</u>	<u>15,232</u>	<u>20,569</u>	<u>4,234</u>
<b>NET ASSETS</b>	<u>47,304</u>	<u>47,530</u>	<u>70,191</u>	<u>71,746</u>
<b>Equity attributable to owners of the Company</b>				
Share capital	77,670	77,670	77,670	77,670
Capital reserve	(2,179)	(2,179)	(6,716)	(6,716)
Share-based payment reserve	1,957	1,379	1,346	1,214
Fair value reserve	1,110	1,110	-	-
Currency translation reserve	(99)	(263)	-	-
Accumulated losses	(30,937)	(30,041)	(2,109)	(422)
<b>Equity attributable to owners of the Company</b>	<u>47,522</u>	<u>47,676</u>	<u>70,191</u>	<u>71,746</u>
Non-controlling interests	(218)	(146)	-	-
<b>TOTAL EQUITY</b>	<u>47,304</u>	<u>47,530</u>	<u>70,191</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 June 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,349	219	470	-

### Amount repayable after one year

As at 30 June 2019		As at 31 December 2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,962	10,544	2,419	-

### Details of any collateral

As at the balance sheet date:

- i) The Group's bank borrowings of (a) S\$1.55 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\$4.52 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\$0.25 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 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 30 June 2019, the carrying amount of the Convertible Bonds amounted to S\$10.76 million (31 December 2018: Nil), of which S\$0.22 million is included as current liabilities and S\$10.54 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	
	Q2 FY2019 S\$'000	Q2 FY2018 S\$'000	6M FY2019 S\$'000	6M FY2018 S\$'000
<b>Operating activities</b>				
Loss before taxation	(1,638)	(12,159)	(1,704)	(13,833)
Adjustments for:				
Share-based payment - equity settled	697	-	781	-
Depreciation of property, plant and equipment	384	336	686	417
Depreciation of right-of-use assets	40	-	93	-
Amortisation of intangible assets	27	22	54	27
Interest income	(46)	(84)	(144)	(148)
Interest expense	520	77	714	155
Property, plant and equipment written off	32	-	32	-
Fair value adjustment on contingent consideration	89	-	291	-
Fair value loss on derivative financial instruments	282	2,858	629	2,100
Fair value (gain)/loss on associates	(1,804)	5,382	(4,209)	5,374
Fair value loss on other investments	-	1,473	-	1,444
Unrealised foreign exchange loss/(gain)	311	(44)	(89)	(76)
<b>Operating cash flows before changes in working capital</b>	<b>(1,106)</b>	<b>(2,139)</b>	<b>(2,866)</b>	<b>(4,540)</b>
Increase in trade receivables	(1,982)	(41)	(2,435)	(118)
(Increase)/decrease in prepayments	(111)	226	(236)	112
Decrease/(increase) in other receivables	3,306	(166)	2,928	(407)
Increase in inventories	(181)	(141)	(264)	(208)
Increase in trade payables	1,362	134	1,608	252
Decrease in other payables	(2,501)	(372)	(2,287)	(1,406)
<b>Cash flows used in operations</b>	<b>(1,213)</b>	<b>(2,499)</b>	<b>(3,552)</b>	<b>(6,315)</b>
Income tax received/(paid)	33	(3)	(13)	(4)
Interest paid	(38)	(6)	(74)	(13)
Interest received	9	-	25	-
<b>Net cash flows used in operating activities</b>	<b>(1,209)</b>	<b>(2,508)</b>	<b>(3,614)</b>	<b>(6,332)</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(590)	(527)	(764)	(742)
Acquisition of intangible asset	(3)	-	(3)	-
Acquisition of a subsidiary	(8,405)	(4,549)	(8,405)	(5,454)
Payment for contingent consideration	-	-	(2,000)	-
Loan to a third party	490	-	-	-
<b>Net cash flows used in investing activities</b>	<b>(8,508)</b>	<b>(5,076)</b>	<b>(11,172)</b>	<b>(6,196)</b>
<b>Financing activities</b>				
Dividend paid to non-controlling interests	-	-	(124)	-
Proceeds from bank loans	1,879	-	3,998	-
Proceeds from issuance of Convertible Bonds	1,500	-	11,000	-
Repayment of loans and borrowings	(438)	(14)	(552)	(27)
Increase in restricted deposits	(365)	-	(1,170)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>2,576</b>	<b>(14)</b>	<b>13,152</b>	<b>(27)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(7,141)</b>	<b>(7,598)</b>	<b>(1,634)</b>	<b>(12,555)</b>
Cash and cash equivalents at the beginning of the period	13,577	22,849	7,770	27,740
Effects of foreign exchange rate changes, net	(8)	(154)	292	(88)
<b>Cash and cash equivalents at the end of the period</b>	<b>6,428</b>	<b>15,097</b>	<b>6,428</b>	<b>15,097</b>

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

	Q2 FY2019 S\$'000	Q2 FY2018 S\$'000	6M FY2019 S\$'000	6M FY2018 S\$'000
Cash and banks and short-term deposits	7,833	15,097	7,833	15,097
Less: Restricted deposits	(1,405)	-	(1,405)	-
<b>Cash and cash equivalents</b>	<b>6,428</b>	<b>15,097</b>	<b>6,428</b>	<b>15,097</b>



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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
<b>Group</b>									
<b>Balance as at 1 January 2019</b>	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
<b>Total comprehensive income for the period</b>	-	-	-	-	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
<b>Balance as at 31 March 2019</b>	<b>77,670</b>	<b>(2,179)</b>	<b>1,463</b>	<b>1,110</b>	<b>(74)</b>	<b>(30,040)</b>	<b>47,950</b>	<b>(274)</b>	<b>47,676</b>
<i>Total comprehensive income for the period</i>									
Profit for the period	-	-	-	-	-	(1,345)	(1,345)	(327)	(1,672)
Other comprehensive income for the period	-	-	-	-	(25)	-	(25)	37	12
<b>Total comprehensive income for the period</b>	-	-	-	-	(25)	(1,345)	(1,370)	(290)	(1,660)
<i>Transactions with owners, recognised directly in equity</i>									
Share-based payment - equity settled	-	-	494	-	-	-	494	203	697
Effects of dilution of interest in subsidiaries	-	-	-	-	-	448	448	(448)	-
<i>Changes in ownership interests in subsidiaries</i>									
Acquisition of a subsidiary	-	-	-	-	-	-	-	591	591
<b>Balance as at 30 June 2019</b>	<b>77,670</b>	<b>(2,179)</b>	<b>1,957</b>	<b>1,110</b>	<b>(99)</b>	<b>(30,937)</b>	<b>47,522</b>	<b>(218)</b>	<b>47,304</b>



(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
<b>Group</b>									
<b>Balance as at 1 January 2018 (FRS framework)</b>	73,897	(2,179)	165	-	(85)	(10,858)	60,940	(1,297)	59,643
<b>Adoption of SFRS(I) 9</b>	-	-	-	735	-	(735)	-	-	-
<b>Balance as at 1 January 2018 (SFRS(I) framework)</b>	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
<b>Total comprehensive income for the period</b>	-	-	-	-	15	(1,489)	(1,474)	(285)	(1,759)
<i>Transactions with owners, recognised directly in equity</i>									
Acquisition of a subsidiary	-	-	-	-	-	-	-	836	836
<b>Balance as at 31 March 2018</b>	<b>73,897</b>	<b>(2,179)</b>	<b>165</b>	<b>735</b>	<b>(70)</b>	<b>(13,082)</b>	<b>59,466</b>	<b>(746)</b>	<b>58,720</b>
<i>Total comprehensive income for the period</i>									
Loss for the period	-	-	-	-	-	(12,230)	(12,230)	52	(12,178)
Other comprehensive loss for the period	-	-	-	-	(125)	-	(125)	(5)	(130)
<b>Total comprehensive income for the year</b>	-	-	-	-	(125)	(12,230)	(12,355)	47	(12,308)
<i>Change in ownership interest in subsidiaries</i>									
Acquisition of subsidiaries	4,498	-	-	-	-	-	4,498	913	5,411
<b>Balance as at 30 June 2018</b>	<b>78,395</b>	<b>(2,179)</b>	<b>165</b>	<b>735</b>	<b>(195)</b>	<b>(25,312)</b>	<b>51,609</b>	<b>214</b>	<b>51,823</b>





(In S\$'000)

<u>Company</u>	Share capital	Capital reserve	Share-based payment reserve	Retained earnings / (accumulated losses)	Total equity
<b>Balance as at 1 January 2019</b>	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
<b>Balance as at 31 March 2019</b>	<b>77,670</b>	<b>(6,716)</b>	<b>1,298</b>	<b>(535)</b>	<b>71,717</b>
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,574)	(1,574)
Share-based payment - equity settled	-	-	48	-	48
<b>Balance as at 30 June 2019</b>	<b>77,670</b>	<b>(6,716)</b>	<b>1,346</b>	<b>(2,109)</b>	<b>70,191</b>
<b>Balance as at 1 January 2018</b>	73,897	(6,716)	-	1,730	68,911
Loss for the period, representing total comprehensive loss for the period	-	-	-	(362)	(362)
<b>Balance as at 31 March 2018</b>	<b>73,897</b>	<b>(6,716)</b>	<b>-</b>	<b>1,368</b>	<b>68,549</b>
Loss for the period, representing total comprehensive loss for the period	-	-	-	(289)	(289)
<u>Contributions by and distributions to owners</u>					
Issuance of shares for acquisition of subsidiaries	4,498	-	-	-	4,498
<b>Balance as at 30 June 2018</b>	<b>78,395</b>	<b>(6,716)</b>	<b>-</b>	<b>1,079</b>	<b>72,758</b>



**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	489,310,702	77,669,318
Issuance of shares <sup>(1)</sup>	4,810,000	-
As at 30 June 2019	494,120,702	77,669,318

Note:

<sup>(1)</sup> : On 6 June 2019, the Company issued 4,810,000 ordinary shares to an employee of the Group in relation to a share-based payment pursuant to the service agreement.

As at 30 June 2019, the Company has outstanding Convertible Bonds with an aggregate principal amount of S\$11 million, convertible into approximately 39,285,714 ordinary shares of the Company 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. The Conversion Shares will be adjusted accordingly. There were no outstanding convertibles as at 30 June 2018.

As at 30 June 2019 and 30 June 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 June 2019	31 December 2018
Total number of issued ordinary shares excluding treasury shares	494,120,702	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 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	
	Q2 FY2019	Q2 FY2018
Loss attributable to owners of the Company (S\$'000)	(1,345)	(12,230)
Weighted average number of shares ('000)	489,640	489,311
Loss per share (cents)		
- Basic and diluted	(0.27)	(2.50)

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.

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-Jun-19	31-Dec-18	30-Jun-19	31-Dec-18
Net asset value (S\$'000)	47,522	47,676	70,191	71,746
Number of shares ('000)	494,121	489,311	494,121	489,311
Net asset value per share (cents)	9.62	9.74	14.21	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 218.6% or S\$3.18 million, from S\$1.46 million in Q2 FY2018 to S\$4.64 million in Q2 FY2019.

Revenue from the medical clinics/centres increased by S\$0.19 million, from S\$0.72 million in Q2 FY2018 to S\$0.91 million in Q2 FY2019 mainly due to expansion in the operations of the Group's medical clinics/centres in Philippines, Hong Kong and most recently Malaysia. Clearbridge Child Specialist Clinic, was the Group's first clinic in Malaysia, marking the Group's entry into the Malaysia market. The increase in revenue was also contributed by Medic Surgical Pte. Ltd. ("**Medic Surgical**") and Medic Laser Pte. Ltd. ("**Medic Laser**").



Revenue from the healthcare systems, comprising the provision of laboratory services and renal care services increased by S\$2.99 million, from S\$0.74 million in Q2 FY2018 to S\$3.73 million in Q2 FY2019. The increase was mainly contributed by PT Tirta Medika Jaya (“**PT TMJ**”) of S\$0.6 million and PT Indo Genesis Medika (“**IGM Labs**”) of S\$2.39 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 43 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, 10 JOs have been successfully novated and operated under IGM Labs.

In comparison with the Group’s revenue in Q1 FY2019 of S\$2.21 million, the Group’s revenue in Q2 FY2019 increased by 110.0% or S\$2.43 million to S\$4.64 million in Q2 FY2019, mainly due to the acquisition of IGM Labs.

#### Purchases

Purchases increased by 301.5% or S\$2.27 million, from S\$0.75 million in Q2 FY2018 to S\$3.02 million in Q2 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 5.5% or S\$0.09 million, from S\$1.62 million in Q2 FY2018 to S\$1.71 million in Q2 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.

#### Depreciation expense

Depreciation expense increased by 26.2% or S\$0.08 million from S\$0.34 million in Q2 FY2018 to S\$0.42 million in Q2 FY2019 mainly due to (a) additional laboratory equipment purchased subsequent to Q2 FY2018, (b) expansion in the medical clinics in Hong Kong and (c) depreciation expenses recorded by IGM Labs acquired in May 2019.

#### Amortisation expense

Amortisation expense increased by 22.7% or S\$5,000, from S\$22,000 in Q2 FY2018 to S\$27,000 in Q2 FY2019. The increase in amortisation expense was attributable to the intangible assets identified from the acquisition of PT TMJ.

#### Other income

Other income decreased by 38.7% or S\$0.04 million, from S\$0.11 million in Q2 FY2018 to S\$0.07 million in Q2 FY2019 mainly due to a decrease in grant income and the absence of one-off interest income from the convertible loan extended to our associate, Biolidics Limited (“**Biolidics**”) recorded in Q2 FY2018.

#### Fair value gain/(loss) on an associate

The Group recorded a fair value gain on an associate S\$1.80 million in Q2 FY2019, as compared to a loss of S\$5.38 million in Q2 FY2018. The fair value gain on an associate was due to the increase in fair value of the Group’s interest in Biolidics. Biolidics 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 (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 decreased by S\$2.58 million, from S\$2.86 million in Q2 FY2018 to S\$0.28 million in Q2 FY2019 due to increase in the fair value of the Biolidics Call Option of S\$4.03 million, and partially offset by a decrease in fair value of the SIAMH Call Option of S\$0.58 million and fair value loss of the Convertible Bond of S\$0.87 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, SIAMH and the Company as well as volatilities in the valuation of comparable companies.

#### Other operating expenses

Other operating expenses increased by 80.0% or S\$0.96 million, from S\$1.21 million in Q2 FY2018 to S\$2.17 million in Q2 FY2019. This was mainly due to (a) expenses in connection with the termination of employment of certain employees due to the cessation of operation in the U.S of S\$0.65 million (b) fair value adjustment of S\$0.09 million in Q2 FY2019 in respect of the contingent consideration payable for the acquisition of Clearbridge Medical (Philippines), Inc., Medic Laser, Medic Surgical and PT TMJ and (c) the foreign exchange loss of S\$0.14 million recorded by the Group in Q2 FY2019 as compared to an exchange gain of S\$0.08 million in Q2 FY2018.

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 Q2 FY2019 of S\$0.18 million (Q2 FY2018: S\$0.44 million);
- ii) consultancy fees and other administrative expenses of S\$0.19 million (Q2 FY2018: S\$0.25 million) incurred for research and development activities which were streamlined;
- iii) expenses in connection with the termination of employment of certain employees due to the cessation of operations in the United States of America of S\$0.65 million; and
- iv) fair value adjustment of S\$0.09 million in Q2 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 575.3% or S\$0.44 million, from S\$0.08 million in Q2 FY2018 to S\$0.52 million in Q2 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 increased by 78.9% or S\$15,000, from S\$19,000 in Q2 FY2018 to S\$34,000 in Q2 FY2019. The income tax expense recognised in Q2 FY2019 arose from the acquisition of IGM Labs completed in May 2019.

#### Loss for the year

As a result of the foregoing, the Group recorded a loss of S\$1.67 million in Q2 FY2019 as compared to a loss of S\$12.18 million in Q2 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\$2.05 million as compared to a loss before taxation of S\$1.76 million in Q2 FY2018.

### **REVIEW OF THE GROUP'S FINANCIAL POSITION**

#### Non-current assets

The Group's non-current assets increased by 29.4% or S\$14.15 million, from S\$48.07 million as at 31 December 2018 to S\$62.22 million as at 30 June 2019. This was mainly due to (a) an increase in provisional goodwill on consolidation of S\$4.57 million, (b) an increase in property, plant and equipment of S\$4.68 million which arose from the acquisition of IGM Labs in May 2019, (c) an increase in investment in an associate, Biolidics of S\$4.21 million and (d) an increase in right-of-use assets of S\$0.71 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.

#### Current assets

The Group's current assets increased by 39.2% or S\$5.76 million, from S\$14.70 million as at 31 December 2018 to S\$20.46 million as at 30 June 2019. This was mainly due to an increase in trade receivable, other receivables, inventories and prepayment of S\$5.93 million as a result of the acquisition of IGM Labs and partially offset by a decrease in cash and bank balances of S\$0.17 million.

#### Current liabilities

The Group's current liabilities increased by 72.8% or S\$6.71 million, from S\$9.22 million as at 31 December 2018 to S\$15.93 million as at 30 June 2019. This was mainly due to (a) an increase in borrowings of S\$2.10 million comprising the current portion of bank loans and the Convertible Bonds, (b) an increase in trade payables of S\$1.60 million mainly due to higher purchases by the Group's subsidiaries in Hong Kong, Singapore and Indonesia, and (c) an increase in other payable of S\$2.79 million mainly due to other payables and accrued expenses of S\$1.76 million which arose from the acquisition of IGM Labs, accrued legal and professional fee in relation to acquisition and issuance of convertible bonds, consideration payables of S\$1.19 million for acquisition of IGM Labs, 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 fair value adjustment on contingent consideration for business acquisition of S\$0.29 million and (d) lease liabilities of S\$0.19 million representing the amounts payable by the Group as at 30 June 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 and Medic Surgical which amounted to S\$2.0 million.



### Non-current liabilities

The Group's non-current liabilities increased by 223.3% or S\$13.43 million, from S\$6.01 million as at 31 December 2018 to S\$19.44 million as at 30 June 2019. This was mainly due to (a) an increase in borrowings of S\$12.09 million comprising the non-current portion of bank loans and the Convertible Bonds, (b) an increase in the non-current portion of lease liabilities of S\$0.53 million, (c) derivative financial instruments in respect of the Convertible Bonds measured at fair value of S\$1.34 million and partially offset by (d) a decrease in contingent consideration of S\$0.55 million for acquisition of PT TMJ reclassified from non-current liabilities to current liabilities.

### **REVIEW OF THE GROUP'S CASH FLOW STATEMENT**

Cash outflow before changes in working capital for Q2 FY2019 amounted to S\$1.11 million. Net cash used in working capital for Q2 FY2019 amounted to S\$0.10 million mainly due to decrease in other payables of S\$2.50 million, increase in trade receivables of S\$1.98 million, increase in inventories of S\$0.18 million and increase in prepayments of S\$0.11 million and partially offset by decrease in other receivables of S\$3.31 million and increase in trade payables of S\$1.36 million.

As a result, net cash used in operating activities after adjusting for cash paid for income tax and interest expense, amounted to S\$1.21 million in Q2 FY2019.

Net cash used in investing activities for Q2 FY2019 amounted to S\$8.51 million. This was mainly due to the consideration paid for the acquisition of IGM Labs of S\$8.41 million and capital expenditure for the expansion of medical clinics/centres in the Hong Kong and laboratory testing services in Indonesia of S\$0.59 million, partially offset by the loan repaid by third party of S\$0.49 million.

Net cash generated from financing activities for Q2 FY2019 amounted to S\$2.58 million was attributable to bank loans secured by the Group of S\$1.88 million and proceeds from the issuance of the Convertible Bonds of S\$1.50 million. This increase was partially offset by the repayment of bank loans of S\$0.44 million, increase in restricted deposits of S\$0.36 million for the Group's bank loans.

As a result, after adjusting for the effects of foreign exchange rate changes, there was a net decrease in cash and cash equivalents of S\$7.15 million, from S\$13.58 million as at 31 December 2018 to S\$6.43 million as at 30 June 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 Q2 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 Q2 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:

	<b>Amount allocated (as disclosed in the offer document) (S\$'000)</b>	<b>Amount utilised as at the date of this announcement (S\$'000)</b>	<b>Balance (S\$'000)</b>
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	(5,272)	5,728
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 <sup>(1)</sup>	8,000	(8,000)	-
<b>Total</b>	<b>22,000</b>	<b>(16,272)</b>	<b>5,728</b>

**Note:**

<sup>(1)</sup> Comprises operating expenses.



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## 17. Use of Convertible Bonds proceed

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 <sup>(1)</sup>	3,144	(1,115)	2,029
Total	10,480	(8,451)	2,029

**Note:**

<sup>(1)</sup> 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 August 2019