CLEARBRIDGE HEALTH LIMITED
(Company Registration No. 201001436C)

PROPOSED ACQUISITION OF SHARES IN MEDIC LASER PRIVATE LIMITED AND MEDIC SURGICAL PRIVATE LIMITED

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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**") wishes to announce that the Company's indirect wholly-owned subsidiary, Clearbridge Medical Asia Pte. Ltd. ("**CBMA**"), has today entered into a conditional sale and purchase agreement (the "**SPA**") with Dr Loo Han Woen ("**Dr Loo**") and Tong Pek Eng (collectively, the "**Vendors**") in relation to the proposed acquisition by CBMA of:

(a) 85% of the issued share capital of Medic Laser Private Limited ("**MLPL**") from Dr Loo; and

(b) 85% of the issued share capital of Medic Surgical Private Limited ("**MSPL**", and collectively with MLPL, the "**Targets**") from Tong Pek Eng,

(collectively, the "**Proposed Acquisition**").

1.2 Upon completion of the Proposed Acquisition, 85% of the issued share capital of each of the Targets will be held by CBMA, 15% of the issued share capital of MLPL will be held by Dr Loo, and 15% of the issued share capital of MSPL will be held by Tong Pek Eng.

1.3 The Vendors are not related to the Directors or the controlling shareholders of the Company and their respective associates.

2. INFORMATION ON THE TARGETS

2.1 The Targets are incorporated in Singapore as private companies limited by shares. The Targets collectively operate a clinic under the name "Medic Surgery and Laser Clinic" ("**MSLC**") in Tanjong Pagar. MSLC began operations in November 2011 and provides general medical, surgical and aesthetics services. Located on the outskirts of the central business district, MSLC caters mainly to working professionals seeking general medicine services and high-end dermatology treatments at affordable prices.

2.2 As at the date of this announcement, MLPL and MSPL each has an issued and paid-up share capital of S$100,000 and S$1,000 comprising 100,000 and 1,000 ordinary shares respectively.

2.3 Dr Loo is the sole shareholder of MLPL. Tong Pek Eng, the sole shareholder of MSPL, is the mother of Dr Loo.

2.4 Based on the unaudited management accounts of the Targets for the 12 months ended 31 December 2017, the book value and net tangible assets ("**NTA**") of the Targets amounted to approximately S$456,000 and the net profit of the Targets was approximately S$539,000. No independent valuation was conducted on the Targets.

3. CONSIDERATION

3.1 The aggregate consideration payable upon completion of the Proposed Acquisition is S$5,500,000 (the "**Consideration**"), which will be satisfied in the following manner:

(a) S$2,000,000 will be paid to the Vendors in cash; and

(b) S$3,500,000 will be satisfied by the allotment and issuance by the Company to the Vendors (or such persons as the Vendors may nominate) of 6,337,136 new ordinary shares in the capital of the Company (the "**Consideration Shares**"), each issued at S$0.5523 (the "**Issue Price**") and credited as fully-paid. The Issue Price is the volume-weighted average price for trades of the Company's shares done on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the full market day on which the SPA is signed.

3.2 Earn Out Amounts

(a) In respect of the Targets' combined earnings before interest expense, income taxes, depreciation and amortisation ("**EBITDA**") for the period from 1 January 2018 to 31 December 2018 ("**FY2018 EBITDA**"), CBMA shall pay to the Vendors an additional cash sum ("**Tranche A Earn Out**") determined in the following manner:

i. in the event that the Targets' combined FY2018 EBITDA is equal to or more than S$828,000, the Tranche A Earn Out is S$2,000,000;

ii. in the event that the Targets' combined FY2018 EBITDA is less than S$828,000 but equal to or more than S$700,000, the Tranche A Earn Out is computed in accordance with the following formula:

Tranche A Earn Out = Targets' combined FY2018 EBITDA ÷ S$828,000 x S$2,000,000

iii. in the event that the Targets' combined FY2017 EBITDA is less than S$700,000, the Tranche A Earn Out shall not be payable.

(b) In respect of the Targets' combined cumulative EBITDA for the 3-year period from 1 January 2018 to 31 December 2020 (as assessed at the end of each financial period ending 31 December) ("**Cumulative EBITDA**"), CBMA shall pay to the Vendors an additional cash sum ("**Tranche B Earn Out**") computed in the following manner:

i. in the event that the Cumulative EBITDA is equal to or more than S$2,484,000, the Tranche B Earn Out is S$3,000,000 less the Tranche A Earn Out;

ii. in the event that the Cumulative EBITDA is less than S$2,484,000, the Tranche B Earn Out is computed in accordance with the following formula:

Tranche B Earn Out = S$3,000,000 – Tranche A Earn Out – [85% x (S$2,484,000 – Cumulative EBITDA)]

If the Tranche B Earn Out is a negative amount, the Vendors shall pay to CBMA the absolute Tranche B Earn Out in cash, subject to a maximum of S$407,600.

3.3 The Consideration, the Tranche A Earn Out and the Tranche B Earn Out were determined based on arms' length negotiations and arrived at on a willing-buyer and willing-seller basis. The Consideration, the Tranche A Earn Out and the Tranche B Earn Out take into account, among other things, the book value and NTA of the Targets as disclosed in paragraph 2.4 above, and that the Targets were profitable for the past three (3) years.

3.4 The Consideration Shares will be issued pursuant to the Company's general share issue mandate obtained on 20 November 2017. The Consideration Shares, when allotted and issued, shall rank *pari passu* in all respects with the then existing shares in the capital of the Company. The Company will be making an application through its sponsor to the SGX-ST for the listing of, and quotation for, the Consideration Shares on the Catalist Board of the SGX-ST and will make the relevant announcement upon receipt of the listing and quotation notice from the SGX-ST.

3.5 The Proposed Acquisition will be funded by the issuance of the Consideration Shares, the proceeds from the Company's initial public offering and/or bank borrowings.

4. CONDITIONS

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 each of the Targets being satisfactory to CBMA in its absolute discretion;

(b) certain key employees of the Targets entering into new employment agreements with the relevant Target;

(c) all other consents and approvals required under any applicable laws for the transfer of the relevant shares of the Targets and/or any transactions contemplated under the SPA 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 CBMA in its sole and absolute discretion and being fulfilled; and

(d) each of the Targets having fully discharged its bank or shareholders' loans (if any).

5. MORATORIUM

Under the terms of the SPA, the Vendors have undertaken to CBMA that:

(a) they will not sell, or otherwise dispose of, any of the Consideration Shares for a period of six (6) months from the date of completion of the Proposed Acquisition (the "**First Moratorium Period**"); and

(b) they will not sell, or otherwise dispose of, more than 50% of the Consideration Shares for a period of six (6) months after the First Moratorium Period.

6. 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 the financial year ended 31 December 2017 and the management accounts of the Targets for the 12 months ended 31 December 2017, the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

	Relative Figures for the Proposed Acquisition
Rule 1006(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
Rule 1006(b) The net profits attributable to the assets acquired, compared with the Group's net profits	-4.2%(1)
Rule 1006(c) 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	3.1%(2)
Rule 1006(d) The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	1.3%
Rule 1006(e) 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$10.91 million for the financial year ended 31 December 2017. The profit before tax of the Targets for the 12 months ended 31 December 2017 was approximately S$0.54 million.

(2) Computed based on the Consideration of S$5,500,000, the maximum Tranche A Earn Out and the Tranche B Earn Out of S$3,000,000 and the market capitalisation of the Company of approximately S$274.36 million, which was determined by multiplying the issued share capital of the Company of 481,000,000 shares with the volume-weighted average price of such shares transacted on 27 February 2018 (being the date preceding the date of the SPA) of S$0.5704 per share.

7. RATIONALE FOR THE PROPOSED ACQUISITION

The Directors believe the Proposed Acquisition is advantageous to the Group for the following strategic and commercial reasons:

(a) The Proposed Acquisition is in line with the Group's growth plans to expand its medical clinics and medical centres business. The Proposed Acquisition will enhance the Group's position in the Singapore healthcare market.

(b) The Directors expect the Proposed Acquisition to result in revenue and cost synergies which will be achieved by deploying other wellness products and laboratory testing services within the Group through the expanded network of clinics, particularly in medical aesthetics, and potentially realising economies of scale.

8. FINANCIAL EFFECTS

The financial effects of the Proposed Acquisition on the Company are set out below and are purely for illustrative purposes. The pro forma financial effects of the Proposed Acquisition on the Group's NTA and loss per share ("**LPS**") have been computed based on (a) the Group's unaudited consolidated financial statements for the financial year ended 31 December 2017; and (b) the Targets' unaudited management accounts for the 12 months ended 31 December 2017.

8.1 NTA. The pro forma financial effect of the Proposed Acquisition on the NTA per share of the Group as at 31 December 2017, assuming the Proposed Acquisition had completed on 31 December 2017, is as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
NTA attributable to equity holders of the Company (S$'000)	49,831	48,218
Number of shares in issue	481,000,000	487,337,136
NTA per share (Singapore cents)	10.36	9.89

8.2 LPS. The pro forma financial effect of the Proposed Acquisition on the LPS of the Group as for the financial year ended 31 December 2017, assuming the Proposed Acquisition had completed on 1 January 2017, is as follows:

	Before the Proposed Acquisition	**After the Proposed Acquisition**
Loss attributable to equity holders of the Company (S$'000)	7,470	7,011
Number of shares in issue	481,000,000	487,337,136
LPS (Singapore cents)	1.55	1.44

9. 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 Acquisition other than through their respective shareholding interests in the Company (if any).

10. SERVICE CONTRACTS

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

11. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection at the registered address of the Company for a period of three (3) months from the date of this announcement.

12. 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 Acquisition, 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.

13. 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 Acquisition.

14. 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 Acquisition is subject to fulfilment of various conditions as set out in the SPA. 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
Executive Director and Chief Executive Officer

28 February 2018

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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.*