CLEARBRIDGE HEALTH LIMITED
(Company Registration No. 201001436C)

PROPOSED ACQUISITION OF SHARES IN MARZAN HEALTH CARE INC.

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1. INTRODUCTION

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 Offer Document dated 11 December 2017 (the "**Offer Document**") in relation to the Company’s initial public offering of its shares ("**IPO**") and its admission to the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

As disclosed in the Offer Document, the Company had entered into a term sheet for the potential acquisition of a medical centre in the Philippines as part of its plans to grow the Group’s business.

Further to the entry of the abovementioned term sheet, the Board wishes to announce that the Company's wholly-owned subsidiary, Clearbridge Health (Philippines), Inc. (the "**Purchaser**"), had on 4 January 2018 entered into a conditional share purchase agreement with Edison B. Marzan, Enrico B. Marzan, Flocerfida B. Marzan, Edwin B. Marzan, Jenny Lyn Tin Co and Visitacion Magtibay (collectively, the "**Vendors**") in relation to the proposed acquisition by the Purchaser of 65% of the common shares in the issued share capital of Marzan Health Care Inc. (the "**Target**") (the "**Proposed Acquisition**").

The completion of the Proposed Acquisition is conditional upon, among other things, the Purchaser being satisfied with the results and outcome of its commercial, financial and legal due diligence on the Target, as well as relevant approvals being obtained.

Upon completion of the Proposed Acquisition, the common shares of the Target will be held by the Purchaser (65)%, Edison B. Marzan (34)% and Visitacion Magtibay (1)%.

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

2. INFORMATION ON THE TARGET

The Target was founded by Edison B. Marzan and Visitacion Magtibay in the Philippines in March 2015 to provide affordable health care to patients, through a comprehensive ambulatory medical centre, which are complementary to traditional hospital based services.

The business of the Target has grown from its founding and the Target presently owns and operates a medical centre in Manila, branded the Marzan Health Care Diagnostic Centre, which offers a wide range of services including pathology services, imaging diagnostics, dental care, as well as dialysis and renal care.

Based on the unaudited management accounts of the Target for the 9 months ended September 2017, the book value and net tangible assets of the Target were approximately PHP99,030,000 (equivalent to approximately S$2,644,000[1]). No independent valuation was conducted on the Target.

3. PROPOSED SUBSCRIPTION

Following the completion of the Proposed Acquisition and subject to approval of the Philippines Securities Exchange Commission, the Purchaser also intends to enter into a subscription agreement, pursuant to which the Purchaser will subscribe for such number of cumulative, non-voting, redeemable preferred shares in the Target at the price of PHP1.00 per share, for a total subscription price of approximately PHP25,000,000 (equivalent to approximately S$667,000) in cash, to increase the paid-up capital of the Target to the equivalent of US$2,500,000 (equivalent to approximately S$3,324,000[2]) (the "**Proposed Subscription**", and together with the Proposed Acquisition, the "**Proposed Transactions**").

Upon completion of the Proposed Subscription, the Purchaser will hold 100% of the preferred shares in the Target. The preferred shares have a fixed dividend rate of 2% above the prime lending rate, payable semi-annually.

4. CONSIDERATION AND PAYMENT

The aggregate cash consideration for the Proposed Acquisition is PHP69,615,000 (approximately S$1,858,000) (the "**Purchase Consideration**").

As at the date of this announcement, the Purchaser has paid a total of PHP12,300,000 (equivalent to approximately S$328,000) by way of deposit to the Vendors. The remainder of the Purchase Consideration is payable at the following milestones:

(a) PHP36,430,500 (equivalent to approximately S$972,000) is payable upon completion of the Proposed Acquisition.

(b) PHP6,961,500 (equivalent to approximately S$186,000) is payable 4 months from the date of completion of the Proposed Acquisition.

(c) PHP6,961,500 (equivalent to approximately S$186,000) is payable 8 months from the date of completion of the Proposed Acquisition.

(d) PHP3,480,750 (equivalent to approximately S$93,000) is payable on the first business day following the date of issuance of the audited financial statements of the Target for the year 2019 (the "**2019 Payment**"), subject to the Target achieving an annual net profit before interest, taxes, depreciation and amortization ("**EBITDA**") of not less than PHP3,600,000 (equivalent to approximately S$96,000)(the "**EBITDA Target**") in 2019.

[1] All conversions of PHP to S$ in this announcement are based on an exchange rate of approximately S$1: PHP37.4613

[2] Based on an exchange rate of approximately S$1: US$0.75213

(e) PHP3,480,750 (equivalent to approximately S$93,000) is payable on the first business day following the date of issuance of the audited financial statements of the Target for the year 2020 (the "**2020 Payment**"), subject to the Target achieving an annual EBITDA of not less than the EBITDA Target in 2020.

In the event that the Target does not achieve the EBITDA Target for either 2019 or 2020, the Purchaser shall pay the 2019 Payment or the 2020 Payment (as applicable), less the difference between the EBITDA Target and the Target's actual EBITDA for 2019, or 2020, as the case may be.

The considerations for the Proposed Transactions were determined based on arms' length negotiations and arrived at on a willing-buyer and willing-seller basis. The considerations take into account, among other things, the paid up capital of the Target of PHP100,000,000 (equivalent to approximately S$2,669,000), and existing shareholders' loans of approximately PHP7,100,000 (equivalent to approximately S$190,000) which will be written off prior to completion of the Proposed Acquisition.

The Proposed Transactions will be funded by the proceeds from the IPO and/or bank borrowings.

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

Based on the unaudited pro forma consolidated financial statements of the Group for the 6 months ended June 2017 as disclosed in the Offer Document and the management accounts of the Target for the 6 months ended June 2017, none of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceed 5%. Accordingly, the Proposed Transactions are non-discloseable transactions as defined under the Catalist Rules.

6. RATIONALE FOR THE PROPOSED TRANSACTIONS

The Directors believe the Proposed Transactions are advantageous to 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 network of medical clinics and centres in the region. The Proposed Transactions will provide the Group with a platform to expand its business in the Philippines.

(b) The Target has the required licences to provide a wide range of medical services in the Philippines. This will accelerate the Group's expansion into the Philippines as the process of building up the infrastructure and obtaining similar licences can typically take an extended period of time.

(c) The Directors also expect the Proposed Transactions to result in revenue synergies as the Group will be able to leverage on the Target's existing distribution network to deliver the Group's precision medicine products and/or services.

7. 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).

8. 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.

BY ORDER OF THE BOARD

Yee Pinh Jeremy
Chief Executive Officer and Executive Director

4 January 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.*