



Clearbridge Health Limited
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**Clearbridge Health Limited
and its subsidiaries
Company Reg. No 201001436C**

Unaudited Condensed Interim Financial Statements
For the six months ended 30 June 2023

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 Catalyst. 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. David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.



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A. Unaudited condensed interim consolidated statement of comprehensive income

		GROUP		
		(Re-presented)*		
Note	Six months ended 30 June		Increase/ (Decrease) %	
	2023	2022		
		S\$'000	S\$'000	
Continuing operations				
		5,665	9,126	(37.9)
		(2,532)	(3,605)	(29.8)
		(3,120)	(3,029)	3.0
	5	(563)	(795)	(29.2)
		(4)	(51)	(92.2)
		415	147	182.3
		(225)	(7,096)	(96.8)
		(1)	(52)	(98.1)
		(885)	(2,163)	(59.1)
		(390)	(442)	(11.8)
		<u>(1,640)</u>	<u>(7,960)</u>	(79.4)
		(34)	(139)	(75.5)
		<u>(1,674)</u>	<u>(8,099)</u>	(79.3)
	7	(1,674)	(8,099)	(79.3)
Discontinued operations				
		-	(22)	n.m.
	6	-	(22)	n.m.
		<u>(1,674)</u>	<u>(8,121)</u>	(79.4)
		<u>(1,674)</u>	<u>(8,121)</u>	(79.4)
		<u>(1,674)</u>	<u>(8,121)</u>	(79.4)
Other comprehensive income:				
Item that will not be reclassified to profit or loss				
		-	(1)	n.m.
Item that may be reclassified subsequently to profit or loss				
		(30)	(67)	(55.2)
		<u>(1,704)</u>	<u>(8,189)</u>	(79.2)
		<u>(1,704)</u>	<u>(8,189)</u>	(79.2)
(Loss)/Profit attributable to:				
Owners of the Company				
		(1,527)	(8,451)	(81.9)
		-	105	n.m.
Non-controlling interest				
		(147)	352	n.m.
		-	(127)	n.m.
		<u>(1,674)</u>	<u>(8,121)</u>	(79.4)
		<u>(1,674)</u>	<u>(8,121)</u>	(79.4)
Total comprehensive income attributable to:				
Owners of the Company				
		(1,566)	(8,379)	(81.3)
		-	(35)	n.m.
Non-controlling interest				
		(138)	355	n.m.
		-	(130)	n.m.
		<u>(1,704)</u>	<u>(8,189)</u>	(79.2)
		<u>(1,704)</u>	<u>(8,189)</u>	(79.2)
Loss per share				
Basic and diluted				
		(0.25)	(1.37)	
	8	(0.25)	(1.37)	
		-	0.02	
	8	-	0.02	

Note:
 n.m. - not meaningful

* Due to the Group's disposal of 100% of its shareholding interests in SAM Laboratory Pte. Ltd. and Clearbridge Medical Asia Pte. Ltd. which in turn held (a) PT Indo Genesis Medika, and (b) PT Tirta Medika Jaya and Clearbridge Medicentre Private Limited, as subsidiaries respectively, meeting the criteria and being classified as discontinued operations (please refer to Note 6), financial information for the six months ended 30 June ("1H") 2022 is re-presented as if the operations had been discontinued from the start of 1H 2022.

** During the financial year ended 31 December ("FY") 2022, the Group disposed of an aggregate of 40,512,100 ordinary shares in the capital of Biolidics Limited ("Biolidics"), through a series of open market transactions of 1,300,000, 200,000, 9,493,000, 19,189,100, 8,330,000 and 2,000,000 Biolidics' ordinary shares on 19, 20, 21, 25 and 26 October 2022 and 9 November 2022, respectively. Following these disposals, Biolidics ceased to be an associate of the Group, and the remaining 19,623,300 shares in Biolidics was recorded as Other Investments at fair value through profit or loss ("FVTPL").



B. Unaudited condensed interim statements of financial position

Note	GROUP		COMPANY	
	30/6/23 S\$'000	31/12/22 S\$'000	30/6/23 S\$'000	31/12/22 S\$'000
Non-current assets				
	-	-	19,837	19,837
Investments in subsidiaries				
Plant and equipment	11 576	670	9	10
Convertible exchangeable bonds	10 10,625	10,625	8,544	8,544
Right-of-use assets	12 1,349	1,435	-	-
Intangible assets	13 8	11	3	3
Goodwill on consolidation	21,306	21,296	-	-
Other investments	1,704	1,318	-	-
Other receivables	12,000	11,942	9,146	9,100
Derivative financial instruments	10 46	47	46	47
Amounts due from subsidiaries	-	-	5,315	3,236
	47,614	47,344	42,900	40,777
Current assets				
Cash at banks and short-term deposits	3,480	6,055	531	1,901
Trade receivables	1,118	1,196	-	-
Prepayments	195	252	47	124
Other receivables	2,743	3,003	128	135
Amounts due from subsidiaries	-	-	4,650	7,548
Inventories	360	301	-	-
Derivative financial instruments	10 27	27	27	27
	7,923	10,834	5,383	9,735
Total assets	55,537	58,178	48,283	50,512
Current liabilities				
Borrowings	14 1,201	1,314	733	724
Trade payables	391	394	-	-
Other payables	1,671	2,026	400	660
Amounts due to subsidiaries	-	-	3,775	4,619
Lease liabilities	12 456	644	-	-
Contract liabilities	424	515	-	-
Income tax payable	146	207	-	-
	4,289	5,100	4,908	6,003
Net current assets	3,634	5,734	475	3,732
Non-current liabilities				
Borrowings	14 4,201	4,573	4,191	4,562
Other payables	74	73	-	-
Lease liabilities	12 1,033	936	-	-
Deferred tax liabilities	1,827	1,827	-	-
	7,135	7,409	4,191	4,562
Total liabilities	11,424	12,509	9,099	10,565
NET ASSETS	44,113	45,669	39,184	39,947
Equity attributable to owners of the Company				
Share capital	15 92,899	92,899	92,899	92,899
Capital reserve	(1,256)	(1,256)	(6,030)	(6,030)
Share-based payment reserve	4,405	4,257	4,406	4,258
Fair value reserve	97	97	-	-
Currency translation reserve	(96)	(57)	-	-
Employee benefits reserve	4	4	-	-
Accumulated losses	(56,079)	(54,545)	(52,091)	(51,180)
Equity attributable to owners of the Company	39,974	41,399	39,184	39,947
Non-controlling interests	4,139	4,270	-	-
TOTAL EQUITY	44,113	45,669	39,184	39,947



C. Unaudited condensed interim statements of changes in equity

(In S\$'000)

<u>Group</u>	Share capital	Capital reserve	Share-based payment reserve	Fair value reserve	Currency translation reserve	Employee benefits reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2023	92,899	(1,256)	4,257	97	(57)	4	(54,545)	41,399	4,270	45,669
<i>Total comprehensive income for the period</i>										
Loss for the period	-	-	-	-	-	-	(1,527)	(1,527)	(147)	(1,674)
Other comprehensive income for the period	-	-	-	-	(39)	-	-	(39)	9	(30)
Total comprehensive income for the period	-	-	-	-	(39)	-	(1,527)	(1,566)	(138)	(1,704)
<i>Transactions with owners, recognised directly in equity</i>										
Share-based payment - equity settled	-	-	148	-	-	-	-	148	-	148
Issuance of ordinary shares by subsidiaries	-	-	-	-	-	-	(7)	(7)	7	-
Balance as at 30 June 2023	92,899	(1,256)	4,405	97	(96)	4	(56,079)	39,974	4,139	44,113



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C. Unaudited condensed interim statements of changes in equity (cont'd)

(In S\$'000)

<u>Group</u>	Share capital	Capital reserve	Share-based payment reserve	Fair value reserve	Currency translation reserve	Employee benefits reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2022	92,899	(1,256)	4,108	150	(304)	1	(43,388)	52,210	5,100	57,310
<i>Total comprehensive income for the period</i>										
(Loss)/profit for the period	-	-	-	-	-	-	(8,346)	(8,346)	225	(8,121)
Other comprehensive income for the period	-	-	-	-	(67)	(1)	-	(68)	-	(68)
Total comprehensive income for the period	-	-	-	-	(67)	(1)	(8,346)	(8,414)	225	(8,189)
<i>Transactions with owners, recognised directly in equity</i>										
Dividend	-	-	-	-	-	-	-	-	(191)	(191)
Share-based payment - equity settled	-	-	148	-	-	-	-	148	-	148
Issuance of ordinary shares by subsidiaries	-	-	-	-	-	-	(43)	(43)	43	-
<i>Change in ownership interest in subsidiaries</i>										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	1	1	(7)	(6)
Balance as at 30 June 2022	92,899	(1,256)	4,256	150	(371)	-	(51,776)	43,902	5,170	49,072



C. Unaudited condensed interim statements of changes in equity (cont'd)

(In S\$'000)

<u>Company</u>	Share capital	Capital reserve	Share-based payment reserve	Accumulated losses	Total equity
Balance as at 1 January 2023	92,899	(6,030)	4,258	(51,180)	39,947
Loss for the period, representing total comprehensive loss for the period	-	-	-	(911)	(911)
Share-based payment - equity settled	-	-	148	-	148
Balance as at 30 June 2023	92,899	(6,030)	4,406	(52,091)	39,184
Balance as at 1 January 2022	92,899	(6,030)	4,109	(33,544)	57,434
Loss for the period, representing total comprehensive loss for the period	-	-	-	(1,454)	(1,454)
Share-based payment - equity settled	-	-	148	-	148
Balance as at 30 June 2022	92,899	(6,030)	4,257	(34,998)	56,128

D. Unaudited condensed interim consolidated statement of cash flows

	Note	GROUP	
		Six months ended 30 June 2023 S\$'000	(Re-presented) Six months ended 30 June 2022 S\$'000
Operating activities			
Loss before taxation from continuing operations		(1,640)	(7,960)
Profit before taxation from discontinued operations	6	-	288
		<u>(1,640)</u>	<u>(7,672)</u>
Adjustments for:			
Actuarial gain on retirement plan		-	(1)
Share-based payment - equity settled		148	148
Fair value adjustment of convertible bonds		(233)	-
Gain on disposal of investment property		-	(75)
Gain on modification of deferred consideration		(19)	-
Depreciation of plant and equipment		180	1,060
Depreciation of right-of-use assets		383	520
Amortisation of intangible assets		4	300
Interest income		(83)	(28)
Interest expense		390	521
Bad debt written off		1	37
Inventories written off		8	25
Plant and equipment written off		1	-
Impairment of plant and equipment		-	42
(Reversal)/impairment of trade and other receivables		(572)	262
Fair value adjustment on contingent consideration		(20)	(13)
Fair value loss on derivative financial instruments		1	52
Fair value loss on other investment at FVTPL/ an associate		225	7,096
Unrealised foreign exchange loss		(65)	213
		<u>(1,291)</u>	<u>2,487</u>
Operating cash flows before changes in working capital			
Decrease/(increase) in trade receivables		77	(3,331)
Decrease/(increase) in prepayments		57	(123)
(Increase)/decrease in other receivables		(349)	135
Increase in inventories		(67)	(73)
(Decrease)/increase in trade payables		(3)	1,245
Decrease in other payables		(445)	(173)
		<u>(2,021)</u>	<u>167</u>
Cash flows (used in)/generated from operations			
Income tax paid		(94)	(468)
Interest paid		(193)	(307)
Interest received		83	28
		<u>(2,225)</u>	<u>(580)</u>
Net cash used in operating activities			
Investing activities			
Purchase of plant and equipment		(61)	(642)
Purchase of intangible assets		-	(10)
Proceeds from contingent consideration		550	-
Proceeds from disposal of property, plant and equipment		-	2,080
		<u>489</u>	<u>1,428</u>
Net cash generated from investing activities			
Financing activities			
Dividend paid to non-controlling interests		-	(191)
Repayment of loans and borrowings		(450)	(3,123)
Repayment of lease liabilities		(389)	(583)
Decrease in restricted deposits		-	687
		<u>(839)</u>	<u>(3,210)</u>
Net cash used in financing activities			



D. Unaudited condensed interim consolidated statement of cash flows (cont'd)

	Group	
	Six months ended 30 June 2023 S\$'000	(Re-presented) Six months ended 30 June 2022 S\$'000
Net decrease in cash and cash equivalents	(2,575)	(2,362)
Effects of foreign exchange rate changes, net	-	(8)
Cash and cash equivalents at the beginning of the period	6,055	11,708
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	3,480	9,338

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

	Six months ended 30 June 2023 S\$'000	Six months ended 30 June 2022 S\$'000
Cash and banks and short-term deposits	3,480	11,496
Less: Restricted deposits	-	(2,158)
	<hr/>	<hr/>
Cash and cash equivalents	3,480	9,338

E. Notes to the unaudited condensed interim consolidated financial statements

1. Corporate information

Clearbridge Health Limited (the “**Company**”) is a limited liability company listed on the Catalist Board of the Singapore Exchange Securities Trading Limited. It is incorporated in Singapore with its principal place of business and registered office at 37 Jalan Pemimpin, #08-05 Mapex, Singapore 577177.

The principal activities of the Company are that of an investment holding company.

2. Basis of preparation

The condensed interim financial statements for the six months period ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting*.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the financial year ended 31 December (“**FY**”) 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for FY2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollar (“**S\$**”) and all values are rounded to the nearest thousand (“**S\$’000**”), except when otherwise indicated.

2.1. New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty for the condensed interim financial statements were the same as those that applied to the consolidated financial statements as at and for FY2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for the six months period ended 30 June 2023.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are as follows:

Impairment of goodwill on consolidation

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Based on calculations performed, management is of the view that no impairment charge is required for the six-month financial period ended 30 June 2023 (30 June 2022: S\$ Nil).

Impairment of other receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

2.2. Use of judgements and estimates (cont'd)

Fair value measurement of financial instruments

The valuation of unquoted financial assets and liabilities involves estimates, assumptions and judgement based upon available information and does not necessarily represent amounts which might ultimately be realised, since such amounts depend on future events. Due to the inherent uncertainty of valuation, the estimated fair values for the unquoted financial instruments may differ significantly from the amounts that might ultimately be realised and the differences could be material.

When the fair values of financial instruments cannot be derived from active markets, fair value is determined using valuation techniques and processes such as market comparable approach, Black Scholes Model, Option Pricing Model ("**OPM**"), Discounted Cash Flow ("**DCF**"), Adjusted Net Asset Approach ("**ANA Approach**"), Binomial Tree Model ("**BTM**"), and Probability Weighted Expected Return methodology ("**PWER**").

These financial instruments include convertible exchangeable bonds issued by a third party and call options granted by a subsidiary over the preference shares issued to the non-controlling interests.

Inputs into these models are derived from observable markets where possible, but if this is not feasible, significant estimates is required to establish fair values. The significant estimates include projected stock price volatility and discount rates. Changes in assumptions used in these estimates could affect the fair values of the financial instruments.

The valuation approach, significant estimates used and the sensitivity analysis are disclosed in Note 10.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the period under review.

4. Segment information

For management purposes, the Group is organised into business units based on reports reviewed by the management team that are used to make strategic decisions. There are five reportable operating segments as follows:

(i) ***Strategic investments***

The strategic investments segment involves investments in identified early-stage biotechnology companies, for which the performance of the investments is measured and evaluated on a fair value basis.

4. Segment information (cont'd)

(ii) **Healthcare systems**

The healthcare systems segment involves the provision of diagnostic services and provision of renal care services by partnering with medical device equipment manufacturers and hospitals.

(iii) **Medical clinics/centres**

The medical clinics/centres segment involves the provision of general medical, dental and clinical services and distribution of the medical and pharmaceutical products.

(iv) **Corporate segment**

The corporate segment involves the corporate functions in supporting the operations of the entire Group.

(v) **Investment**

The investment segment involves investments into various entities in the global healthcare sector which are EBITDA positive or at an inflection point with a clear line of sight to profitability ("**Portfolio Companies**"), and growing such Portfolio Companies with a view to eventually exiting from such Portfolio Companies. There was no transaction in the 6 months ended 30 June ("**1H**") 2023.

No operating segments have been aggregated to form the above reportable operating segment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net fair value gain or loss for strategic investments, or operating profit or loss for healthcare systems, medical and dental clinics/centres and corporate segments.

4. Segment information (cont'd)

4.1 Reportable segments

Six months ended 30 June 2023	Strategic investments S\$'000	Healthcare systems S\$'000	Medical clinics/ centres S\$'000	Corporate S\$'000	Eliminations S\$'000	Total S\$'000
Revenue:						
External customers	–	21	5,644	–	–	5,665
Inter-segment	–	–	465	–	(465)	–
Total revenue	–	21	6,109	–	(465)	5,665
Results:						
Interest income	–	15	23	45	–	83
Depreciation expense	–	–	(559)	(4)	–	(563)
Amortisation expense	–	–	(4)	–	–	(4)
Other income	–	–	60	233	–	293
Fair value adjustment of contingent consideration for business combinations	39	–	–	–	–	39
Fair value loss on other investment at FVTPL	(225)	–	–	–	–	(225)
Fair value loss on derivative financial instruments	–	–	–	(1)	–	(1)
Segment loss	376	(9)	(755)	(1,286)	–	(1,674)
Assets:						
Other investments	1,704	–	–	–	–	1,704
Derivative financial instruments	–	–	–	46	–	46
Additions to non-current assets	–	–	58	3	–	61
Segment assets	1,723	5,256	30,064	18,494	–	55,537
Segment liabilities	(1,780)	(8)	(4,313)	(5,323)	–	(11,424)

4. Segment information (cont'd)

4.1 Reportable segments (cont'd)

Six months ended 30 June 2022 (Re-presented)	Group					Total S\$'000	Discontinued operations Healthcare systems S\$'000
	Strategic investments S\$'000	Healthcare systems S\$'000	Medical clinics/ centres S\$'000	Corporate S\$'000	Eliminations S\$'000		
Revenue:							
External customers	–	22	9,104	–	–	9,126	10,906
Inter-segment	–	–	2,201	–	(2,201)	–	–
Total revenue	–	22	11,305	–	(2,201)	9,126	10,906
Results:							
Interest income	–	–	20	1	–	21	7
Depreciation expense	–	–	(789)	(6)	–	(795)	(785)
Amortisation expense	–	–	(51)	–	–	(51)	(249)
Other income	–	82	61	–	–	143	–
Fair value adjustment of contingent consideration for business combinations	–	–	(17)	–	–	(17)	30
Fair value loss on an associate	(7,096)	–	–	–	–	(7,096)	–
Fair value loss on derivative financial instruments	–	–	–	(52)	–	(52)	–
Segment (loss)/ profit	(7,116)	38	1,032	(2,053)	–	(8,099)	(22)
Assets:							
Investments in an associate	4,329	–	–	–	–	4,329	–
Other investments	900	–	–	–	–	900	–
Derivative financial instruments	–	–	–	784	–	784	–
Additions to non- current assets	–	–	221	7	–	228	424
Segment assets	5,250	604	34,637	1,642	–	42,133	29,857
Segment liabilities	(1,782)	(10)	(7,315)	(5,958)	–	(15,065)	(7,853)

4. Segment information (cont'd)

4.2 Disaggregation of revenue

	Group							
	Continuing operations						Discontinued operations	
	Healthcare systems		Medical clinics/ centres		Total revenue		Healthcare systems	
	2023	2022	2023	2022	2023	2022	2023	2022
Six months ended 30 June								
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Major product or service lines								
Rendering of medical and clinical services	–	–	5,251	8,785	5,251	8,785	–	–
Laboratory testing services	21	22	–	–	21	22	–	8,550
Renal care revenue	–	–	393	319	393	319	–	2,356
	21	22	5,644	9,104	5,665	9,126	–	10,906
Primary geographical markets								
Singapore	–	–	3,937	4,555	3,937	4,555	–	–
Philippines	–	–	1,124	2,689	1,124	2,689	–	–
Indonesia	–	–	–	–	–	–	–	10,906
Hong Kong, Malaysia and others	21	22	583	1,860	604	1,882	–	–
	21	22	5,644	9,104	5,665	9,126	–	10,906
Timing of transfer of goods or services								
At a point in time	21	22	5,226	8,319	5,247	8,341	–	10,906
Over time	–	–	418	785	418	785	–	–
	21	22	5,644	9,104	5,665	9,126	–	10,906



5. Employee benefits expense

	Group (Re-presented)	
	Six months ended 30 June 2023 S\$'000	Six months ended 30 June 2022 S\$'000
Directors' remuneration	99	98
Salaries and bonuses	2,553	2,466
Defined contribution plan	234	231
Share-based payment – equity settled	148	148
Others	86	86
	3,120	3,029
	3,120	3,029

6. Discontinued operations

On 7 October 2022, the Company and its wholly-owned subsidiary, Renum Distribution Holdings Pte. Ltd. ("**RDH**"), entered into 2 share purchase agreements with Lunadorii Inc. (the "**Purchaser**") to dispose of 100% of their respective shareholding interests in SAM Laboratory Pte. Ltd. ("**SAM Labs**") and Clearbridge Medical Asia Pte. Ltd. ("**CBMA**") which in turn held subsidiaries (a) PT Indo Genesis Medika ("**IGM**"), and (b) PT Tirta Medika Jaya ("**TMJ**") and Clearbridge Medicentre Private Limited ("**CMPL**"), respectively (collectively, the "**Disposed Groups**", which fall under the Healthcare systems segment). The disposal consideration was satisfied by the issue of convertible exchangeable bonds (the "**Bonds**") by the Purchaser to each of the Company and RDH. The maturity date of the Bonds is on 6 October 2025. The disposal was completed on the same day, on which control of the Disposed Groups was passed on to the Purchaser.

The revenue and expenses relating to the discontinuation of the Disposed Groups which have been removed from the results of continuing operations and presented as a single line item on the face of the statement of comprehensive income of the Group as "Net loss from discontinued operations". The Disposed Groups were not previously presented as discontinued operations or classified as held for sale as at 30 June 2022. Thus, the comparative statement of profit or loss for 1H2022 has been re-presented to show the discontinued operations separately from continuing operations based on the requirement of SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations to be comparable with the statement of profit or loss for 1H2023.



6. Discontinued operations (cont'd)

	Six months ended 30 Jun 2022 S\$'000
Revenue	10,906
Purchases	(7,760)
Employee benefits expense	(870)
Depreciation expense	(785)
Amortisation expense	(249)
Other income	37
Other operating expenses	(912)
Finance cost	(79)
	<hr/>
Profit before tax from discontinued operations	288
Income tax expense	(310)
	<hr/>
Net loss from discontinued operations	(22)
	<hr/> <hr/>

The net cash flows incurred by the Disposed Groups for 1H2022 are presented as follows:

	Six months ended 30 Jun 2022 S\$'000
Operating	(196)
Investing	(375)
Financing	(989)
	<hr/>
Net cash outflow	(1,560)
	<hr/> <hr/>

7. Loss before taxation

The following items have been included in arriving at loss before taxation:

	GROUP					
	Continuing operations (Re-presented)			Discontinued operations (Re-presented)		
	Six months ended 30 June 2023 S\$'000	Six months ended 30 June 2022 S\$'000	Increase/ (Decrease) %	Six months ended 30 June 2023 S\$'000	Six months ended 30 June 2022 S\$'000	Increase/ (Decrease) %
Interest expense on:						
- Borrowings	(32)	(82)	(61.0)	-	(71)	n.m.
- Convertible bonds	(318)	(316)	0.6	-	-	n.m.
- Lease liabilities	(40)	(44)	(9.1)	-	(8)	n.m.
Depreciation expense on:						
- Plant and equipment	(180)	(302)	(40.4)	-	(758)	n.m.
- Right-of-use assets	(383)	(493)	(22.3)	-	(27)	n.m.
Amortisation expense	(4)	(51)	(92.2)	-	(249)	n.m.
Other income:						
- Grant income	44	38	15.8	-	-	n.m.
- Interest income	83	21	295.2	-	7	n.m.
- Rental income	-	10	n.m.	-	-	n.m.
- Gain on disposal of property	-	75	n.m.	-	-	n.m.
- Fair value adjustment on contingent consideration for business combinations	20	30	(33.3)	-	(17)	n.m.
- Gain on modification of deferred consideration	19	-	n.m.	-	-	n.m.
- Fair value adjustment on convertible bonds	233	-	n.m.	-	-	n.m.
- Others	16	20	(20.0)	-	-	n.m.
Material items included in other operating expenses:						
- Foreign exchange gain/(loss), net	74	(188)	n.m.	-	(161)	n.m.
- Professional fees	(301)	(402)	(25.1)	-	(160)	n.m.
- Rental ⁽¹⁾	(190)	(40)	375.0	-	(3)	n.m.
- Bad debt written off	(1)	(37)	(97.3)	-	-	n.m.
- Reversal/(Impairment) of trade and other receivables	572	-	n.m.	-	(262)	n.m.
- Impairment of plant and equipment	-	(42)	n.m.	-	-	n.m.
- Inventories (written off)/reversal of inventories written off	(8)	(347)	(97.7)	-	322	n.m.
Employee benefits expense						
- Share-based payment - equity settled	(148)	(148)	-	-	-	n.m.

n.m. - not meaningful

Notes:

⁽¹⁾ Rental expenses 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.



8. Loss per share

	Group (Re-presented)	
	Six months ended 30 June 2023	Six months ended 30 June 2022
Loss attributable to owners of the Company (S\$'000)		
-Continuing operations	(1,527)	(8,451)
-Discontinued operations	-	105
Weighted average number of shares ('000) ⁽¹⁾	618,314	617,390
Basic and diluted loss per share (cents)		
-Continuing operations	(0.25)	(1.37)
-Discontinued operations	-	0.02

For the purpose of calculating diluted loss per share, the weighted average number of ordinary shares outstanding have been adjusted for the effects of all dilutive potential ordinary shares.

Basic and diluted loss per share is the same as the Convertible Bonds and 2,985,475 shares awarded to employees on 28 April 2021 under the Company's performance share plan which will be vested and issued over 3 years as they were anti-dilutive pursuant to paragraph 41 of SFRS(I) 1-33 Earnings per Share.

Note:

- ⁽¹⁾ In April 2022 and May 2023, the Company had allotted and issued 995,160 and 842,058 shares, respectively, pursuant to the Company's performance share plan. These issuances of shares have been factored in arriving at the weighted average number of shares.

9. Net asset value

	Group		Company	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Net asset value (S\$'000)	39,974	41,399	39,184	39,947
Number of shares ('000)	619,052	618,210	619,052	618,210
Net asset value per share (cents)	6.46	6.70	6.33	6.46

10. Derivative financial instruments

The Group's derivative financial instruments accounted for at fair value through profit or loss:

	Group		Company	
	30 June 2023 S\$'000	31 December 2022 S\$'000	30 June 2023 S\$'000	31 December 2022 S\$'000
Assets				
Issuance of convertible bonds (Note B)	46	47	46	47
Convertible exchangeable bonds (Note C)	10,625	10,625	8,544	8,544
Non-current asset	10,671	10,672	8,590	8,591
Call option on convertible preference shares (Note A)	27	27	27	27
Current asset	27	27	27	27

Note A: On 16 March 2021, the Group entered into a subscription agreement to issue convertible preference shares by a subsidiary of the Company to third party investors. The Company received an option to acquire the convertible preference shares from the third parties, at a price per convertible preference share equivalent to the initial subscription price per share plus 5.0% of the initial subscription price per convertible preference share per annum, calculated on a pro-rated basis up to the date of completion of transfer of the preference shares, less any dividends received. The exchange consideration may be settled in cash, securities held by the Company listed and quoted on any stock exchange or new ordinary shares in the capital of the Company.

Note B: Relates to the redeemable option and convertible options of the convertible bonds ("**Convertible Bonds**") issued by the Company on 8 March 2019 and 17 May 2019 respectively. The Group had partially redeemed on a pro rata basis S\$3,525,000 in principal amount of the Convertible Bonds on 8 October 2021. In 2021, the maturity date of the outstanding Convertible Bonds had been extended for a further 2 years which will be maturing on 8 March 2024 and 17 May 2024.

On 13 April 2023, the maturity date of the outstanding Convertible Bonds was extended for a further 18 months from 8 March 2024 and 17 May 2024 to 8 September 2025 and 17 November 2025, respectively.

Note C: On 7 October 2022, the Company and its wholly-owned subsidiary, RDH, entered into 2 share purchase agreements with the Purchaser to dispose of 100% of their respective shareholding interests in SAM Labs and CBMA which in turn held as subsidiaries (a) IGM, and (b) TMJ and CMPL, respectively. The disposal consideration was satisfied by the issue of the Bonds by the Purchaser to each of the Company and RDH. The maturity date of the Bonds is on 6 October 2025. The disposal was completed on the same day, on which control of the Disposed Groups was passed on to the Purchaser.

During 1H2023, net changes in fair value on derivative financial instruments amounting to a loss of S\$1,000 (1H2022: S\$0.05 million) have been included in profit or loss.

11. Plant and equipment

During 1H2023, the Group acquired assets amounting to S\$0.06 million (1H2022: S\$0.64 million).

12. Leases

Group as a lessee

The Group has lease contracts for office and clinical premises used in its operations. Leases of office and clinical premises generally have lease terms between 1 and 12 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are no lease contracts that include extension or termination options and variable lease payments.

The Group also has certain leases of warehouse premises with lease terms of less than 12 months in which the Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Group	Office and clinical premises S\$'000
At 1 January 2022	1,728
Additions	909
Derecognition of right-of-use assets	(160)
Depreciation expense	(1,011)
Exchange difference	(31)
	1,435
At 31 December 2022 and 1 January 2023	1,435
Additions	282
Depreciation expense	(383)
Exchange difference	15
	1,349
At 30 June 2023	1,349

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Group	S\$'000
At 1 January 2022	1,788
Additions	894
Derecognition of lease liabilities	(28)
Accretion of interest	91
Payments	(1,176)
Exchange difference	11
	1,580
At 31 December 2022 and 1 January 2023	1,580
Additions	282
Accretion of interest	40
Payments	(429)
Exchange difference	16
	1,489
At 30 June 2023	1,489



12. Leases (cont'd)

	Group	
	30 June 2023 S\$'000	31 December 2022 S\$'000
Current	456	644
Non-current	1,033	936
	1,489	1,580
	1,489	1,580

The following are the amounts recognised in profit or loss:

	Group (Re-presented)	
	Six months ended 30 June 2023 S\$'000	Six months ended 30 June 2022 S\$'000
Depreciation of right-of-use assets	383	493
Interest expense on lease liabilities	40	44
Expense relating to short-term leases (included in other expenses)	190	40
Total amount recognised in profit or loss	613	577
	613	577

During 1H2023, the Group had total cash outflows for leases of S\$0.62 million (1H2022: S\$0.68 million). The Group also had non-cash additions to right-of-use assets of S\$0.28 million (1H2022: S\$0.17 million) and lease liabilities of S\$0.28 million (1H2022: S\$0.16 million).



13. Intangible assets

Group	Patent rights S\$'000	Trademark S\$'000	Customer relationships S\$'000	Favourable rental agreement S\$'000	Computer software S\$'000	Total S\$'000
Cost:						
At 1 January 2022	99	3	3,034	99	418	3,653
Additions	–	–	–	–	10	10
Disposal of subsidiary groups	–	–	(3,034)	–	(20)	(3,054)
At 31 December 2022, 1 January 2023 and 30 June 2023	99	3	–	99	408	609
Accumulated amortisation and impairment						
At 1 January 2022	99	–	1,971	99	340	2,509
Charge for the year	–	–	363	–	68	431
Disposal of subsidiary groups	–	–	(2,319)	–	(8)	(2,327)
Exchange difference	–	–	(15)	–	–	(15)
At 31 December 2022 and 1 January 2023	99	–	–	99	400	598
Charge for the period	–	–	–	–	4	4
Exchange difference	–	–	–	–	(1)	(1)
At 30 June 2023	99	–	–	99	403	601
Carrying amount:						
At 31 December 2022	–	3	–	–	8	11
At 30 June 2023	–	3	–	–	5	8

14. Borrowings

Amount repayable in one year or less, or on demand

	As at 30 June 2023		As at 31 December 2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Fixed rate bank loans	-	1,130	-	1,242
Finance lease	-	2	-	2
Redeemable convertible bonds	-	69	-	70
	-	1,201	-	1,314

Amount repayable after one year

	As at 30 June 2023		As at 31 December 2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Fixed rate bank loans	-	626	-	960
Finance lease	-	10	-	11
Redeemable convertible bonds	-	3,565	-	3,602
	-	4,201	-	4,573

As at the end of the reporting date:

- i) The Group's bank borrowings of S\$1.77 million (31 December 2022: S\$2.22 million) are unsecured.
- ii) On 8 March 2019 and 17 May 2019, the Company had issued 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 ("**Adjusted Conversion Price**") as announced on 1 August 2019.

On 8 October 2021, the Company partially redeemed on a pro rata basis S\$3.53 million in principal amount of the Convertible Bonds. The partial early redemption was funded from internal resources of the Group. The maturity date of the outstanding Convertible Bonds had been extended for a further 2 years which will be maturing on 8 March 2024 and 17 May 2024, respectively. On 13 April 2023, the maturity date of the outstanding Convertible Bonds was extended for a further 18 months from 8 March 2024 and 17 May 2024 to 8 September 2025 and 17 November 2025, respectively.

As at 30 June 2023, the carrying amount of the Convertible Bonds amounted to S\$3.63 million (31 December 2022: S\$3.67 million), of which S\$0.07 million (31 December 2022: S\$0.07 million) is included as current liabilities and S\$3.56 million (31 December 2021: S\$3.6 million) as non-current liabilities.



15. Share capital

	The Group and the Company			
	30 June 2023		31 December 2022	
	Number of shares	Issued and paid-up share capital S\$	Number of shares	Issued and paid-up share capital S\$
Beginning of period/year	618,210,340	92,899,117	617,215,180	92,899,117
Issuance of shares ⁽¹⁾	842,058	–	995,160	–
End of period/year	<u>619,052,398</u>	<u>92,899,117</u>	<u>618,210,340</u>	<u>92,899,117</u>

Notes:

⁽¹⁾ On 17 May 2023 and 28 April 2022, the Company had allotted and issued 842,058 and 995,160 shares respectively pursuant to the Company's performance share plan.

As at 30 June 2023 and 30 June 2022, the Company had outstanding Convertible Bonds with an aggregate principal amount of S\$3.53 million, convertible into approximately 25,178,575 Conversion Shares at the Adjusted Conversion Price of S\$0.14 per Conversion Share.

As at 30 June 2023 and 30 June 2022, there were no treasury shares held by the Company and there were no subsidiary holdings.

16. Other related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

Compensation of directors and key management personnel

	Group	
	Six months ended 30 June 2023 S\$'000	Six months ended 30 June 2022 S\$'000
Short-term benefits	613	598
Post-employment benefits	24	24
Share-based payment – equity settled	19	120
Directors' fee	90	90
	<u>746</u>	<u>832</u>
Comprise amounts paid to:		
Directors of the Company	427	465
Other key management personnel	319	367
	<u>746</u>	<u>832</u>

The remuneration of directors and key management is determined by the board of directors having regard to the performance of individuals.

17. Fair value of financial assets and financial liabilities

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities measured at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period/year:

	Fair value measurements at the end of the reporting period using			Total S\$'000
	Quoted prices in active markets for identical instruments S\$'000	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	
2023				
Assets measured at fair value				
Financial assets				
Other investment at FVTPL				
- Quoted equity shares	857	–	–	857
Derivatives financial assets				
- Call option on convertible preference shares	–	–	27	27
- Redeemable convertible option on convertible bonds	–	–	46	46
Other investment at fair value through other comprehensive income (“FVOCI”)				
- Unquoted equity shares	–	847	–	847
Convertible exchangeable bonds	–	–	10,625	10,625
Financial assets as at 30 June 2023	857	847	10,698	12,402

17. Fair value of financial assets and financial liabilities (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	Fair value measurements at the end of the reporting year using			Total S\$'000
	Quoted prices in active markets for identical instruments S\$'000	Significant observable inputs other than quoted prices S\$'000	Significant unobservable inputs S\$'000	
2022				
Assets measured at fair value				
Financial assets				
Other investment at FVTPL				
- Quoted equity shares	471	–	–	471
Derivatives financial assets				
- Call option on convertible preference shares	–	–	27	27
- Redeemable convertible option on convertible bonds	–	–	47	47
Other investment at FVOCI				
- Unquoted equity shares	–	847	–	847
Convertible exchangeable bonds	–	–	10,625	10,625
Financial assets as at 31 December 2022	471	847	10,699	12,017

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for unquoted equity shares that is categorised within Level 2 of the fair value hierarchy:

Other investments and convertible loan

Unquoted equity shares are valued using the market approach valuation technique with market observable inputs. The most frequently applied valuation techniques include Guideline Public Company Method (“GPC”) and Guideline Public Transaction Method (“GPT”). The techniques use derived market multiples from market prices of comparable companies or actual transactions involving either minority or controlling interests in either publicly traded or closely held companies.



17. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value as at 30 June 2023 S\$'000	Valuation techniques	Significant unobservable inputs	Relationship unobservable inputs to fair value
<u>Derivative financial assets</u> Call options on convertible preference shares	27	Black Scholes Model	Volatility at 28.6% to 32.4%	The higher the volatility, the higher the fair value. An increase by 10% points would result in a higher fair value of S\$84,000.
Convertible option on redeemable convertible bonds	46	Binomial Option Pricing Model (“OPM”) methodology. The stock price is projected based on the fair value of the shares of the Company.	Projected stock price volatility	The higher the volatility, the higher the fair value. An increase by 15% points would result in a lower fair value of S\$10,700.
Convertible exchangeable bonds	10,625	Discounted Cash Flow (“DCF”), Adjusted Net Asset Approach (“ANA Approach”), Binomial Tree Model (“BTM”), and Probability Weighted Expected Return methodology (“PWER”). The fair value of the equity values of related companies are derived using DCF and ANA Approach and are used as inputs to the BTM. Together with the assumptions of an occurrence of a liquidity event and a default event, the convertible bond value is derived using the BTM and PWER.	Long-term growth rate at 3.7% Discount rate at 14.5 – 50%	The higher the growth rate, the higher the fair value. An increase by 0.1% points would result in a higher fair value of S\$30,300. The higher the discount rate, the lower the fair value. An increase by 0.1% points would result in a lower fair value of S\$65,500.



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17. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair value as at 30 June 2023 S\$'000	Valuation techniques	Significant unobservable inputs	Relationship unobservable inputs to fair value
Convertible exchangeable bonds	10,625	DCF, ANA Approach, BTM, and PWER. The fair value of the equity values of related companies are derived using DCF and ANA Approach and are used as inputs to the BTM. Together with the assumptions of an occurrence of a liquidity event and a default event, the convertible bond value is derived using the BTM and PWER.	Occurrence of liquidity event	The higher the probability, the higher the fair value. An increase by 1% point would result in a higher fair value of S\$46,400.
			Occurrence of default event	The higher the probability, the lower the fair value. An increase by 1% point would result in a lower fair value of S\$77,700.
Financial assets as at 30 June 2023	<hr/> 10,698 <hr/>			



17. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair value as at 31 December 2022 S\$'000	Valuation techniques	Significant unobservable inputs	Relationship unobservable inputs to fair value
<u>Derivative financial assets</u> Call options on convertible preference shares	27	Black Scholes Model	Volatility at 28.6% to 32.4%	The higher the volatility, the higher the fair value. An increase by 10% points would result in a higher fair value of S\$84,000.
Convertible option on redeemable convertible bonds	47	OPM methodology. The stock price is projected based on the fair value of the shares of the Company.	Projected stock price volatility	The higher the volatility, the higher the fair value. An increase by 15% points would result in a lower fair value of S\$6,100.
Convertible exchangeable bonds	10,625	DCF, ANA Approach, BTM, and PWER. The fair value of the equity values of related companies are derived using DCF and ANA Approach and are used as inputs to the BTM. Together with the assumptions of an occurrence of a liquidity event and a default event, the convertible bond value is derived using the BTM and PWER.	Long-term growth rate at 3.7% Discount rate at 14.5 – 50%	The higher the growth rate, the higher the fair value. An increase by 0.1% points would result in a higher fair value of S\$30,300. The higher the discount rate, the lower the fair value. An increase by 0.1% points would result in a lower fair value of S\$65,500.



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17. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(i) Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)

Description	Fair value as at 31 December 2022 S\$'000	Valuation techniques	Significant unobservable inputs	Relationship unobservable inputs to fair value
Convertible exchangeable bonds	10,625	DCF, ANA Approach, BTM, and PWER. The fair value of the equity values of related companies are derived using DCF and ANA Approach and are used as inputs to the BTM. Together with the assumptions of an occurrence of a liquidity event and a default event, the convertible bond value is derived using the BTM and PWER.	Occurrence of liquidity event Occurrence of default event	The higher the probability, the higher the fair value. An increase by 1% point would result in a higher fair value of S\$46,400. The higher the probability, the lower the fair value. An increase by 1% point would result in a lower fair value of S\$77,700.
Financial assets as at 31 December 2022	<u>10,699</u>			



17. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(ii) Movements in Level 3 assets and liabilities measured at fair value

	Fair value measurements using significant unobservable inputs (Level 3)			
	Call options	Derivative financial (liabilities)/ assets	Contingent consideration	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2022	1,090	(254)	(1,967)	(1,131)
Total (losses)/gains included in profit or loss	(1,063)	301	(22)	(784)
Payment for contingent consideration	–	–	1,989	1,989
At 31 December 2022 and 1 January 2023	27	47	–	74
Total loss included in profit or loss	–	(1)	–	(1)
At 30 June 2023	27	46	–	73

17. Fair value of financial assets and financial liabilities (cont'd)

(d) Level 3 fair value measurements (cont'd)

(iii) Valuation policies and procedures

The board of directors is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

18. Events occurring after the reporting period

On 21 July 2023, Clearbridge BSA Pte. Ltd. ("**CBSA**"), a wholly-owned subsidiary of the Company, entered into an agreement for the sale of 57,123,300 shares it holds in Biolidics Limited ("**Biolidics**") ("**Sale Shares**"), a company listed on SGX Catalist, to an unrelated third party by way of a married deal through SGX-ST (the "**Disposal**"). The aggregate consideration for the Disposal is S\$932,823.49 or S\$0.01633 per Sale Share, satisfied in cash and in full on the completion of the Disposal. The Disposal was completed on 21 July 2023 ("**Completion**") and upon Completion, the Company no longer holds any shares in Biolidics.

F. Other information required by Listing Rule Appendix 7.2

1. 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 2023	31 December 2022
Total number of issued ordinary shares excluding treasury shares	619,052,398	618,210,340

2. 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.

3. 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.

4. 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.



5. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

5A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

The Company's independent auditor, Ernst & Young LLP ("**EY**"), issued a disclaimer of opinion (the "**Disclaimer of Opinion**") in their independent auditor's report dated 9 June 2023 (the "**Independent Auditor's Report**") in relation to the consolidated financial statements of the Group and the Company for FY2022 (the "**Financial Statements**").

EY has not expressed an opinion on the Financial Statements as it has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit report on the Financial Statements because of the significance of the matters described in the basis for the Disclaimer of Opinion.

The basis for the Disclaimer of Opinion is due to EY not being provided with sufficient information, including relevant financial and non-financial information, of the Purchaser and the Disposed Groups, and other supporting information as a result of the Company having difficulty accessing through the Purchaser the TMJ and IGM Information (as defined below) used by the Group for consolidation purposes, as more particularly described below.

Consequently, EY has not been able to carry out audit procedures to satisfy itself as to the accuracy of, and to determine whether any adjustments might have been found necessary in respect, *inter alia*, of (i) the net gain for FY2022 from the Group's discontinued operations, comprising the gain on disposal of the Disposed Groups and net loss incurred in FY2022 from discontinued operations; (ii) the fair value and carrying value of the Bonds issued by the Purchaser to the Group as consideration for the disposal of the Disposed Groups; and (iii) the recoverability of loans due to the Group from the Disposed Groups and the Purchaser and any expected credit loss arising thereto.

On 7 October 2022, the Company and its wholly-owned subsidiary, RDH, entered into 2 share purchase agreements with the Purchaser to dispose of 100% of their respective shareholding interests in the Disposed Groups. The consideration for the disposal was satisfied by the issue of the Bonds by the Purchaser to each of the Company and RDH. The maturity date of the Bonds is on 7 October 2025. The disposal was completed on the same day, on which control of the Disposed Groups was passed on to the Purchaser.

As announced on 1 March 2023 and 20 March 2023, the Purchaser has informed the Company that it has not been able to access the necessary financial information of TMJ and IGM (the "**TMJ and IGM Information**") in a timely manner for the purpose of finalising the Company's consolidated financial statements for FY2022 and requires more time to do so because at the time of completion of the disposal on 7 October 2022, the management accounts of TMJ and IGM for the financial period commencing 1 July 2022 to 30 September 2022, and up until the date of the disposal on 7 October 2022 were not yet available. Since the disposal on 7 October 2022, the Company has had difficulty accessing the TMJ and IGM Information through the Purchaser due to the lack of cooperation from the staff of TMJ and IGM during the related transition process.

Given the above circumstances, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are based on SAM Labs', CBMA's, TMJ's, IGM's and CMPL's financial information for the period commencing on 1 January 2022 up to the dates that the latest management accounts were made available to the Company, prior



to the disposal on 7 October 2022, such dates being 7 October 2022, 7 October 2022, 31 August 2022, 30 June 2022 and 7 October 2022 respectively.

Since the finalisation of the Financial Statements, the Company has continuously reached out to the Purchaser to request for the TMJ and IGM Information and has requested for updates regarding the status of access to the necessary financial information. As at the date of this announcement, the TMJ and IGM Information is not yet available to the Company.

The Board confirms that the impact of all outstanding audit issues on the financial statements in this announcement have been adequately disclosed.

6. **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

On 7 October 2022, the Company and its wholly-owned subsidiary, RDH, entered into 2 share purchase agreements with Lunadorii Inc. to dispose of 100% of their respective shareholding interests in SAM Labs and CBMA, which in turn held as subsidiaries (a) IGM, and (b) TMJ and CMPL, respectively, i.e. the Disposed Groups. Pursuant to this disposal, the revenue and expenses of the Disposed Groups for 1H2022 have been separately classified as discontinued operations (please refer to Note 6 of the Notes to the unaudited condensed interim consolidated financial statements in this announcement).

Revenue from continuing operations

Revenue decreased by 37.9% or S\$3.46 million, from S\$9.13 million in 1H2022 to S\$5.67 million in 1H2023.

Revenue from the medical clinics/centres decreased by S\$3.46 million, from S\$9.10 million in 1H2022 to S\$5.64 million in 1H2023 mainly due to a decrease in revenue from the distribution of Labnovation's COVID-19 ART Test Kits in Hong Kong and Philippines and a decrease in revenue from the medical clinics/centres in Singapore and the Philippines.

Excluding the revenue from the distribution of Labnovation's COVID-19 ART Test Kits in 1H2022 and 1H2023, the revenue from recurring services provided by the medical clinics/centres decreased by S\$0.75 million, from S\$5.84 million in 1H2022 to S\$5.09 million in 1H2023.

Purchases from continuing operations

Purchases decreased by 29.8% or S\$1.07 million, from S\$3.61 million in 1H2022 to S\$2.53 million in 1H2023, in line with the decrease in revenue. Purchases decreased at a lower rate than the decline in revenue mainly because of the increase in costs of medical supplies and services provided by laboratories.

Purchases mainly comprised direct expenses incurred in processing specimens by the Philippines laboratory testing facilities or outsourced third party clinical laboratories, supplies of Labnovation's COVID-19 ART Test Kits as well as consumables and medicines used by the medical clinics/centres and renal care services.

Employee benefits expense from continuing operations

Employee benefits expense remained relatively stable at S\$3.12 million and S\$3.03 million in 1H2023 and 1H2022 respectively.

Depreciation expense from continuing operations

Depreciation expense decreased by 29.2% or S\$0.23 million from S\$0.80 million in 1H2022 to S\$0.56 million in 1H2023 mainly due to certain medical equipment being fully depreciated. In addition, the decrease was also contributed by a decrease in depreciation of right-of-use assets as a result of expiration of lease agreements. New tenancy agreements signed are short-term leases which are exempted from the application of SFRS(I) 16 Leases, and are recorded as rental expense instead of depreciation expense.

Amortisation expense from continuing operations

Amortisation expense decreased by 92.2% or S\$0.05 million from S\$0.05 million in 1H2022 to S\$4,000 in 1H2023 due to most of the existing computer software being fully depreciated.

Other income from continuing operations

Other income increased by 182.3% or S\$0.27 million, from S\$0.15 million in 1H2022 to S\$0.42 million in 1H2023 mainly due to (a) interest income from loans and receivables from the Disposed Groups of S\$0.06 million, (b) increase in fair value adjustment of S\$0.06 million in respect of the deferred consideration receivable from Biolidics, (c) fair value adjustment of the Convertible Bonds arising from extension of maturity date of Convertible Bonds of S\$0.23 million. These were partially offset by the absence of the gain on disposal of the property at 37 Jalan Pemimpin, #04-13 Mapex, Singapore 577177 of S\$0.08 million recorded in 1H2022 which was completed on 7 March 2022.

Fair value loss on other investment at FVTPL/ an associate from continuing operations

The Group recorded a fair value loss on investment in ordinary shares in the capital of Biolidics amounting to S\$0.23 million in 1H2023 as compared to S\$7.1 million in 1H2022. The decrease in fair value loss was due to the decrease in the market value of the Group's interest in Biolidics as at 30 June 2023 following the disposal of an aggregate of 40,512,100 ordinary shares in the capital of Biolidics in FY2022.

Fair value loss on derivative financial instruments from continuing operations

Fair value changes on derivative financial instruments were mainly attributable to the fair value of the Convertible Bonds issued by the Company as well as the fair value of the call options on convertible preference shares issued by Clearbridge Medical Group Pte. Ltd. ("**CBMG Call Option**").

The Group recorded a fair value loss on derivative financial instruments of S\$1,000 in 1H2023, compared to a loss of S\$0.05 million in 1H2022.

The fair value of the Convertible Bonds and the CBMG Call Option was arrived at based on an option pricing model which took into account, among others, the fair value of the Company as well as volatilities in the valuation of comparable companies.

Other operating expenses from continuing operations

Other operating expenses decreased by 59.1% or S\$1.27 million, from S\$2.16 million in 1H2022 to S\$0.89 million in 1H2023. This was mainly due to (i) a decrease in foreign exchange loss of S\$0.26 million recorded by the Group, (ii) a decrease in inventory written off by S\$0.34 million and (iii) a decrease in provision of doubtful debt and reversal of impairment on trade and other receivables of S\$0.57 million.

The decreases were partially offset by an increase of S\$0.15 million in rental expense incurred by the Group as a result of new short-term tenancy agreements signed which are exempted from the application of SFRS(I) 16 Leases and are recorded as rental expense instead of depreciation expense, following the expiration of the preceding lease agreements.

Finance costs from continuing operations

The Group's finance costs comprised mainly interest expense incurred on bank loans, lease liabilities and the Convertible Bonds. Finance costs decreased by 11.8% or S\$0.05 million, from S\$0.44 million in 1H2022 to S\$0.39 million in 1H2023 mainly due to a decrease in interest expense incurred on the bank loans taken up by the Group and working capital purpose as some of the bank loans were fully repaid in FY2022.

Income tax expense from continuing operations

Income tax expense decreased by 75.5% or S\$0.11 million, from S\$0.14 million in 1H2022 to S\$0.03 million in 1H2023. The decrease in income tax expense is consistent with the decrease in the Group's profit.

Loss for the period from continuing operations

As a result of the foregoing, the Group recorded a loss of S\$1.67 million in 1H2023 as compared to a loss of S\$8.10 million in 1H2022, from continuing operations.

Excluding the abovementioned fair value losses on other investment at FVTPL/an associate and derivative financial instruments, the loss before taxation from continuing operations recorded by the Group would have been S\$1.41 million in 1H2023 as compared to a loss before taxation of S\$0.81 million in 1H2022.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by 0.6% or S\$0.27 million, from S\$47.34 million as at 31 December 2022 to S\$47.61 million as at 30 June 2023. This was mainly due to an increase in other investments, as a result of the issuance of 37,500,000 Biolidics' ordinary shares to CBSA in 1H2023, pursuant to a partial settlement deed dated 28 February 2023 ("**Partial Settlement Deed**") entered into between CBSA and Biolidics for the partial repayment of S\$0.61 million of the deferred consideration owing by Biolidics, from the sale in FY2020 of the entire issued and paid-up ordinary share capital of Biomedics Laboratory Pte. Ltd.. This was partially offset by a S\$0.23 million decrease in the market value of the Group's interest in Biolidics as at 30 June 2023, and a decrease in plant and equipment by S\$0.09 million due to depreciation charges recorded by the Group during 1H2023.

Current assets

The Group's current assets decreased by 26.9% or S\$2.91 million, from S\$10.83 million as at 31 December 2022 to S\$7.92 million as at 30 June 2023. This was mainly due to (i) a decrease in cash and bank balances of S\$2.58 million which are mainly used for the Group's operations, and (ii) a decrease in other receivables of S\$0.26 million.

Current liabilities

The Group's current liabilities decreased by 15.9% or S\$0.81 million, from S\$5.10 million as at 31 December 2022 to S\$4.29 million as at 30 June 2023. This was mainly due to (i) a decrease in borrowings of S\$0.11 million due to the repayment of bank loans, (ii) a decrease in lease liabilities of S\$0.19 million, (iii) a decrease in other payables of S\$0.36 million mainly due to payment of audit fees in 1H2023, and (iv) a decrease of S\$0.09 million in contract liabilities due to the fulfillment of the performance obligations in relation to the advances received from the Group's customers.



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Non-current liabilities

The Group's non-current liabilities decreased by 3.6% or S\$0.27 million, from S\$7.41 million as at 31 December 2022 to S\$7.14 million as at 30 June 2023. This was mainly due to a decrease in borrowings of S\$0.37 million as a result of repayment of loans and this was partially offset by an increase in lease liabilities of S\$0.10 million.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Cash outflow before changes in working capital for 1H2023 amounted to S\$1.29 million. Net cash used in working capital for 1H2023 amounted to S\$0.73 million mainly due to an increase in other receivables of S\$0.35 million mainly as a result of advances to suppliers for purchases made and refundable deposits to landlords for leases entered into during the period, a decrease in other payables of S\$0.45 million contributed by the repayment of audit fees, an increase in inventories of S\$0.07 million and this is partially offset by a decrease in prepayments of S\$0.06 million and a decrease in trade receivables of S\$0.08 million.

As a result, net cash used in operating activities after adjusting for cash paid for income tax, interest expense and interest received, amounted to S\$2.23 million in 1H2023.

Net cash generated from investing activities for 1H2023 amounted to S\$0.49 million. This was mainly due to cash proceeds received from Biolidics of S\$0.55 million pursuant to the Partial Settlement Deed for the repayment of the deferred consideration owing by Biolidics, from the sale in FY2020 of the entire issued and paid-up ordinary share capital of Biomedics Laboratory Pte. Ltd., and this was partially offset by a capital expenditure of S\$0.06 million incurred by the medical clinics/centres in the Philippines, Singapore, and Hong Kong.

Net cash used in financing activities for 1H2023 amounted to S\$0.84 million which was attributable to the repayment of bank loans and lease liabilities of S\$0.45 million and S\$0.39 million respectively.

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\$2.58 million, from S\$6.06 million as at 31 December 2022 to S\$3.48 million as at 30 June 2023.

7. 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.

8. 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 Organisation for Economic Co-operation and Development reported on 7 June 2023¹ that it projects global growth to be 2.7%, which is well below the average growth rate in decade preceding the COVID-19 pandemic. Further, they noted that inflation, while moderating, remains high and the negative impact it will have on households.

In Singapore, the Monetary Authority of Singapore and the Ministry of Trade and Industry have jointly reported similar issues, in a press release dated 14 July 2023². The press release also highlighted risks, such as potential shocks to global commodity prices and a downturn in advance economies.

Particularly pertinent to the Group is the high inflation, coupled with slow growth, and its impact on consumer spending, which may in turn impact the consumption of the products and services the Group provides. Additionally, inflation may raise the cost of goods for the Group and negatively impact the profit margins. The Group continues to monitor this development and will adapt its strategies accordingly.

The Group continues to expand channels to its product offerings through traditional and digital initiatives, such as through resellers and third-party e-commerce platforms and continues to explore opportunities to enhance its product offering scale and scope, especially in the area of consumer healthcare, relating to chronic diseases. These products are expected to be synergistic to the services that the Group offers through its clinics and medical centres and are envisioned to build recurring revenue streams for the Group. The Company will make the relevant announcements to keep its shareholders informed if there are any material developments in this regard.

The Group will also continue to explore suitable opportunities to expand its services business regionally through organic expansion, investments, mergers and acquisitions, joint ventures and/or strategic collaborations.

9. 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

¹ The report may be found at https://www.oecd-ilibrary.org/sites/ce188438-en/1/3/1/index.html?itemId=/content/publication/ce188438-en&csp_=f8e326092da6dbbbef8fbfa1b8ad3d52&itemIGO=oecd&itemContentType=book#section-d1e1126-cb131ce10f.

² The press release may be found <https://www.mti.gov.sg/Newsroom/Press-Releases/2023/07/Consumer-Price-Developments-in-June-2023>



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Not applicable.

(e) Books closure date

Not applicable.

10. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared by the Company for 1H2023 as the Company was not profitable.

11. 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 1H2023.

12. 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 1H2023 of the Group and the Company to be false or misleading in any material aspect.

13. 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.



14. Use of IPO proceeds

Pursuant to the initial public offering of the Company further to the offer document dated on 11 December 2017 (“**Offer Document**”), 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:

	Amount allocated (as disclosed in the Offer Document) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance (S\$'000)
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	(11,000)	–
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 ⁽¹⁾	8,000	(8,000)	–
Total	22,000	(22,000)	–

Note:

⁽¹⁾ Comprises operating expenses.



15. Use of placement shares proceeds

Pursuant to the issuance of the placement shares further to the Company's placement shares announcement dated on 19 August 2019 ("**Placement Shares Announcement**"), the Company received net proceeds of approximately S\$11.28 million (the "**Placement Net Proceeds**"). As at the date of this announcement, the Placement Net Proceeds have been utilised as follows:

	Amount allocated (as disclosed in the Placement Shares Announcement) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance (S\$'000)
Expansion of the Company's businesses through mergers and acquisitions, joint ventures, strategy collaborations and/or investment, or organically in Asia	7,893	(4,454)	3,439
General working capital purposes ⁽¹⁾	3,383	(3,383)	-
Total	11,276	(7,837)	3,439

Note:

⁽¹⁾ 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 2023