

CLEARBRIDGE HEALTH LIMITED
(Company Registration No.: 201001436C)
(Incorporated in the Republic of Singapore)

PROPOSED DISPOSAL OF SHARES IN CLEARBRIDGE BIOPHOTONICS PTE. LTD.

1. INTRODUCTION

The board of directors (the "**Board**" or the "**Directors**") of Clearbridge Health Limited (the "**Company**" and together with its subsidiaries, the "**CBH Group**") wishes to announce that the Company and its wholly-owned subsidiary, Clearbridge BSA Pte. Ltd. ("**CBSA**") have today entered into a conditional share purchase agreement (the "**SPA**") with, *inter alia*, CellaVision AB (publ) (the "**Buyer**") in relation to the disposal by the Company and CBSA of their aggregate shareholding interests in Clearbridge Biophotonics Pte. Ltd. ("**CBBP**"), a subsidiary of the Company (the "**Proposed Disposal**").

On completion of the Proposed Disposal ("**Completion**"), all of the issued shares of CBBP will be acquired by the Buyer and accordingly, CBBP will cease to be a subsidiary of the Company.

2. INFORMATION ON THE BUYER

The Buyer is a global medical technology company incorporated in Lund, Sweden and involved in the development and sale of its own systems for routine analysis of blood and other body fluids in health care services. The Buyer's products replace manual laboratory work and secure and support effective workflows and skills development within and between hospitals. The Buyer's expertise is in sample preparation, image analysis, artificial intelligence and automated microscopy. The Buyer is listed on the Nasdaq Stockholm, Mid Cap list.

3. INFORMATION ON CBBP

3.1 CBBP was incorporated in Singapore on 19 May 2010. CBBP is in the business of manufacturing optical instruments and photographic equipment and is the holder, and sub-licensor, of licensed rights to a patent estate in the field of Fourier Ptychographic Microscopy ("**FPM**"). The subsidiaries of CBBP, being Clearbridge Biophotonics, Inc. and Clearbridge Biophotonics FPM, Inc., are or have been mainly engaged in the practical adaptation of FPM within medical and biological imaging.

3.2 Other than the Company and CBSA, the other shareholders of CBBP as at the date of this announcement are Seeds Capital Pte. Ltd. ("**SSC**"), Inderjit Singh Dhaliwal, Yang Chang Huei, California Institute of Technology ("**Caltech**"), Thomas Michael Adams, Robert E. Klem and Thomas Henry Adams (all of the foregoing referred to in this announcement as the "**Sellers**").

4. PRE-COMPLETION RESTRUCTURING

4.1 As at the date of this announcement:

- (a) the Company holds 41,191 ordinary shares in the capital of CBBP ("**Ordinary Shares**"); and
- (b) CBSA holds (i) 10,615 Ordinary Shares, and (ii) 42,105 Convertible Preference Shares (as defined below) in the capital of CBBP.

- 4.2 CBSA and SSC had previously jointly provided a convertible loan to CBBP in the aggregate principal amount of S\$2,000,000 (the "**Convertible Loan**"), and jointly subscribed for a 12% fixed rate convertible bond due 2022 in the aggregate principal amount of S\$2,000,000 issued by CBBP (the "**Convertible Bond**").
- 4.3 Pursuant to the terms of the SPA, CBBP will undertake an internal restructuring prior to Completion (the "**Restructuring**"), where CBBP will, among other things:
- (a) convert all of the 109,147 Convertible Preference Shares in the capital of CBBP collectively held by CBSA, SSC, Thomas Michael Adams, Robert E. Klem, and Thomas Henry Adams, into Ordinary Shares;
 - (b) convert the Convertible Loan into new Ordinary Shares to be issued to CBSA and SSC; and
 - (c) acquire the Convertible Bond, in exchange for the issuance of new Ordinary Shares to CBSA and SSC.
- 4.4 As a result of the Restructuring, the Company and CBSA will hold an aggregate of 41,191 and 130,419 Ordinary Shares representing approximately 11.2% and 35.3% of the total enlarged share capital post-Restructuring¹, respectively. The Proposed Disposal will therefore involve the disposal by the Company and CBSA of an aggregate of 171,610 Ordinary Shares, representing approximately 46.5% of the total enlarged share capital post-Restructuring (the "**Sale Shares**") to the Buyer.

5. **CONSIDERATION**

- 5.1 The aggregate consideration of US\$829,004.76 (or equivalent to approximately S\$1,111,000²) payable by the Buyer for the Sale Shares (the "**Consideration**") comprises:
- (a) US\$198,983.35 (or equivalent to approximately S\$267,000) to be paid to the Company; and
 - (b) US\$630,021.41 (or equivalent to approximately S\$844,000) to be paid to CBSA,
- after taking into account the estimated Completion Net Debt/Cash Balance (as defined in the SPA), plus the Completion Net Working Capital (as defined in the SPA) less the Interim Net Working Capital (as defined in the SPA).
- 5.2 The Consideration is to be satisfied by the Buyer in the following manner:
- (a) the Buyer shall pay US\$162,174.80 (or equivalent to approximately S\$217,000) to the Company and US\$513,478.12 (or equivalent to approximately S\$688,000) to CBSA on Completion; and
 - (b) the remainder of the Consideration, less the amounts specified in paragraph 5.2(a) above, shall be paid by the Buyer to the Company and CBSA at the earlier of (i) the date falling 17 months from the date of Completion; and (ii) the date on which CBBP has been liquidated.

¹ References to percentage shareholdings in CBBP post-Restructuring are computed based on a total enlarged share capital of 369,290 Ordinary Shares.

² All conversions of US\$ to S\$ in this announcement are based on an exchange rate of US\$1:S\$1.34.

- 5.3 The Consideration was arrived at after arm's length negotiations between the Company, CBSA and the Buyer on a willing-buyer and willing-seller basis after taking into account (a) the book value and net tangible asset value attributable to the Sale Shares, (b) the rationale of the Proposed Disposal as set out in paragraph 8 of this announcement, and (c) other factors including the Company's and CBSA's investment costs in CBBP and the potential gain on disposal as set out in paragraph 10.2 of this announcement.

6. CONDITIONS

- 6.1 Completion of the Proposed Disposal is conditional upon, *inter alia*, the following conditions being satisfied or waived in accordance with the terms of the SPA:

- (a) the Sellers having provided a letter confirming that there are no encumbrances or security interests of any kind, or another type of preferential arrangement over the shares of CBBP; and
- (b) Caltech having provided a written waiver from certain requirements, under the license agreement dated 30 April 2012 between CBBP and Caltech (as amended and restated or supplemented from time to time) (the "**License Agreement**"), in substantially the form agreed between the Sellers and the Buyer.

- 6.2 Pursuant to the terms of the SPA, subject to the conditions set out in the SPA being satisfied or waived (as the case may be), completion of the Proposed Disposal will take place on 20 April 2021 (the "**Completion Date**"). In the event that the conditions set out in the SPA have not been satisfied or waived by the Completion Date, a non-defaulting party to the SPA may elect to defer completion of the Proposed Disposal to a later date or to terminate the SPA by notice to the other parties to the SPA. In addition, any party to the SPA may terminate the SPA if completion of the Proposed Disposal has not occurred (otherwise than due to such party's default) within three months from the date of signing of the SPA.

7. OUTSTANDING LOANS

- 7.1 As at the date of this announcement, CBBP owes approximately S\$4,889,000 ("**Outstanding Amount**") to the Company, comprising outstanding loans granted by the Company to CBBP and costs for shared services provided by the Company to CBBP.

- 7.2 In connection with the Proposed Disposal, the Buyer had today executed a deed of undertaking in favour of the Company pursuant to which the Buyer undertakes to, *inter alia*, procure that CBBP shall repay to the Company an amount of US\$1,390,106.19 (or equivalent to approximately S\$1,863,000) as full and final settlement of the Outstanding Amount, which amount shall be paid by the Buyer at Completion pursuant to the SPA.

8. RATIONALE FOR THE PROPOSED DISPOSAL

The Board is of the view that the Proposed Disposal is advantageous to the CBH Group as it allows the Company to realise its investment in CBBP, which is not a part of the CBH Group's core business, for a cash amount of approximately US\$2,219,000, which can be deployed in a core business segment.

9. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

The relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the Catalist Rules of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**") are set out in the table below. The relative figures are computed based on the latest unaudited consolidated financial statements of the CBH Group for the financial year ended 31 December 2020 ("**FY2020**") announced by the Company on 26 February 2021 and the consolidated management accounts of CBBP and its subsidiaries for FY2020.

Bases under Rule 1006	Relative figures (%)
Rule 1006(a) The net asset value of the Sale Shares, compared with the CBH Group's net asset value	(1.6) ⁽¹⁾
Rule 1006(b) The net profits attributable to the Sale Shares, compared with the CBH Group's net profits	20.5 ⁽²⁾
Rule 1006(c) The aggregate value of the consideration compared with the Company's market capitalisation based on the number of issued shares (excluding treasury shares)	(0.1) ⁽³⁾
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	Not applicable
Rule 1006(e) The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the CBH Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable

Notes:

- (1) The CBH Group's net asset value was approximately S\$61,830,000 as of 31 December 2020. The net asset value attributable to the Sale Shares as of 31 December 2020 was approximately negative S\$986,000, after taking into account the Restructuring and settlement of the Outstanding Amount.
- (2) Under Rule 1002(3) of the Catalist Rules, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests. The CBH Group's net profits before tax for FY2020 was approximately S\$2,115,000. The pro forma net profits before tax attributable to the Sale Shares for FY2020 was approximately S\$434,000.
- (3) The aggregate value of the consideration takes into account (i) the Consideration of US\$829,004.76 (or equivalent to approximately S\$1,111,000), (ii) the repayment by CBBP to the Company of an amount of US\$1,390,106.19 (or equivalent to approximately S\$1,863,000) as full and final settlement of the Outstanding Amount, and (iii) the write-off by the Company of the remainder of such Outstanding Amount, being approximately S\$3,026,000.

The relative figure is computed based on the aggregate value of the consideration and the market capitalisation of the Company of approximately S\$94,557,000, which was determined by multiplying 617,215,180 shares (being the issued share capital of the Company, excluding treasury shares) with the volume-weighted average price of S\$0.1532 per share transacted on 6 April 2021, being the last market day preceding the date of the SPA.

As the relative figure under Rule 1006(b) exceeds 5% but does not exceed 50%, the Proposed Disposal constitutes a discloseable transaction for the Company under Chapter 10 of the Catalist Rules. Accordingly, approval of the shareholders of the Company is not required for the Proposed Disposal.

10. USE OF PROCEEDS AND GAIN ON THE PROPOSED DISPOSAL

- 10.1 Based on the latest unaudited consolidated financial statements of the CBH Group for FY2020 announced by the Company on 26 February 2021 and after taking into account the Restructuring and settlement of the Outstanding Amount, the net book value of the Sale Shares as at 31 December 2020 is approximately negative S\$986,000, and the net profits attributable to the Sale Shares in FY2020 is approximately S\$432,000. The excess of the proceeds from the Proposed Disposal of the Sale Shares over the net book value of the Sale Shares is approximately S\$2,097,000. There was no valuation commissioned on the Sale Shares.
- 10.2 Assuming the Proposed Disposal had been completed on 31 December 2020, the Proposed Disposal of the Sale Shares would have resulted in a gain on disposal for the CBH Group of approximately S\$2,097,000.
- 10.3 The Company intends to use the sale proceeds of US\$829,004.76 (or equivalent to approximately S\$1,111,000) from the Proposed Disposal of the Sale Shares as the Company's general working capital to fund the CBH Group's operations.

11. FINANCIAL EFFECTS

- 11.1 The financial effects of the Proposed Disposal on the CBH Group are set out below and are purely for illustrative purposes only and are not intended to reflect the actual future performance or financial position of the CBH Group immediately after Completion. The pro forma financial effects of the Proposed Disposal on the CBH Group's net tangible assets ("**NTA**") and earnings per share ("**EPS**") are computed based on the unaudited consolidated financial statements of the CBH Group for FY2020 and the consolidated management accounts of CBBP and its subsidiaries for FY2020.
- 11.2 **NTA.** The pro forma financial effect of the Proposed Disposal of the Sale Shares on the NTA per share of the CBH Group as at 31 December 2020, assuming the Proposed Disposal had been completed on 31 December 2020, is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA attributable to owners of the Company (S\$'000)	29,723	31,680
Number of shares in issue	612,405,180	612,405,180
NTA per share (Singapore cents)	4.9	5.2

- 11.3 **EPS.** The pro forma financial effect of the Proposed Disposal of the Sale Shares on the EPS of the CBH Group for FY2020, assuming the Proposed Disposal had been completed on 1 January 2020, is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net profit attributable to owners of the Company (S\$'000)	615	2,247
Weighted average number of shares in issue	597,646,701	597,646,701

	Before the Proposed Disposal	After the Proposed Disposal
EPS (Singapore cents)	0.1	0.4

12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS OF THE COMPANY

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

13. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

14. 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.

15. 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 Disposal, 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.

16. 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 Disposal.

17. 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 Disposal 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
Chief Executive Officer and Executive Director

7 April 2021

*This announcement has been prepared by the Company 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 Catalist Rules. 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.*