



Clearbridge Health Limited
37 Jalan Pemimpin #08-05 Mapex Singapore 577177
TEL 65 6251 0136 FAX 65 6251 0132
clearbridgehealth.com

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

This announcement has been prepared by Clearbridge Health Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a)(i) An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP					
	Q3			9M		
	FY2018	FY2017	Increase/ (Decrease)	FY2018	FY2017	Increase/ (Decrease)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	2,052	90	2,180.0	3,885	95	3,989.5
Purchases	(1,020)	(75)	1,260.0	(1,929)	(79)	2,341.8
Employee benefits expense	(1,486)	(732)	103.0	(4,264)	(2,365)	80.3
Depreciation expense	(280)	(26)	976.9	(697)	(42)	1,559.5
Amortisation expense	(14)	(5)	180.0	(41)	(9)	355.6
Research and development expenses	-	-	n.m.	(20)	(120)	(83.3)
Other income	323	53	509.4	499	242	106.2
Fair value loss on other investments	-	(1)	n.m.	(1,444)	(14)	10,214.3
Fair value (loss)/gain on associates	-	1	n.m.	(5,374)	432	n.m.
Fair value (loss)/gain on derivative financial instruments	(183)	(85)	115.3	(2,283)	823	n.m.
Other operating expenses*	(1,729)	(2,742)	(36.9)	(4,347)	(3,899)	11.5
Finance costs	(80)	(19)	321.1	(235)	(210)	11.9
Loss before taxation	(2,417)	(3,541)	(31.7)	(16,250)	(5,146)	215.8
Income tax (expense)/credit	(39)	25	n.m.	(174)	1,605	n.m.
Loss for the period	(2,456)	(3,516)	(30.1)	(16,424)	(3,541)	363.8
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange difference on translation of foreign operations	(286)	43	n.m.	(385)	144	n.m.
Total comprehensive income for the period	(2,742)	(3,473)	(21.0)	(16,809)	(3,397)	394.8
Loss attributable to:						
Owners of the Company	(2,504)	(3,187)	(21.4)	(16,223)	(3,171)	411.6
Non-controlling interests	48	(329)	n.m.	(201)	(370)	(45.7)
	(2,456)	(3,516)	(30.1)	(16,424)	(3,541)	363.8
Total comprehensive income attributable to:						
Owners of the Company	(2,657)	(3,155)	(15.8)	(16,486)	(3,063)	438.2
Non-controlling interests	(85)	(318)	(73.3)	(323)	(334)	(3.3)
	(2,742)	(3,473)	(21.0)	(16,809)	(3,397)	394.8

Note:

n.m. - not meaningful

*In order to provide more clarity to readers, the Group has identified the following major expenses as recurring and non-recurring:

	Q3 FY2018			9M FY2018		
	Recurring S\$'000	Non-recurring S\$'000	Total S\$'000	Recurring S\$'000	Non-recurring S\$'000	Total S\$'000
Other operating expenses	1,057	672	1,729	2,564	1,783	4,347

The non-recurring other operating expenses were mainly due to one-off professional fees and miscellaneous expenses incurred pursuant to the business acquisitions and collaborations, one-off consultancy fee and other administrative expenses for research and development activities which were streamlined since FY2017.

Excluding the abovementioned non-recurring expenses and fair value changes in other investments, associates and derivative financial instruments, the Group's loss before taxation was S\$1.56 million in Q3 FY2018.



1(a)(ii) Notes to consolidated statement of profit or loss and other comprehensive income.

The Group's net loss was arrived after (charging)/crediting the following:

	GROUP					
	Q3 FY2018	Q3 FY2017	Increase/ (Decrease)	9M FY2018	9M FY2017	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest expense on call options	(60)	(19)	215.8	(180)	(210)	(14.3)
Interest expense on borrowings	(20)	-	n.m.	(55)	-	n.m.
Depreciation expense	(280)	(26)	976.9	(697)	(42)	1,559.5
Amortisation expense	(14)	(5)	180.0	(41)	(9)	355.6
Interest income	36	44	(18.2)	184	178	3.4
Foreign exchange gain/(loss)	39	(56)	n.m.	(64)	(131)	(51.1)
Professional fees*	(784)	(521)	50.5	(2,022)	(777)	160.2
Rental	(168)	(92)	82.6	(522)	(226)	131.0

Note:

n.m. - not meaningful

* This included the non-recurring professional fees incurred pursuant to the business acquisitions and collaborations amounted to S\$0.58 million for Q3 FY2018 and S\$1.19 million for 9M FY2018.



1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	30/09/18 S\$'000	31/12/17 S\$'000	30/09/18 S\$'000	31/12/17 S\$'000
Non-current assets				
Investments in subsidiaries	-	-	33,181	33,181
Investments in associates	11,777	15,052	-	-
Derivative financial instruments	3,623	5,907	-	-
Property, plant and equipment	6,631	2,597	17	6
Intangible assets	66	106	3	3
Goodwill on consolidation	23,586	11,002	-	-
Other investments	1,485	1,485	-	-
	<u>47,168</u>	<u>36,149</u>	<u>33,201</u>	<u>33,190</u>
Current assets				
Cash and bank balances	11,892	27,740	7,557	23,294
Trade receivables	1,649	71	-	-
Prepayments	137	282	56	101
Other receivables	2,918	942	67	487
Amounts due from subsidiaries	-	-	35,841	15,420
Inventories	515	66	-	-
Other investment	-	3,543	-	-
	<u>17,111</u>	<u>32,644</u>	<u>43,521</u>	<u>39,302</u>
Current liabilities				
Borrowings	447	9	368	-
Trade payables	637	183	-	-
Other payables	7,320	5,540	358	1,185
Deferred revenue	360	-	-	-
Income tax payable	59	-	-	-
Amounts due to subsidiaries	-	-	2,846	2,396
	<u>8,823</u>	<u>5,732</u>	<u>3,572</u>	<u>3,581</u>
Net current assets	<u>8,288</u>	<u>26,912</u>	<u>39,949</u>	<u>35,721</u>
Non-current liabilities				
Borrowings	2,577	1,632	735	-
Deferred tax liabilities	1,895	1,786	-	-
Other payables	1,914	-	-	-
	<u>6,386</u>	<u>3,418</u>	<u>735</u>	<u>-</u>
TOTAL NET ASSETS	<u>49,070</u>	<u>59,643</u>	<u>72,415</u>	<u>68,911</u>
Equity attributable to owners of the Company				
Share capital	78,395	73,897	78,395	73,897
Capital reserve	(2,179)	(2,179)	(6,716)	(6,716)
Share option reserve	165	165	-	-
Fair value reserve	735	-	-	-
Currency translation reserve	(348)	(85)	-	-
(Accumulated losses)/retained earnings	(27,816)	(10,858)	736	1,730
Equity attributable to owners of the Company	<u>48,952</u>	<u>60,940</u>	<u>72,415</u>	<u>68,911</u>
Non-controlling interests	118	(1,297)	-	-
TOTAL EQUITY	<u>49,070</u>	<u>59,643</u>	<u>72,415</u>	<u>68,911</u>



1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30 September 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
447	-	9	-

Amount repayable after one year

As at 30 September 2018		As at 31 December 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,577	-	1,632	-

Details of any collateral

As at the balance sheet date:

- i) The Group's bank borrowings of (a) S\$1.64 million (31 December 2017: S\$1.64 million) is secured by the property at 37 Jalan Pemimpin, #04-13 Mapex, Singapore 577177 (the "**Mapex Property**") and (b) S\$1.10 million (31 December 2017: Nil) is secured by all the rights, interest in all material contracts and assets owned by the Company's subsidiaries.
- ii) The Group's finance lease liability of S\$0.29 million (31 December 2017: Nil) is secured by the Group's laboratory equipment.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	GROUP			
	Q3 FY2018	Q3 FY2017	9M FY2018	9M FY2017
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Loss before taxation	(2,417)	(3,541)	(16,250)	(5,146)
Adjustments for:				
Depreciation of property, plant and equipment	280	26	697	42
Amortisation of intangible assets	14	5	41	9
Intangible assets written off	-	(5)	-	141
Plant and equipment written off	-	6	-	18
Gain on disposal of plant and equipment	-	(3)	-	(3)
Interest income	(36)	(44)	(184)	(178)
Interest expense	80	19	235	210
Fair value loss/(gain) on derivative financial instruments	183	85	2,283	(823)
Fair value loss/(gain) on associates	-	(1)	5,374	(432)
Fair value loss on other investments	-	1	1,444	14
Unrealised foreign exchange (gain)/loss	71	123	(5)	198
Operating cash flows before changes in working capital	(1,825)	(3,329)	(6,365)	(5,950)
Increase in trade receivables	(294)	(62)	(412)	(80)
Decrease/(increase) in prepayments	31	(17)	143	(17)
Increase in other receivables	(17)	(417)	(424)	(495)
Increase in inventories	(36)	(43)	(244)	(49)
(Decrease)/increase in trade payables	(193)	116	59	22
(Decrease)/increase in other payables	(1)	1,605	(1,407)	1,389
Cash flows used in operations	(2,335)	(2,147)	(8,650)	(5,180)
Income tax paid	(3)	(2)	(7)	(2)
Interest paid	(10)	-	(23)	-
Interest received	-	13	-	13
Net cash flows used in operating activities	(2,348)	(2,136)	(8,680)	(5,169)
Investing activities				
Purchase of property, plant and equipment	(255)	(122)	(997)	(193)
Acquisition of intangible assets	-	-	-	-
Acquisitions of subsidiaries	-	-	(5,454)	(96)
Net cash inflow from acquisition of subsidiaries	-	80	-	10,731
Loan to a third party	(1,395)	-	(1,395)	-
Net cash flows (used in)/generated from investing activities	(1,650)	(42)	(7,846)	10,442
Financing activities				
Proceeds from loans and borrowings	1,103	-	1,103	-
Disposal of subsidiaries	-	-	-	(109)
Repayment of loan and borrowings	(13)	-	(40)	-
Non-trade balances with a related party and subsequently waived	-	-	-	(1,451)
Net cash flows generated from/(used in) financing activities	1,090	-	1,063	(1,560)
Net (decrease)/increase in cash and cash equivalents	(2,908)	(2,178)	(15,463)	3,713
Cash and cash equivalents at beginning of the period	15,097	10,211	27,740	4,308
Effects of foreign exchange rate changes, net	(297)	(19)	(385)	(7)
Cash and cash equivalents at end of the period	11,892	8,014	11,892	8,014



Clearbridge Health Limited
 37 Jalan Pemimpin #08-05 Mapex Singapore 577177
 TEL 65 6251 0136 FAX 65 6251 0132
 clearbridgehealth.com

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

(In S\$'000)

Group	Share capital	Capital reserve	Share option reserve	Fair value reserve	Currency translation reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2018	73,897	(2,179)	165	-	(85)	(10,858)	60,940	(1,297)	59,643
Adoption of SFRS(I) 9	-	-	-	735	-	(735)	-	-	-
Balance as at 1 January 2018 (restated)	73,897	(2,179)	165	735	(85)	(11,593)	60,940	(1,297)	59,643
<i>Total comprehensive income for the period</i>									
Loss for the period	-	-	-	-	-	(13,719)	(13,719)	(249)	(13,968)
Other comprehensive income for the period	-	-	-	-	(110)	-	(110)	11	(99)
Total comprehensive income for the period	-	-	-	-	(110)	(13,719)	(13,829)	(238)	(14,067)
<i>Changes in ownership interests in subsidiaries</i>									
Acquisition of subsidiaries	4,498	-	-	-	-	-	4,498	1,749	6,247
Balance as at 30 June 2018	78,395	(2,179)	165	735	(195)	(25,312)	51,609	214	51,823
<i>Total comprehensive income for the period</i>									
Loss for the period	-	-	-	-	-	(2,504)	(2,504)	48	(2,456)
Other comprehensive loss for the period	-	-	-	-	(153)	-	(153)	(133)	(286)
Total comprehensive income for the period	-	-	-	-	(153)	(2,504)	(2,657)	(85)	(2,742)
Acquisition of subsidiaries	-	-	-	-	-	-	-	(11)	(11)
Balance as at 30 September 2018	78,395	(2,179)	165	735	(348)	(27,816)	48,952	118	49,070



Clearbridge Health Limited
 37 Jalan Pemimpin #08-05 Mapex Singapore 577177
 TEL 65 6251 0136 FAX 65 6251 0132
 clearbridgehealth.com

(In S\$'000)

Group	Share Capital	Capital reserve	Share option reserve	Currency translation reserve	Retained earnings/ (accumulated losses)	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance as at 1 January 2017	28,495	3,803	170	(232)	6,245	38,481	(852)	37,629
<i>Total comprehensive income for the period</i>								
Profit for the period	-	-	-	-	16	16	(41)	(25)
Other comprehensive income for the period	-	-	-	75	-	75	26	101
Total comprehensive income for the period	-	-	-	75	16	91	(15)	76
<i>Contributions by and distributions to owners</i>								
Dividend during the period	-	-	-	-	(9,633)	(9,633)	-	(9,633)
Disposal of subsidiaries	-	(69)	-	-	-	(69)	(40)	(109)
Disposal of investments	-	(3,934)	-	-	-	(3,934)	-	(3,934)
Waiver of loans to a related party	-	(1,961)	-	-	-	(1,961)	-	(1,961)
Issuance of ordinary shares	19,816	-	-	-	-	19,816	-	19,816
Balance as at 30 June 2017	48,311	(2,161)	170	(157)	(3,372)	42,791	(907)	41,884
<i>Total comprehensive income for the period</i>								
Loss for the period	-	-	-	-	(3,187)	(3,187)	(329)	(3,516)
Other comprehensive income for the period	-	-	-	32	-	32	11	43
Total comprehensive income for the period	-	-	-	32	(3,187)	(3,155)	(318)	(3,473)
<i>Contributions by and distributions to owners</i>								
Share based payment - equity settled	-	-	(5)	-	-	(5)	(2)	(7)
Disposal of a subsidiary	-	(18)	-	-	-	(18)	-	(18)
Issuance of ordinary shares	2,120	-	-	-	-	2,120	-	2,120
Balance as at 30 September 2017	50,431	(2,179)	165	(125)	(6,559)	41,733	(1,227)	40,506

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

(In S\$'000)

<u>Company</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Retained earnings/ (accumulated losses)</u>	<u>Total equity</u>
Balance as at 1 January 2018	73,897	(6,716)	1,730	68,911
Loss for the period, representing total comprehensive loss for the period	-	-	(651)	(651)
Issuance of shares for acquisition of subsidiaries	4,498	-	-	4,498
Balance as at 30 June 2018	78,395	(6,716)	1,079	72,758
Loss for the period, representing total comprehensive loss for the period	-	-	(343)	(343)
Balance as at 30 September 2018	78,395	(6,716)	736	72,415
Balance as at 1 January 2017	28,495	-	8,618	37,113
Profit for the period, representing total comprehensive income for the period	-	-	2,100	2,100
<i>Contributions by and distributions to owners</i>				
Dividend during the period	-	-	(9,633)	(9,633)
Disposal of investments	-	(3,934)	-	(3,934)
Disposal of subsidiaries	-	(17)	-	(17)
Waiver of loans to a related party	-	(1,961)	-	(1,961)
Waiver of loans to subsidiaries	-	(804)	-	(804)
Issuance of ordinary shares	19,816	-	-	19,816
Balance as at 30 June 2017	48,311	(6,716)	1,085	42,680
Loss for the period, representing total comprehensive loss for the period	-	-	(387)	(387)
<i>Contributions by and distributions to owners</i>				
Issuance of ordinary shares	2,120	-	-	2,120
Balance as at 30 September 2017	50,431	(6,716)	698	44,413



1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Issued and paid-up share capital S\$
As at 1 July 2018 and 30 September 2018	489,310,702	78,394,166

There were no outstanding convertibles as at 30 September 2017 and 30 September 2018.

As at 30 September 2018 and 30 September 2017, there were no treasury shares held by the Company and no subsidiary holdings.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30 September 2018	31 December 2017
Total number of issued ordinary shares excluding treasury shares	489,310,702	481,000,000

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as there are no treasury shares held by the Company.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as there are no subsidiary holdings.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

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

Not applicable.



4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those applied in the audited financial statements for the financial year ended 31 December 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) that are relevant to the Group on 1 January 2018. The adoption of SFRS(I)s did not result in a restatement of the prior financial period’s financial statements or any material impact to the financial statements for the current financial period except for the Group’s equity interest in unquoted equity shares that has been assessed as equity instruments. The Group has measured the instruments at fair value through other comprehensive income.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(Loss)/earnings per share - based on weighted average number of shares

	Group			
	Q3 FY2018	Q3 FY2017	9M FY2018	9M FY2017
	Basic / Diluted	Basic / Diluted	Basic / Diluted	Basic / Diluted
Loss attributable to owners of the Company (S\$'000)	<u>(2,504)</u>	<u>(3,187)</u>	<u>(16,223)</u>	<u>(3,171)</u>
Weighted average number of shares ('000)	<u>489,311</u>	<u>291,997</u>	<u>489,311</u>	<u>291,997</u>
Loss per share (cents)				
- Basic and diluted	(0.51)	(1.09)	(3.32)	(1.09)

The loss per share has been computed based on the loss attributable to the owners of the Company and the weighted average number of shares adjusted for the Share Split (as defined below).

As approved by the shareholders of the Company in an extraordinary general meeting held on 20 November 2017, 446,680 shares in the capital of the Company were sub-divided into 393,000,000 shares (the “**Share Split**”). Accordingly, the number of outstanding shares has been adjusted for the Share Split as if the Share Split had occurred on 1 January 2017.



7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net asset value per ordinary share

	Group		Company	
	30/09/18	31/12/17	30/09/18	31/12/17
Net asset value per share (cents)	10.00	12.67	14.80	14.33
Net asset value (S\$'000)	48,952	60,940	72,415	68,911
Number of shares ('000)	489,311	481,000	489,311	481,000

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF THE GROUP'S PERFORMANCE

Revenue

The Group recorded a revenue of S\$2.05 million in Q3 FY2018, representing an increase of S\$1.96 million as compared to the revenue recorded by the Group in Q3 FY2017.

Revenue increased from S\$0.09 million in Q3 FY2017 to S\$2.05 million in Q3 FY2018 mainly due to the Group's revenue of S\$0.13 million derived from its medical clinics/centres in Singapore and Hong Kong, which commenced operations in July 2017. In addition, the Group's revenue in Q3 FY2018 also includes the following:

- S\$0.35 million from Clearbridge Medical (Philippines), Inc. ("**Clearbridge Medical Philippines**", formerly known as Marzan Health Care Inc.) which was acquired by the Group in January 2018;
- S\$0.40 million from Medic Laser Pte. Ltd. ("**Medic Laser**") and Medic Surgical Pte. Ltd. ("**Medic Surgical**") which were acquired by the Group in early April 2018; and
- S\$1.01 million from PT Tirta Medika Jaya ("**PT TMJ**") which was acquired by the Group in late April 2018.

In comparison with the Group's revenue in Q2 FY2018, the Group's revenue in Q3 FY2018 increased by 40.9% or S\$0.59 million, mainly due to growth in the medical clinics/centre business and the expansion of the laboratory testing services of the Group.

Purchases

The expenditure incurred by the Group for its purchases increased in Q3 FY2018 to S\$1.02 million as compared to S\$75,000 in Q3 FY2017, in line with its increase in revenue.

The purchases of the Group comprised mainly direct expenses incurred in processing specimens by in-house laboratory testing facilities or outsourced third party clinical laboratories, as well as consumables and medicines used by medical clinics/centres.



Employee benefits expense

Employee benefits expense increased by 103% or S\$0.76 million, from S\$0.73 million in Q3 FY2017 to S\$1.49 million in Q3 FY2018, mainly due to an increase in the number of employees resulting from its acquisitions of Clearbridge Medical Philippines, Medic Laser, Medic Surgical and PT TMJ in FY2018.

In addition, the increase in the Group's employee benefits expense was also due to the increase in number of employees and management personnel required to support the expansion of the Group's business.

Depreciation expense

Depreciation expense increased by 976.9% or S\$0.25 million, from S\$0.03 million in Q3 FY2017 to S\$0.28 million in Q3 FY2018 mainly due to the depreciation expense recorded by the entities acquired by the Group post-Q3 FY2017, namely, Clearbridge Medical Philippines, Medic Laser, Medic Surgical and PT TMJ.

Amortisation expense

Amortisation expense increased by S\$9,000 from S\$5,000 in Q3 FY2017 to S\$14,000 in Q3 FY2018. The increase in amortisation expense was attributable to the intangible asset identified from the acquisition of Sam Laboratory Pte. Ltd. in August 2017.

Other income

Other income increased by S\$0.27 million, from S\$0.05 million in Q3 FY2017 to S\$0.32 million in Q3 FY2018 mainly due to the Company's receipt of (a) government grants of S\$0.10 million for human capital and brand development; and (b) royalty income of S\$0.17 million from the licensing of its patent for fourier Ptychographic microscope.

The other income recorded by the Group in Q3 FY2017 was attributable to the interest income from the convertible loan extended to Clearbridge Biomedics Pte. Ltd (the "**CBB Convertible Loan**").

Fair value loss on derivative financial instruments

Fair value loss on derivative financial instruments was mainly attributable to changes in the fair value of the call options granted by SPRING SEEDS Capital Pte. Ltd. ("**Spring Seeds Capital**") to the Group in respect of Spring Seeds Capital's interests in the Group's associated companies, Clearbridge Biomedics Pte. Ltd. ("**CBB**") and Singapore Institute of Advanced Medicine Holdings Pte. Ltd ("**SIAMH**").

The Group's fair value loss on derivative financial instruments increased by 115.3% or S\$0.09 million, from S\$0.09 million in Q3 FY2017 to S\$0.18 million in Q3 FY2018.

The fair value of the call options was arrived at based on an option pricing model which took into account, among others, the fair value of CBB and SIAMH as well as volatilities in the valuation of comparable companies.

Other operating expenses

Other operating expenses decreased by 36.9% or S\$1.01 million, from S\$2.74 million in Q3 FY2017 to S\$1.73 million in Q3 FY2018.

The decrease was mainly due to professional fees and other miscellaneous expenses amounting to S\$1.66 million, incurred by the Group in Q3 FY2017 in connection with the initial public offering of the Company (the "**IPO**"). The decrease was partially offset by an increase in legal and professional fees of S\$0.35 million incurred pursuant to business acquisitions and collaborations, the establishment of a multicurrency debt issuance programme as well as other expenses in connection with the expansion



Clearbridge Health Limited
37 Jalan Pemimpin #08-05 Mapex Singapore 577177
TEL 65 6251 0136 FAX 65 6251 0132
clearbridgehealth.com

of the Group's business such as legal and professional fees, consultancy fees and other administrative expenses, which amounted to S\$0.30 million.

To provide better clarity to the readers, the Group has identified the following other operating expenses incurred in Q3 FY2018 as non-recurring expenses:

- i) professional fees and other miscellaneous expenses of S\$0.58 million incurred by the Group pursuant to its business acquisitions and collaborations in Q3 FY2018; and
- ii) consultancy fees and other administrative expenses of S\$0.09 million incurred by the Group for research and development activities which were streamlined.

Finance costs

The Group's finance costs comprise mainly interest accrued on the call options granted by Spring Seeds Capital to the Group in respect of Spring Seeds Capital's investments in Clearbridge Biophotonics Pte. Ltd. and interest accrued on bank borrowings and finance lease.

Finance costs of the Group increased by 321.1% or S\$0.06 million, from S\$0.02 million in Q3 FY2017 to S\$0.08 million in Q3 FY2018 due to interest expense incurred on the Group's bank borrowings in respect of the Mapex Property and the finance lease for assets used in the provision of laboratory services.

Income tax expense/(credit)

The Group incurred income tax expense of S\$0.04 million for Q3 FY2018 as compared to an income tax credit of S\$0.03 million for Q3 FY2017. The income tax credit recognised in Q3 FY2017 arose from the reversal of deferred tax expense in relation to fair value loss on other investments, associates and derivative financial instruments recognised by the Group.

Loss for the period

As a result of the foregoing, the Group recorded a loss S\$2.46 million for Q3 FY2018 as compared to a loss of S\$3.52 million in Q3 FY2017.

Excluding the abovementioned non-recurring expenses identified in other operating expenses, fair value changes in other investments, associates and derivative financial instruments, the loss before taxation recorded by the Group was S\$1.56 million for Q3 FY2018.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets increased by 30.5% or S\$11.02 million, from S\$36.15 million as at 31 December 2017 to S\$47.17 million as at 30 September 2018. This was mainly due to an increase in goodwill on consolidation of S\$12.58 million and property, plant and equipment of S\$4.03 million which arose from the acquisitions of Clearbridge Medical Philippines in January 2018, and Medic Laser, Medic Surgical and PT TMJ in April 2018.

The increase was partially offset by a decrease in investments in associates and derivative financial instruments of S\$5.56 million, which was mainly due to the fair value loss recorded in 9M FY2018.

Current assets

The Group's current assets decreased by 47.6% or S\$15.53 million, from S\$32.64 million as at 31 December 2017 to S\$17.11 million as at 30 September 2018.

The decrease in cash and bank balances of S\$15.85 million was mainly due to the payment of S\$5.45 million as consideration for the acquisitions of Clearbridge Medical Philippines, Medic Laser, Medic



Clearbridge Health Limited
37 Jalan Pemimpin #08-05 Mapex Singapore 577177
TEL 65 6251 0136 FAX 65 6251 0132
clearbridgehealth.com

Surgical and PT TMJ, S\$1.0 million for the purchase of property, plant and equipment, S\$1.39 million for a loan extended to an external third party, PT Indo Genesis Medika (“**Indo Genesis**”) and the utilisation of S\$8.65 million for the payment of employees benefits expense and other working capital purposes.

The decrease was partially offset by an increase of S\$1.58 million in trade receivables in line with the increase in revenue, S\$1.98 million in other receivables and S\$0.45 million in inventories arising from the acquisition of Clearbridge Medical Philippines, Medic Laser, Medic Surgical and PT TMJ. The increase in other receivables resulted from the loan extended to Indo Genesis.

The decrease in other investments of S\$3.54 million was due to the conversion of the CBB Convertible Loan into ordinary shares and its subsequent reclassification as non-current assets.

Current liabilities

The Group's current liabilities increased by 53.9% or S\$3.09 million, from S\$5.73 million as at 31 December 2017 to S\$8.82 million as at 30 September 2018.

The increase was mainly due to an increase of S\$0.45 million in trade payables, S\$1.78 million in other payables comprising mainly accrued operating expenses and S\$0.36 million in deferred revenue arising from the acquisitions of Clearbridge Medical Philippines, Medic Laser, Medic Surgical and PT TMJ. The S\$0.44 million increase in bank borrowings pertains to bank borrowings for the purpose of financing the acquisition of the Singapore subsidiaries and the finance lease for assets used in laboratory services.

Non-current liabilities

The Group's non-current liabilities increased by 86.8% or S\$2.97 million, from S\$3.42 million as at 31 December 2017 to S\$6.39 million as at 30 September 2018.

The increase was mainly due to the recognition of contingent consideration of S\$1.9 million payable for the acquisitions of Clearbridge Medical Philippines, Medic Laser, Medic Surgical and PT TMJ as disclosed in the announcements dated 4 January 2018 and 28 February 2018. The increase in non-current liabilities was also due to the S\$0.74 million in bank borrowings to finance the acquisition of the Singapore subsidiaries and S\$0.21 million from finance lease liability in Q3 FY2018.

REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Cash outflow before changes in working capital amounted to S\$1.83 million for Q3 FY2018. Net cash used in working capital for Q3 FY2018 amounted to S\$0.51 million mainly due to an increase in inventories of S\$0.04 million, an increase in trade and other receivables of S\$0.31 million and a decrease in trade and other payables of S\$0.19 million, which was partially offset by a decrease in prepayments of S\$0.03 million. As a result, net cash used in operating activities amounted to S\$2.35 million for Q3 FY2018.

Net cash used in investing activities for Q3 FY2018 amounted to S\$1.65 million. This was mainly due to the S\$1.39 million loan extended to Indo Genesis and capital expenditure incurred for the expansion of medical clinics/centres in Philippines and laboratory services in Indonesia.

Net cash generated from financing activities for Q3 FY2018 amounted to S\$1.09 million which was attributable to bank borrowings amounting to S\$1.10 million secured by the Group. This increase was partially offset by the repayment of a bank loan of S\$0.01 million.

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\$3.21 million, from S\$15.10 million as at 30 June 2018 to S\$11.89 million as at 30 September 2018.



9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In the Philippines, the Group's financial performance has improved significantly since the acquisition of the integrated ambulatory medical center in Quezon City. Following its strategic rebranding from Marzan Health Care Diagnostic Centre to Clearbridge Medical Centre ("**CMC**"), the facility is implementing plans to start its seven specialist outpatient clinics. The expected launch of the dental cone beam CT scan by the last quarter of 2018 is expected to better serve dental patients in Quezon City by providing a broader range of services. CMC also intends to apply for accreditation by the Department of Health and POEA (Philippine Overseas Employment Administration) as an approved Overseas Foreign Workers screening and medical facility by 1Q2019.

Besides the 2 new clinics in the Philippines which are undergoing preliminary works and renovation, the Group has identified a new clinic location for its ClearSkin branded aesthetic services in Cebu, Lapulapu City.

The Group continues to make inroads into Indonesia with the inking of a Memorandum of Understanding ("**MoU**") for a stake in Indo Genesis, which will pave the way for the Group to become one of the largest and dominant clinical laboratory operators in Indonesia via 12 potential joint operations contracts to operate diagnostics laboratories in public hospitals. To facilitate this, the Group will extend interest-bearing loans to Indo Genesis. As of 30 September 2018, the Group had disbursed S\$1.39 million to Indo Genesis.

In Indonesia, the Group's medical clinics/centres operating under its subsidiary, TMJ had contracted with 8 additional hospitals in 3Q2018, increasing the total number of joint operation agreements for renal care services from 20 to 28 hospitals. The new contracts would add 146 dialysis machines to the existing 403 machines contracted to be installed. Compared to 2Q2018, 29 additional machines have been installed and are operating in 3Q2018, performing over 4,000 treatments per month. Of the total 549 machines contracted to be installed over the duration of the agreements, 227 machines have been installed and are operating to-date.

In line with its strategy of regional expansion, the Group will continue to pursue acquisition opportunities to expand its offerings and geographical presence in key cities, as well as strategic partnerships and collaborations with renowned medical and research institutions.

The Group believes that the outlook of the laboratory testing services and the medical clinics/centres business is expected to remain positive as population growth, coupled with an increase in life expectancy, is likely to lead to an ageing population which will drive demand for more and better healthcare services. These are focus areas for precision medicine and are likely to lead to an increase in demand for laboratory testing services as well as the Group's business in the ownership and operation of medical clinics/centres.

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

The Group will also continue to enhance its internal capabilities and processes to achieve greater efficiencies and returns.



11 Dividend

(a) Current Financial Period Reported On

Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

Nil

Dividends declared prior to the IPO

Pursuant to a restructuring exercise undertaken in connection with the IPO (the “**Restructuring Exercise**”), the Company had declared an interim tax-exempt one-tier dividend of S\$9,633,283 in March 2017, resulting from the disposal of its investment in Treebox Solutions Pte. Ltd. to Inbridge Ventures Pte. Ltd. The dividend was satisfied via the assignment of the consideration receivable by the Company from Inbridge Ventures Pte. Ltd. for the abovementioned disposal, to the then shareholders of the Company. Please refer to the Company’s offer document dated 11 December 2017 for further details.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared for Q3 FY2018.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate for interested person transactions. There were no interested person transactions of S\$100,000 or more in Q3 FY2018.



14 Use of IPO proceeds

Pursuant to the IPO, the Company received net proceeds of approximately S\$22.00 million (the “**Net Proceeds**”). As at the date of this announcement, the 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	(3,911)	7,089
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	(1,923)	1,077
Working capital and general corporate purposes ⁽¹⁾	8,000	(8,000)	-
Total	22,000	(13,834)	8,166

Note:

(1) Comprises operating expenses.

15 Negative confirmation by the Board pursuant to Rule 705(5)

To the best 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 Q3 FY2018 of the Group and the Company to be false or misleading in any material aspect.

16 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 Catalyst.

ON BEHALF OF THE BOARD

Yee Pinh Jeremy
 Executive Director and Chief Executive Officer

Chen Johnson
 Non Executive Non Independent Chairman

12 November 2018