

CLEARBRIDGE HEALTH LIMITED
(Company Registration No. 201001436C)

PROPOSED INVESTMENT IN PT INDO GENESIS MEDIKA

1. INTRODUCTION

1.1 The board of directors (the "**Board**" or the "**Directors**") of Clearbridge Health Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's wholly-owned subsidiary, SAM Laboratory Pte. Ltd. (the "**Investor**"), has today entered into a non-binding memorandum of understanding (the "**MOU**") with PT Indo Genesis Medika, a company incorporated in Indonesia ("**Target**") and PT Kreasi Putra Nusantara ("**KPN**") in relation to the following transactions (the "**Proposed Investment**"):

- (a) the proposed subscription by the Investor of up to 49% of the enlarged issued and paid-up share capital of the Target for IDR26,582,500,000 (or approximately S\$2.5 million based on the exchange rate of S\$1:IDR10,600) which will be satisfied in cash. KPN will hold the remaining 51% of the enlarged issued and paid-up share capital of the Target;
- (b) the proposed subscription by the Investor of bonds to be issued by KPN which shall be exchangeable at the Investor's option into 26% of the enlarged issued and paid-up share capital of the Target for IDR14,105,000,000 (or approximately S\$1.3 million) which will be satisfied in cash; and
- (c) the proposed loan by the Investor to KPN of IDR2,712,500,000 (or approximately S\$0.3 million), which shall be secured against 5% of the enlarged issued and paid-up share capital of the Target.

Following the completion of the Proposed Investment, the Investor will hold a controlling stake in the Target.

1.2 The Target had on, 8 August 2018, entered into a conditional sale and purchase agreement with PT Indofarma Global Medika, an Indonesian healthcare equipment and pharmaceutical products distributor, for the transfer of and partnering to its 12 joint operation contracts to operate diagnostics laboratories in public hospitals in Indonesia (the "**JO Contracts**"). Based on information provided by PT Indofarma Global Medika, the 12 JO Contracts collectively generated revenue of approximately S\$14.6 million, EBITDA of S\$3.8 million and net profit after tax of S\$1.5 million in the financial year ended 31 December 2017.

1.3 To facilitate the Proposed Investment, it is also intended that the Investor, extends to the Target an interest-bearing loan of up to IDR100,750,000,000 (or approximately S\$9.5 million) in aggregate, comprising a loan of IDR29,520,000,000 (or approximately S\$2.8 million) (the "**First Loan**") extended upon the execution of the MOU, for the purposes of the Target's working capital and operational requirements, including but not limited to purchasing consumables in connection with the JO Contracts and the balance to be extended, in one or more tranches, after the Investor becomes a shareholder of the Target to fund the acquisition of the JO Contracts.

1.4 If definitive agreements in relation to the Proposed Investment are not executed by 30 September 2018, the Target will be required to repay the First Loan, together with all accrued interest, within nine (9) months of the last drawdown date.

- 1.5 None of the Target, KPN or PT Indofarma Global Medika is related to the Directors or the controlling shareholders of the Company and their respective associates.

2. RATIONALE FOR THE PROPOSED INVESTMENT

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

- (a) the Proposed Investment is in line with the Group's plans to expand its laboratory testing services business in Indonesia; and
- (b) the Directors expect the Proposed Investment to result in revenue synergies as the Group will be able to leverage on the Target's existing network of hospital partners to deliver the Group's precision medicine products and/or services in Indonesia.

3. FURTHER ANNOUNCEMENTS

The Company is in the midst of discussions with the relevant parties and no definitive agreements have been entered into. The Company will make further announcements (including information required under Chapter 10 of the SGX-ST Listing Manual Section B: Rules of Catalyst) to keep shareholders informed upon execution of the definitive agreements or as and when there are material updates and developments to the Proposed Investment.

4. 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 the MOU is non-binding and the Proposed Investment is subject to the execution of definitive agreements. 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

23 August 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.*