

Clearbridge's 2Q2018 revenue increases four-folds quarter-on-quarter

- Revenue increased to S\$1.46 million in 2Q2018 compared to S\$0.38 million in 1Q2018 mainly due to recently acquired medical clinics/centres as well as collaborations and partnerships to boost laboratory testing services.
- Further growth in revenue expected to continue in the next quarter.

SINGAPORE – 14 August 2018 – Continuing on the growth trajectory driven by revenue contributions from its recent acquisitions, **Clearbridge Health Limited** (“Clearbridge” or the “Company” and together with its subsidiaries, the “Group”) (明策集团), has reported revenue of S\$1.46 million for the three months ended 30 June 2018 (“2Q2018”).

The topline growth is nearly four times the S\$0.38 million achieved by the Group in the preceding three months ended 31 March 2018 (“1Q2018”) and mainly attributed to recent acquisitions including a medical centre in the Philippines in January 2018 and in Singapore and Indonesia in April 2018, which contributed revenues of S\$1.22 million in total. The remaining revenue was generated by existing clinics in Singapore and Hong Kong that commenced operations in July 2017 and from the provision of laboratory testing services.

As a result of the aforementioned, the Group’s revenue for the six-month period ended 30 June 2018 (“1H2018”) was S\$1.83 million. If the recent acquisitions had taken place on 1 January 2018, the Group’s revenue would have been S\$2.74 million for 1H2018.

Overall, mainly due to fair value loss on associates, other investment and derivative financial instruments of S\$9.71 million, the Group recorded a loss attributable to owners of the Company of S\$12.23 million in 2Q2018. This mentioned non-permanent fair value loss arising from changes in valuation of its associated company Clearbridge BioMedics Pte. Ltd. (“Clearbridge BioMedics”), was derived based on the indicative valuation for its recent fund-raising exercise. The proceeds will be deployed to develop clinical laboratory developed tests and to finance Clearbridge BioMedics’ planned initial public offering.

In addition, there was an increase in expenses in 2Q2018 as a result of business expansion overseas, including increased staff strength and employee benefits expense that rose to S\$1.62 million. Other operating expenses also increased to S\$1.21 million in 2Q2018, which included non-recurring expenses of S\$0.69 million that was related to professional fees and miscellaneous expenses incurred pursuant to recent acquisitions and collaborations and other expenses consequent to the streamlining of research and development activities.



Between January and June 2018, the Group had announced collaborations and partnerships with international institutions such as Japan's Matsumoto Institute of Life Science International ("MILS International") to exclusively distribute its urinary metabolites Gas Chromatography - Mass Spectrometry analysis method in 11 countries, A*STAR's Genome Institute of Singapore to offer the Prosigna Breast Cancer Prognostic Gene Signature Assay in Singapore, and Australia's Genome.One Pty Ltd to offer clinical-grade quality whole genome sequencing and analysis. The Group also renewed its collaboration with Australia's Olivia Newton-John Cancer Research Institute for Epidermal Growth Factor Receptor gene (EGFR) mutation analysis testing services.

Mr Jeremy Yee (余斌), Executive Director and Chief Executive Officer of Clearbridge, said: *"Our medical clinics/centres business has continued to contribute quarter-on-quarter growth to our revenue and this together with our ongoing efforts to expand our laboratory testing services reflects the success of our strategy to transform into a pan-Asian integrated healthcare Group with a focus on precision medicine. Excluding the non-recurring operating expenses and fair value changes in other investments, associates and derivative financial instruments, we would have recorded a lower pre-tax loss of S\$1.76 million in 2Q2018. While the adjusted EBITDAR for 2Q2018 would have been approximately S\$1.40 million, compared to S\$1.68 million for 1Q2018."*

Balance sheet remained healthy with cash and bank balances of S\$15.10 million or S\$19.27 million if including undrawn bank facilities as at 30 June 2018. Based on the Group's post-IPO share capital of 489,310,702 shares, net asset value per share stood at 10.55 Singapore cents as at 30 June 2018 as compared to 12.67 Singapore cents as at 31 December 2017.

RECENT DEVELOPMENTS AND OUTLOOK

Clearbridge remains positive on the outlook for its laboratory testing services and medical clinics/centres businesses. The Group's sentiments are supported by trends such as population growth, increased life expectancy and an ageing society that are likely to drive demand for better healthcare services.

In its ongoing efforts to broaden its laboratory testing services, Clearbridge entered into an exclusive partnership with Hunan Agen Medicine Laboratory Technology Co., Ltd ("**Agen Lab**") in July 2018 on the commercialisation for clinical application of circulating tumour cell ("**CTC**") technology. Under the partnership agreement, the Group will provide the ClearCell® FX1 System, a CTC enrichment platform and other ancillary materials and consumables, as well as installation and training to Agen Lab and assist in the development of laboratory developed tests. Subsequently, the Group will be marketing the tests exclusively in China.

In the Philippines, the Group has also entered into a subscription agreement for 25 million preferred shares, on top of its existing investment in Marzan Health Care Inc. ("**Marzan**"), for a total subscription price of approximately PHP25 million (approximately S\$667,000) in cash.



In line with this, the Group renamed Marzan to Clearbridge Medical (Philippines), Inc. and strategically rebranded the healthcare facility it operates in Quezon City from Marzan Health Care Diagnostic Centre to Clearbridge Medical Centre (“**CMC**”).

With the cash from the investment, CMC is scheduled to start its retrofitting and improvement programme in the third quarter of 2018 and plans to increase its number of specialist outpatient clinics from three to seven. Its imaging capabilities will be expanded from MRI and CT scans to also include dental cone beam CT scans, which will enable it to better serve the market with a wider array of medical services. The completion of the retrofitting and improvement programme will position CMC for accreditation by the Department of Health and POEA (Philippine Overseas Employment Administration) as an approved Overseas Foreign Workers screening and medical facility in Quezon City, Manila and this will allow it to potentially access the substantial pool of Filipinos who plan to work overseas.

Meanwhile, the Group has also launched two new clinics in the Philippines. They include Clearbridge Medical Clinic, which operates as a satellite clinic under CMC offering general family medical services and point-of-care products, as well as an aesthetic clinic. Both are located in Metro Manila.

In Indonesia, the Group’s medical clinics/centres operating under PT Tirta Medika Jaya (“**TMJ**”) had contracted five additional hospitals in April 2018, increasing the total number of joint operation agreements for renal care services from 15 to 20 hospitals. The new contracts would add 89 dialysis machines to the existing contract of 314 machines contracted to be installed. Of the total 403 machines contracted to be installed over the duration of the agreements, 198 have been installed and in operation to date, performing over 3,700 treatments per month.

Mr Yee said: *“We have made rapid progress in the Philippines and are optimistic that the new developments in this market provides us with a strong platform to drive further operational expansion. We will continue to pursue opportunities in existing and new markets to expand the scale and scope of our business regionally. We are very encouraged that awareness about precision medicine has increased significantly in recent times and we believe we are well-positioned to benefit from its rising demand.”*

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

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About Clearbridge Health Limited

Clearbridge Health Limited is a healthcare company with a focus on the delivery of precision medicine in Asia. Its business comprises laboratory testing services, medical clinics/centres and strategic equity participation in complementary precision medical technology companies. Through the delivery of precision medicine in Asia, it seeks to empower clinicians and healthcare professionals to make more reliable and accurate diagnoses, provide insights to disease management, and tailor personalised prevention and timely treatment programmes for patients.

For more information, please visit us at www.clearbridgehealth.com.

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