
Clearbridge Health

# BUILDING ON OUR STRENGTHS

ANNUAL REPORT 2022

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# CORPORATE **PROFILE**

With a business presence in various countries within Asia, Clearbridge Health Limited ("**Clearbridge**" or the "**Company**" and together with its subsidiaries, the "**Group**") is a broad-based healthcare group that aims to operate in the nexus of high demand across Asia.

Listed on the Catalist Board of the SGX-ST (Stock symbol: 1H3) since 2017, the Group currently has 4 distinctive strategic business units ("**SBUs**") as follows:

1. Medical centres and clinics (including a distribution platform of healthcare solutions and technologies from its global clinical partners);
2. Healthcare systems;
3. Strategic medical technology investments;
4. Investments within the global healthcare sector that are EBITDA positive or at an inflection point with a clear line of sight to profitability.

For more information, please visit us at https://clearbridgehealth.com.

## VISION

Redefining healthcare in Asia with precision. Empowering patient care with clarity.

## MISSION

Setting a new standard for personalised care through the integration of healthcare services, medical technology and data science.

## CORE VALUES

| | | |
|---|---|---|
| Kindness | – | Patients always comes first |
| Confidence | – | Better outcomes start with precise insights |
| Dependability | – | Our people – they are our edge |
| Respect | – | Professionalism in any and every circumstance |
| Trust | – | Delivering healthcare services with utmost Integrity |

Renal dialysis centre at Manila, Philippines


Dental clinic in Singapore

# OUR HEALTHCARE **PRESENCE IN ASIA**

## China

Provision of overseas healthcare expertise and services

## Hong Kong

**Clearbridge Medical Group (Hong Kong)**, a medical clinic in Causeway Bay that caters to medical tourists and domestic patients

Distribution network for medical, lifestyle and wellness products

## Singapore

**Medic Surgical and Laser Clinic** located at outskirts of the central business district ("**CBD**"), delivering affordable and quality healthcare services to professionals working in the CBD

**Dental Focus Group**, a group of 10 dental clinics operated under a common brand located at high footfall locations in Singapore's heartlands

Distribution network for medical, lifestyle and wellness products

## Philippines

**Clearbridge Medical Philippines**, a 4-storey multi-specialty medical center in Manila, offering wide range of services including primary healthcare, dentistry, renal dialysis center, health screening, vaccination and pharmacy

**ClearSkin Advanced Dermatology and Laser Center**, a derma clinic catering to the middle-class in Manila

Distribution network of medical, lifestyle and wellness products including COVID-19 antigen rapid test kits

## Malaysia

Distribution network for medical, lifestyle and wellness products

# OUR VALUE CREATION PROCESS

## UNLOCKING VALUE

- Capitalising on the valuation multiple differential between public and private markets in the healthcare industry
- Targeting healthcare companies that are EBITDA positive or at an inflection point with a clear line of sight to profitability

## SYNERGIES REALISATION

- Maximising revenue growth by achieving economies of scope (new healthcare products and/or solutions exclusive distributorship) and economies of scale (expansion of distribution points)
- Leveraging on our regional healthcare networks, harness cost and/or quality arbitrage opportunities i.e. products in demand are identified in one market and solutions are sourced in another

## LEVERAGE GROWTH

- Reducing cost of capital by optimizing capital structure
- EBITDA strengthens Clearbridge's leverage capacity
- Deleveraging with operating cash flows from business acquisitions

## VALUE REALISATION

- Building a detachable healthcare group with value realisation opportunities such as Biolidics Limited's ("**Biolidics**") IPO in December 2018 and trade sale of Clearbridge Biophotonics Pte. Ltd. ("**CBBP**") realised a total cash amount of approximately US$2.2 million in April 2021
- Continue pursuing multiple business opportunities to unlock value for shareholders

One of our Dental Focus clinics in SIngapore

Medical clinic in Hong Kong

# OUR EBITDA-FOCUSED **EXPANSION STRATEGY**

## 2022

**JAN — Successfully Obtained Approval by the FDA of the Philippines for COVID-19 ART Test Kit Importation and Distribution**

Only 2 COVID-19 ART Test Kits are approved by the FDA of the Philippines. The Group is the sole importer and distributor of one of the two brands

**OCT — Divestment of the Group's healthcare systems business in Indonesia, comprising the provision of laboratory services and renal care services**

Disposal of Clearbridge Medical Asia Pte Ltd and SAM Laboratory Pte Ltd for a consideration of S$11.0 million in the form of convertible exchangeable bonds issued by the purchaser

**OCT-NOV — The Group ceased to be a controlling shareholder of Biolidics and Biolidics ceased to be an associate of the Group(1)**

Disposal of an aggregate of 40,512,100 ordinary shares in the capital of Biolidics through a series of open market transactions for a net proceed of S$2,179,000

## 2021

**MAR — Raised S$11.5m of Convertible Preference Shares at Subsidiary Level**

Clearbridge Medical Group ("CBMG") raised S$11.5m by way of an issuance of convertible preference shares for expansion in the region

**APR — Disposal of a Medtech Subsidiary, Realised a Gain of Approximately S$2.1m**

Disposed of CBBP, realised a total cash amount of approximately US$2.2m

**AUG — Successfully Imported Sinopharm COVID-19 Vaccine to Singapore**

One of the first healthcare institutions to administer Sinopharm COVID-19 vaccine in Singapore

**NOV — Received Mandate to Venture into Investment Business**

Investment business is involved in the business of investing 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 and growing such entities with a view towards eventually exiting

## 2020

**APR-MAY — Conversion of S$2.7m of Convertible Bonds**

Strengthened the Group's balance sheet

**AUG — Conversion of S$1.25m of Convertible Bonds**

Further strengthened the Group's balance sheet

## 2019

**MAR — Issue of S$11.0m Convertible Bonds**

Raised S$11.0m to fuel further expansion in the region

**MAY — Acquisition of 13 Clinical Laboratories in Indonesia**

Acquired 13 clinical laboratories in Indonesia

**AUG — Placement of S$11.3m of Shares**

Raised S$11.3m to fuel further expansion in the region

**AUG — Acquisition of 9 Dental Clinics in Singapore**

9 profitable dental clinics strategically located in high footfall locations in Singapore's heartlands

## 2018

**JAN — Philippines Acquisition**

Acquired Clearbridge Medical Philippines which is a multi-specialty medical centre located in Manila

**APR — Singapore & Indonesia Acquisitions**

- An aesthetic clinic in Singapore
- Renal care business in Indonesia

**DEC — IPO of Biolidics (associate)**

Raised S$7.7m during IPO on Catalist on 19 Dec 18

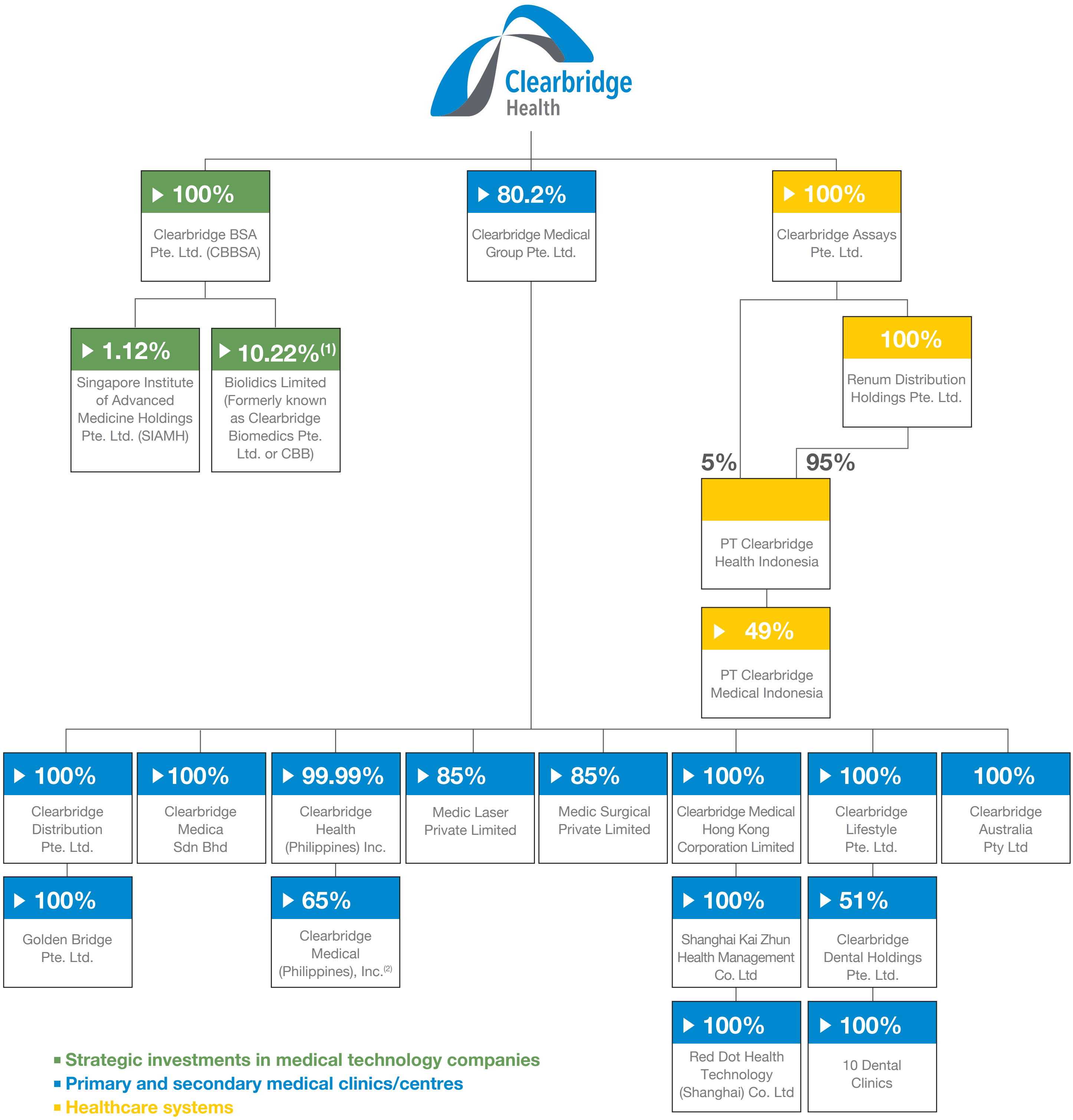
## 2017

**JAN — IPO of Clearbridge**

Raised S$24.6m during IPO on Catalist on 18 Dec 17

(1) On 28 February 2023, the Group and Biolidics agreed to a partial settlement of the remaining deferred consideration from the sale in FY2020 of the entire issued and paid-up ordinary share capital of Biomedics Laboratory Pte. Ltd., by entering into a partial settlement deed dated 28 February 2023 ("**Partial Settlement Deed**"). Pursuant to the terms of the Partial Settlement Deed, S$1,161,250 of the remaining deferred consideration shall be settled with S$550,000 in cash and S$611,250 in the issue of ordinary shares in Biolidics. The Group further agreed to receive and Biolidics agreed to issue 37,500,000 ordinary shares in Biolidics at the volume weighted average price of shares traded on the SGX-ST on 28 February 2023, being S$0.0163 per share. The Group was subsequently allotted and issued 37,500,000 ordinary shares in Biolidics on 20 March 2023, increasing its shareholdings in Biolidics to 10.22%

# ORGANISATION **STRUCTURE**




(1) During FY2022, the Group disposed of an aggregate of 40,512,100 ordinary shares in the capital of 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, decreasing its shareholdings in Biolidics to 7.39% as at 9 November 2022. Following the completion of a rights issue of Biolidics' ordinary shares by Biolidics, the Group's shareholdings in Biolidics further decreased to 3.98% as at 2 December 2022. On 28 February 2023, the Group and Biolidics agreed to a partial settlement of the remaining deferred consideration from the sale in FY2020 of the entire issued and paid-up ordinary share capital of Biomedics Laboratory Pte. Ltd., by entering into a Partial Settlement Deed. Pursuant to the terms of the Partial Settlement Deed, S$1,161,250 of the remaining deferred consideration shall be settled with S$550,000 in cash and S$611,250 in the issue of ordinary shares in Biolidics. The Group further agreed to receive and Biolidics agreed to issue 37,500,000 ordinary shares in Biolidics at the volume weighted average price of shares traded on the SGX-ST on 28 February 2023, being S$0.0163 per share. The Group was subsequently allotted and issued 37,500,000 ordinary shares in Biolidics on 20 March 2023, increasing its shareholdings in Biolidics to 10.22% as at 20 March 2023.

(2) Formerly known as Marzan Health Care Inc.

# CHAIRMAN'S LETTER TO **SHAREHOLDERS**

**We will continue to proactively evaluate opportunities to unlock the value of our healthcare assets and strengthen the Group's balance sheet.**

**DEAR SHAREHOLDERS,**

On behalf of the board of directors of the Company ("**Board**" or "**Directors**"), I am pleased to share some of the key corporate highlights and present to you the annual report of Clearbridge for the financial year ended 31 December ("**FY**") 2022.

Over the past 3 years, the global healthcare market has undoubtedly undergone dramatic shifts, with an accelerated pace of increased spending on healthcare infrastructure, on fortifying supply chain reliability, and on the digitalisation of healthcare, among many other emerging local and global trends.

These macro healthcare trends are particularly evident in Asia which is home to 60% of the world's population. Asia's overall healthcare spending is projected to surge to US$2.27 trillion by 2026, driven by increasing health consciousness, the rising incidence of chronic diseases, a burgeoning middle class and an overall shift in demographics[(1)].

Since its initial public offering in FY2017, Clearbridge has quickly pivoted from a technology accelerator into an EBITDA-focused healthcare platform with 4 distinctive strategic business units. Over the past 12 months, we took the opportunity to take stock and regroup ourselves for the future, and in assessing the opportunities ahead.

In October 2022, the Group announced the divestment of its healthcare systems business in Indonesia, comprising the provision of laboratory services and renal care services, for a consideration of S$11.0 million in the form of convertible exchangeable bonds (which were revalued at S$10.63 million as at 31 December 2022), through the disposal of 100% of shareholding interests in Clearbridge Medical Asia Pte. Ltd. ("**CBMA**") and SAM Laboratory Pte. Ltd. ("**SAM Labs**") (the "**Disposal**"). This had two major positive impacts on the Group. Firstly, it allowed the Group to realise its investments in PT Tirta Medika Jaya ("**TMJ**") and PT Indo Genesis Medika ("**IGM**"), recognising an aggregate gain on disposal of approximately S$2.32 million in FY2022. Secondly, the management team is now able to focus their efforts on the remaining businesses and operations of the Group with better return profiles, whilst at the same time limiting the resources that the Group would otherwise have had to continue expending in relation to the TMJ-related legal proceedings.

With the completion of the Disposal, the business operations of TMJ and IGM have been separately classified as discontinued operations in FY2022. It is to be noted that the Company's auditor has issued a modified opinion on the Group's consolidated financial statements for FY2022 as the Company has had difficulty accessing the necessary financial information through the buyer in relation to the Disposal, due to the lack of cooperation from the staff of TMJ and IGM during the transition process.

Despite the backdrop of the above, the Group registered strong revenue growth of 43.4% to S$16.41 million in FY2022 that reflects the resiliency of our business model, driven primarily by our medical centres and clinics business unit, comprising 10 dental clinics operating under the "Dental Focus" brand name, a medical clinic in Singapore, Medic Surgical Pte Ltd ("**Medic Surgical**"), a medical clinic in Hong Kong as well as a medical centre and clinic in the Philippines.

(1) https://sbr.com.sg/healthcare/asia/asia-hailed-worlds-fastest-growing-healthcare-market

# CHAIRMAN'S LETTER TO SHAREHOLDERS

At the same time, deleveraging initiatives undertaken by the Group have led to a significant reduction in borrowings from S$10.95 million as at 31 December 2021 to S$5.89 million as at 31 December 2022.

Notably, the Group sold approximately 40.5 million ordinary shares in the capital of Biolidics that has generated additional liquidity in FY2022, resulting in Biolidics ceasing to be an associated company of the Group and the Group ceasing to be a controlling shareholder of Biolidics.[(2)]

We will continue to proactively evaluate opportunities to unlock the value of our healthcare assets and strengthen our balance sheet within the Group. At the same time, we will selectively look at transaction initiatives to better position the Group for the future. Continuing this momentum is a work in progress as we remain focused on improving our operational performance which will continue to be an important source of future earnings growth.

More highlights of our core operating businesses will be shared by the Group's Executive Director and CEO, Mr Jeremy Yee, in the following pages.

### A Note of Thanks & Appreciation

On behalf of the Board, I would like to start by acknowledging the continuing support of our stakeholders over the years.

Firstly, we would like to thank our employees for their commitment and diligent efforts in developing the Group's medical and healthcare businesses towards its full potential.

To my fellow directors, I wish to express my gratitude for their guidance and counsel over the past year. I would also like to extend my appreciation to our healthcare partners for their confidence and support.

In closing, I would like to thank our fellow shareholders for your continued patience and support for staying the course to realise the potential Clearbridge has in our journey ahead.

Thank You!

**Chen Johnson**

Non-Executive Non-Independent Chairman

(2) On 28 February 2023, the Group and Biolidics agreed to a partial settlement of the remaining deferred consideration from the sale in FY2020 of the entire issued and paid-up ordinary share capital of Biomedics Laboratory Pte. Ltd., by entering into a Partial Settlement Deed. Pursuant to the terms of the Partial Settlement Deed, S$1,161,250 of the remaining deferred consideration shall be settled with S$550,000 in cash and S$611,250 in the issue of ordinary shares in Biolidics. The Group further agreed to receive and Biolidics agreed to issue 37,500,000 ordinary shares in Biolidics at the volume weighted average price of shares traded on the SGX-ST on 28 February 2023, being S$0.0163 per share. The Group was subsequently allotted and issued 37,500,000 ordinary shares in Biolidics on 20 March 2023, increasing its shareholdings in Biolidics to 10.22% as at 20 March 2023.

# CEO'S MESSAGE

**With the momentum of our continuing business, it provides a strong platform for the commercial opportunities before us in FY2023 and beyond.**

**DEAR SHAREHOLDERS,**

The first global pandemic in a generation has highlighted the asymmetric development of healthcare markets around the world.

The rising wave of increased demand for healthcare in Asia is likely to be met with various supply side constraints, such as a shortage of trained medical professionals, supply chain disruptions, gaps in healthcare infrastructure, among others, that could lead to more unequal access to medical and healthcare services.

Many emerging markets in Southeast Asia are poised for significant economic growth in the coming years, and healthcare expenditure is expected to grow rapidly, driven by factors such as population growth, rising incomes, and an increasing burden of chronic diseases.

While there are numerous encouraging developments in the medical and healthcare market within the region, there is clearly more that needs to be done and Clearbridge aims to harness these opportunities with the best of our abilities.

Reflecting on Clearbridge's performance in FY2022, we registered strong revenue growth of 43.4% to S$16.41 million from continuing operations in FY2022. Operationally, it has been a year of progress for the Group's continuing business, driven primarily by our medical centres and clinics business unit in Singapore, Hong Kong and the Philippines.

The Group's trading and distribution business of medical supplies, which was started during the COVID-19 pandemic, also posted positive growth as we developed more in-house capabilities and expanded our distribution network as well as retail partners. Notably, Clearbridge was the first to import the Labnovation COVID-19 ART Test Kit and registered it for use in the Philippines. In Hong Kong, the Group has established offline and online channels to market and sell medical consumables in the region.

The momentum of our continuing business, will provide a strong platform for the commercial opportunities before us in FY2023 and beyond.

More details of our FY2022 financials results can be found in the operation and financial review section of this Annual Report.

On the corporate front, we have disposed of the Group's healthcare systems business in Indonesia, comprising the provision of laboratory services and renal care services. In addition, the Group divested an aggregate of 40,512,100 ordinary shares in Biolidics in FY2022.

In my message last year, we said that the Group will continue to deleverage and reduce our financing costs. I am pleased to share that as at 31 December 2022, the Group has significantly reduced borrowings to S$5.89 million from S$10.95 million as at 31 December 2021.

With a base of recurring cash flow from the Group's core continuing businesses, we will continue to pare down our borrowings and financing costs moving forward.

Anchored by our EBITDA-focused strategy, the Group's immediate emphasis will be to optimise our financial and operating performance organically and maximising value from the current healthcare portfolio.

### Our Portfolio of Diverse Healthcare Assets in Southeast Asia

With a business presence in various countries in Asia, Clearbridge is a broad-based healthcare group via 4 distinctive SBUs as follows:

1. *Medical centres and clinics (including a distribution platform of healthcare solutions and technologies from its global clinical partners);*
2. *Healthcare systems;*
3. *Strategic medical technology investments;*
4. *Investments within the global healthcare sector that are EBITDA positive or at an inflection point with a clear line of sight to profitability.*

# CEO'S MESSAGE

Here are more highlights of our continuing businesses which are currently driven primarily by our Medical centres and clinics business unit:

Clearbridge aims to build a network of medical clinics and centres throughout Asia using best practices in Singapore, adaptive pricing and cross-selling opportunities of healthcare solutions. This SBU has built up a growing network of medical clinics, dental clinics and centres in the Philippines, Hong Kong and Singapore.

In the Philippines, this SBU operates a 4-storey multi-specialty medical centre and a dermatology clinic in Quezon City, Manila.

In Hong Kong, our medical clinic and trading operation is well positioned to harness the new healthcare opportunities from the strategic economic development and integration of the Greater Bay Area (Guangdong, Hong Kong and Macao) that comprises a population of more than 70 million.

In Singapore, this SBU has been operating medical clinics, located at the outskirts of the central business district, offering general practitioner and aesthetic services. In addition, this SBU has ten dental clinics operating under the "Dental Focus" brand name.

Accessibility to patients is a key component of the healthcare value chain and we aim to expand our healthcare distribution network in Asia to deepen market access for the Group's growing portfolio of healthcare products and provide business agility to harness additional business opportunities.

## Appreciation

Navigating through the pandemic over the past few years, it has been very demanding for our colleagues at Clearbridge, where the majority of them continue to serve at the frontline of the healthcare industry.

On behalf of the Board of Directors, I would like to take the opportunity again to express my appreciation to our colleagues at Clearbridge across the region for their dedication and perseverance to the task required, fostering a culture of entrepreneurial spirit.

We will continue to lay the groundwork for future growth with our EBITDA-focused strategy, building a sustainable path of future growth within Asia's medical and healthcare markets.

This said, to all of our shareholders and our stakeholders, thank you for your continued support and confidence in our continuing journey towards growth and value creation.

Thank You!

**Jeremy Yee**
Executive Director and CEO

# OPERATIONS & FINANCIAL **REVIEW**

## OPERATIONS REVIEW

### Corporate Developments in FY2022

As the global economy transitions from "respond" to "recover" in the post-pandemic future, Clearbridge has been positioning ourselves to adapt and seize new opportunities in the face of these evolving market trends, to expand our business.

During the COVID-19 pandemic, the management team responded with business agility, utilising its business networks and medical touchpoints in Asia to procure and distribute a wide range of healthcare products, which included COVID-19 related products.

Over the past year, such opportunistic trading opportunities have led the Group to strengthen our in-house capabilities in scaling up our product portfolio and medical distribution network within Asia.

In January 2022, we announced that Labnovation Technologies, Inc.'s ("**Labnovation**") COVID-19 Antigen Rapid ("**ART**") Test Kit, which is imported by Clearbridge and registered for use in the Philippines, has been approved by the Food and Drug Administration ("**FDA**") of the Philippines for self-testing.

At that point in time, Labnovation's COVID-19 ART Test Kit was one of the two self-administered COVID-19 ART Test Kits that was approved by the FDA of the Philippines.

In Hong Kong, the Group is also distributing the Labnovation COVID-19 ART Test Kit and our team has established offline and online channels to market and sell the Labnovation COVID-19 ART Test Kit.

While certain market segments have become increasingly more competitive, 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.

With the disposal of our healthcare systems business in Indonesia announced in October 2022 that comprises the provision of laboratory services and renal care services, the Group's continuing operations in FY2022 was driven mainly by the performance of our medical clinics/centres in Singapore, Hong Kong and the Philippines as well as our medical supplies distribution business.

## FINANCIAL REVIEW

### Review of the Group's Performance

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. 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 Clearbridge Medicentre Private Limited ("**CMPL**"), respectively (collectively, the "**Disposed Groups**", which fall under the healthcare systems

# OPERATIONS & FINANCIAL **REVIEW**

segment). Pursuant to this disposal, the revenue and expenses of the Disposed Groups for 2022, which is based on SAM Lab's, CBMA's, TMJ's, IGM's and CMPL's financial information from 1 January 2022 up to the latest management accounts available to the Company, being 7 October 2022, 7 October 2022, 31 August 2022, 30 June 2022 and 7 October 2022 for SAM Labs, CBMA, TMJ, IGM and CMPL respectively, prior to the disposal to Lunadorii Inc. of the Disposed Groups on 7 October 2022, have been separately classified as discontinued operations.

### Revenue from continuing operations

Revenue increased by 43.4% or S$4.97 million, from S$11.44 million in FY2021 to S$16.41 million in FY2022.

Revenue from the medical clinics/centres increased by S$4.98 million, from S$11.39 million in FY2021 to S$16.37 million in FY2022 mainly due to an improvement in business performance of medical clinics/centres in Singapore, Hong Kong and the Philippines and an increase in revenue from the distribution of Labnovation's COVID-19 ART Test Kits in Hong Kong and the Philippines.

### Purchases from continuing operations

Purchases increased by 34.6% or S$1.76 million, from S$5.08 million in FY2021 to S$6.84 million in FY2022, in line with the increase in revenue. The slower growth in purchases compared to revenue in FY2022 was due to the sourcing of products with higher margins in FY2022.

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 decreased by 9.7% or S$0.66 million, from S$6.75 million in FY2021 to S$6.09 million in FY2022 mainly due to an absence of bonus payments made in FY2022 pursuant to the performance bonus scheme based on prior period performance in FY2021. The Company's performance bonus scheme is based on prior year performance that aims to promote higher performance goals and recognise the achievements of employees.

### Depreciation expense from continuing operations

Depreciation expense decreased by 9.8% or S$0.17 million from S$1.64 million in FY2021 to S$1.47 million in FY2022 mainly due to medical equipment and renovation being fully depreciated in FY2021.

### Amortisation expense from continuing operations

Amortisation expense decreased by 45.5% or S$0.05 million, from S$0.11 million in FY2021 to S$0.06 million in FY2022. The decrease in amortisation expense was mainly due to computer software used in the dental clinics being fully amortised in FY2022.

### Other income from continuing operations

Other income decreased by 79.4% or S$2.90 million, from S$3.65 million in FY2021 to S$0.75 million in FY2022 mainly due to the absence of the gain on disposal of the CBBP group of S$2.01 million recorded in FY2021, the absence of the gain on loan extinguishment of S$0.97 million in relation to the fair value changes of the convertible bonds issued by the Company on 8 March 2019 and 17 May 2019 respectively (the "**Convertible Bonds**") subsequent to the partial redemption in October 2021 and a decrease in grant income of S$0.21 million from government grants relating to the Jobs Support Scheme, Enterprise Singapore Grant and other grants from government agencies. These were partially offset by the gain on disposal of the Mapex Property of S$0.08 million which was completed on 7 March 2022, and gain on disposal of Biolidics' nil-paid rights of S$0.10 million on 14 and 15 November 2022.

### Fair value loss on an associate from continuing operations

The Group recorded a fair value loss on an associate amounting to S$8.77 million in FY2022. The fair value loss on an associate was due to the decrease in the market value of the Group's interest in Biolidics, a company listed on the Catalist Board of the SGX-ST.

### 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$0.76 million in FY2022, compared to a loss of S$3.50 million in FY2021 due to an increase in fair value gain on the Convertible Bonds issued by the Company of S$0.43 million and the derecognition of the call options granted by Seeds Capital Pte Ltd ("**Seeds Capital**") to the Group in respect of Seeds Capital's 9.75% interests in Biolidics which expired on 28 May 2021 of S$2.75 million in FY2021.

These were partially offset by the increase in fair value loss on the CBMG Call Option of S$0.37 million and the absence in FY2022 of the fair value gain on the convertible bonds issued by CBBP to Seeds Capital of S$0.07 million in FY2021.

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 increased by 9.0% or S$0.29 million, from S$3.25 million in FY2021 to S$3.54 million in FY2022. This was mainly due to (i) an increase of S$0.36 million in travelling expenses incurred by the Group, (ii) an increase in value-added tax payment,

# OPERATIONS & FINANCIAL **REVIEW**

advertising expenses and licensing expenses in relation to the distribution of Labnovation's COVID-19 ART Test Kits of S$0.45 million recorded by the Group, (iii) an increase in rental expenses of S$0.11 million in relation to a short-term lease recorded by a dental clinic, (iv) impairment of plant and equipment recorded by the Group's subsidiaries in the Philippines in FY2022 of S$0.13 million, and (v) an increase in trade and other receivables written off recorded by Hong Kong and the Philippines in aggregate of S$0.07 million.

The increases were partially offset by (i) a reversal of provision of S$0.55 million for expected credit losses made in FY2021 on other receivables due from Biolidics, pertaining to the deferred consideration for the disposal of Biomedics Lab in FY2020, as a result of the partial settlement of S$0.55 million in cash made by Biolidics in FY2022, and (ii) a decrease in inventories written off of S$0.51 million arising from the COVID-19 Antibody Test Kits.

### Finance costs from continuing operations

The Group's finance costs comprise mainly interest expense incurred on bank loans, lease liabilities and the Convertible Bonds. Finance costs decreased by 49.7% or S$0.85 million, from S$1.72 million in FY2021 to S$0.87 million in FY2022 mainly due to a decrease in interest expense incurred on the bank loans taken up by the Group for its acquisitions and working capital purpose as some of the bank loans were fully repaid in FY2022 and decrease in interest charged on the Convertible Bonds issued by the Company due to partial redemption of the Convertible Bonds in October 2021.

### Income tax expense from continuing operations

Income tax expense decreased by 40.6% or S$0.13 million, from S$0.32 million in FY2021 to S$0.19 million in FY2022. The decrease in income tax expense was mainly due to higher income tax expenses recognised by medical centres in the Philippines in FY2021 as a result of under-provision in prior years.

### Loss for the year from continuing operations

As a result of the foregoing, the Group recorded a loss of S$11.43 million in FY2022 as compared to a loss of S$13.89 million in FY2021, from continuing operations.

Excluding the abovementioned gain on disposal of a subsidiary group, fair value losses on an associate and derivative financial instruments, the loss before taxation from continuing operations recorded by the Group would have been S$1.71 million in FY2022 as compared to a loss before taxation from continuing operations of S$5.47 million in FY2021.

### Net gain/(loss) from discontinued operations

Discontinued operations recorded a net gain of S$0.95 million in FY2022 as compared to a net loss of S$4.26 million in FY2021, which was mainly due to the gain on disposal of the Disposed Groups of S$2.30 million recorded in FY2022. This was partially offset by the decrease in losses of S$2.89 million from the results of operations of the Disposed Groups, from S$4.26 million in FY2021 to S$1.37 million in FY2022, because the results of operations of the Disposed Groups being consolidated for FY2022 is based on SAM Lab's, CBMA's, TMJ's, IGM's and CMPL's financial information from 1 January 2022 up to the latest management accounts available to the Company, being 7 October 2022, 7 October 2022, 31 August 2022, 30 June 2022 and 7 October 2022 for SAM Labs, CBMA, TMJ, IGM and CMPL respectively, prior to the disposal to Lunadorii Inc. of the Disposed Groups on 7 October 2022, as compared to the 1 year consolidated results of operations of the Disposed Groups in FY2021.

## REVIEW OF THE GROUP'S FINANCIAL POSITION

### Non-current assets

The Group's non-current assets decreased by 8.3% or S$4.27 million, from S$51.61 million as at 31 December 2021 to S$47.34 million as at 31 December 2022. This was mainly due to (i) a decrease in investment in an associate, Biolidics of S$11.43 million arising from fair value loss recognised in FY2022 and disposal of shares in Biolidics in October and November 2022, (ii) a decrease in goodwill on consolidation of S$9.14 million mainly due to the disposal of the Disposed Groups, (iii) a decrease in plant and equipment of S$4.08 million mainly due to the disposal of the Disposed Groups, and the depreciation expense recorded during the year partially offset by the purchase of plant and equipment, (iv) a decrease in intangible assets of S$1.13 million mainly due to the disposal of the Disposed Groups and amortisation expenses of customer relationship and computer software charged during the year, and (v) a decrease in right-of-use assets of S$0.29 million mainly due to depreciation charges during the year and is partially offset by new lease terms recognised in accordance with SFRS(I) 16.

# OPERATIONS & FINANCIAL **REVIEW**

These were partially offset by the convertible exchangeable bonds of S$10.63 million issued by Lunadorii Inc. as consideration for the disposal of the Disposed Groups, and an increase in other receivables of S$10.71 million, arising from the loans provided by the Group to SAM Labs and CBMA which were previously eliminated on consolidation prior to the disposal of the Disposed Group but has now been recorded on the Group's books upon the completion of the said disposal.

### Current assets

The Group's current assets decreased by 65.2% or S$20.28 million, from S$31.11 million as at 31 December 2021 to S$10.83 million as at 31 December 2022. This was mainly due to (i) a decrease in cash and bank balances of S$8.50 million as a result of the repayment of bank loans and contingent consideration paid to the vendor of the 9 dental clinics under the terms of the acquisition (as announced on 24 May 2019) which was completed on 29 August 2019, for achieving the target net profits after taxation for the 36-month period after acquisition, (ii) a decrease in trade and other receivables of S$8.23 million due to the disposal of the Disposed Groups, (iii) a decrease in assets held for sale of S$2.01 million due to the sale of the Mapex Property which was completed on 7 March 2022, and (iv) a decrease in derivative financial instruments of S$1.06 million mainly due to fair value loss recognised in respect of the CBMG Call Option.

### Current liabilities

The Group's current liabilities decreased by 70.4% or S$12.12 million, from S$17.22 million as at 31 December 2021 to S$5.10 million as at 31 December 2022. This was mainly due to (i) a decrease in trade and other payables of S$7.23 million due to the disposal of the Disposed Groups, (ii) a decrease in borrowings of S$4.83 million due to repayment of bank loans, and (iii) a decrease in lease liabilities of S$0.14 million.

### Non-current liabilities

The Group's non-current liabilities decreased by 9.6% or S$0.79 million, from S$8.20 million as at 31 December 2021 to S$7.41 million as at 31 December 2022. This was mainly due to (i) a decrease in derivative financial instruments of S$0.25 million due to fair value gain recognised in respect of the Convertible Bonds issued by the Company, (ii) a decrease in borrowings of S$0.23 million due to repayment of bank loans, (iii) a decrease in deferred tax liability of S$0.23 million mainly due to the disposal of the Disposed Groups, and (iv) a decrease in lease liabilities of S$0.07 million.

## REVIEW OF THE GROUP'S CASH FLOW STATEMENT

Cash inflow before changes in working capital for FY2022 amounted to S$1.52 million. Net cash used in working capital for FY2022 amounted to S$2.59 million mainly due to an increase in trade and other receivables of S$3.71 million, decrease in other payables of S$0.16 million, increase in inventories of S$0.03 million and partially offset by an increase in trade payables of S$1.24 million and decrease in prepayments of S$0.07 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$1.98 million in FY2022.

Net cash used in investing activities for FY2022 amounted to S$1.08 million. This was mainly due to cash outflow of S$2.77 million from the disposal of the Disposed Groups, contingent consideration of S$1.99 million paid to the vendor of the 9 dental clinics under the terms of the acquisition which was completed on 29 August 2019, for achieving the target net profits after taxation for the 36-month period after acquisition, as well as capital expenditure of S$0.68 million incurred by the medical clinics/centres in the Philippines, Singapore, Hong Kong and laboratory services in Indonesia. These were partially offset by proceeds from disposal of investment in associate of S$2.18 million, proceeds from disposal of the Mapex Property of S$2.08 million, and proceeds from disposal of nil-paid rights of S$0.10 million.

Net cash used in financing activities for FY2022 amounted to S$2.56 million which was attributable to the repayment of bank loans and lease liabilities of S$4.12 million and S$1.09 million respectively and dividends paid to a non-controlling shareholder of S$0.19 million. These increases were partially offset by a decrease in restricted deposits of S$2.84 million further to the release of these deposits as collateral.

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$5.65 million, from S$11.71 million as at 31 December 2021 to S$6.06 million as at 31 December 2022.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Chen Johnson**
Non-Executive Non-Independent Chairman

**Yee Pinh Jeremy**
Executive Director and Chief Executive Officer

**Andrew John Lord**
Lead Independent Director

**Mark Benedict Ryan**
Independent Director

**Tan Soon Liang (Chen Shunliang)**
Independent Director

**Mah How Soon (Ma Haoshun)**
Independent Director

## AUDIT COMMITTEE

**Mark Benedict Ryan** (Chairman)
**Andrew John Lord**
**Tan Soon Liang (Chen Shunliang)**
**Mah How Soon (Ma Haoshun)**

## NOMINATING COMMITTEE

**Tan Soon Liang (Chen Shunliang)** (Chairman)
**Yee Pinh Jeremy**
**Andrew John Lordd**

## REMUNERATION COMMITTEE

**Andrew John Lord** (Chairman)
**Chen Johnson**
**Mark Benedict Ryan**
**Mah How Soon (Ma Haoshun)**

## COMPANY SECRETARY

**Cheok Hui Yee**, ACIS
**Kong Wei Fung**, ACIS

## REGISTERED OFFICE

37 Jalan Pemimpin
#08-05 Mapex
Singapore 577177
Telephone: +65 6251 0136
Fax: +65 6251 0132
Email: contactus@clearbridgehealth.com

## SPONSOR

**United Overseas Bank Limited**
80 Raffles Place
UOB Plaza
Singapore 048624

## SHARE REGISTRAR

**Tricor Barbinder Share Registration Services**
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#02-00
Singapore 068898

## AUDITOR

**Ernst & Young LLP**
One Raffles Quay
Level 18 North Tower
Singapore 048583
Partner-in-charge: Adrian Koh (appointed with effect from the financial year ended 31 December 2022)
(Member of the Institute of Singapore Chartered Accountants)

## INVESTOR RELATIONS

**8PR Asia Pte Ltd**
Mr Alex Tan
Mobile: +65 94515252
Email: alex.tan@8prasia.com

# BOARD OF DIRECTORS


Johnson is the Founder of Clearbridge and was appointed its Non-Executive Non-Independent Chairman in April 2017. He has been the Executive Director of 1Bridge Partners Limited since 2002, where he oversees investment management.

Johnson is also the Founder and Chief Executive Officer of CapBridge Financial Pte. Ltd. ("**CapBridge**"). CapBridge is the first Monetary Authority of Singapore ("**MAS**") regulated online integrated private markets platform in Singapore. The platform comprises a global online investment syndication and distribution arm that holds a Capital Markets Services License, and a private exchange arm that holds a Recognised Market Operator ("**RMO**") license – the first such private markets exchange to be granted the RMO license in Singapore by MAS.

From 1999 to 2002, Johnson was the President of CyberWorks Ventures, the venture capital arm of Hong Kong-based information communications technology company Pacific Century CyberWorks ("**PCCW**").

Johnson sits on the Technical Advisor panel of the Central Gap Fund, a national-level platform established by the Singapore National Research Foundation to resource impactful projects and encourage collaboration across public research performers and industry. He is also a Strategic Research Innovation Fund committee member at NTUitive, the innovation and enterprise company set up by Nanyang Technological University. Johnson was the top graduate in the Singapore Armed Forces officer cadet course during his National Service and was awarded the prestigious Sword of Honour by the President of Singapore.

Present directorships in other listed companies: None

Past directorships in other listed companies:

- Biolidics Limited (SGX-ST)

Academic/Professional Qualification(s)

- Bachelor of Arts (Honours) (Manufacturing Engineering Tripos), University of Cambridge, United Kingdom ("**UK**")
- Master of Engineering, University of Cambridge, UK


Jeremy is the Group's Executive Director and Chief Executive Officer. Prior to this, from 2011 to 2016, he was the Chief Executive Officer of Cordlife Group Limited, a company listed on the SGX-ST, where he was responsible for identifying and implementing company-wide business growth strategies. From 2002 to 2011, he was the Director of Corporate Development then Chief Operating Officer and subsequently, Executive Director and Group Chief Financial Officer of Cordlife Limited (now known as Life Corporation Limited), a company listed on the Australian Securities Exchange ("**ASX**"). During his tenure, he was responsible for the group's overall corporate development activities and financial functions, including statutory filings, accounting audits, finance controls and treasury matters. Jeremy spent the early part of his career in the banking and finance industry.

Present directorships in other listed companies: None

Past directorships in other listed companies:

- Cordlife Group Limited (SGX-ST)
- Cordlife Limited (now known as Life Corporation Limited) (ASX) (Delisted since January 2018)
- Biolidics Limited (SGX-ST)

Academic/Professional Qualification(s)

- Bachelor of Arts (Economic and Social Studies), Victoria University of Manchester, UK
- Bachelor of Commerce (Professional Accounting), Murdoch University, Australia
- Master of Commerce (Finance with Banking/Management), University of Sydney, Australia
- Master of Business Administration, Nanyang Technological University, Singapore
- Master of Business Administration, University of Chicago Booth School of Business, US
- Master of Arts, Columbia University, US
- Nanyang Advanced Management Programme, University of California, Berkeley, US
- EIT Health Advanced Management Programme on Health Innovation 2018

# BOARD OF **DIRECTORS**

**ANDREW JOHN LORD**
***Lead Independent Director***
Date of First Appointment | 20 November 2017
Date of Re-Election | 26 April 2022
Chairman | Remuneration Committee
Member | Nominating Committee and Audit Committee

Andrew is the Lead Independent Director of Clearbridge. He began his career as a solicitor in the general commercial and property as well as the banking and finance practices. Andrew ran his own firm, Campbell Lord Commercial Lawyers, between 1999 to 2006 and later founded Lovegrove and Lord Commercial and Construction Lawyers in 2006, where he served as a director specialising in joint ventures, venture capital funding, property financing, business acquisitions, corporate governance, capital markets equity fundraising, and compliance matters related to the ASX and the Australian Securities and Investments Commission. Since 2010, he has been a director at Lord Commercial Lawyers.

Present and past directorships in other listed companies: None

Academic/Professional Qualification(s)

- Bachelor of Science, Monash University, Australia
- Bachelor of Laws, Monash University, Australia
- Member of the Law Institute of Victoria, Australia

**MARK BENEDICT RYAN**
***Independent Director***
Date of First Appointment | 20 November 2017
Date of Re-Election | 29 June 2020
Chairman | Audit Committee
Member | Remuneration Committee

Mark is an Independent Director of Clearbridge. He is presently a Director of Cytomatrix Pty Ltd, a privately held company involved in Short Polymer Fibre research. From 1996 to 2019, he was the Non-Executive Director and Company Secretary of KBR E&C Australia Pty. Ltd, an engineering and construction company. From 1994 to 1996, he was the Financial Controller at CAPE PLC (formerly ASX-listed PCH Group Limited), where he was responsible for all financial management and reporting functions. He was a Senior Accountant at Schroder Ventures from 1993 to 1994 where he specialised in management accounting for offshore investment trusts including the preparation of statutory financial statements. Prior to this, he was a Corporate Tax Advisory Supervisor at PricewaterhouseCoopers Australia from 1988 to 1993 where he provided tax consulting and corporate tax compliance advisory services.

Present directorships in other listed companies: None

Past directorships in other listed companies:

- Cordlife Limited (now known as Life Corporation Limited) (ASX) (Delisted since January 2018)

Academic/Professional Qualification(s):

- Bachelor of Commerce, University of Western Australia, Australia
- Associate of Chartered Accountants, Australia and New Zealand

# BOARD OF DIRECTORS

**TAN SOON LIANG (CHEN SHUNLIANG)**
***Independent Director***
Date of First Appointment | 20 November 2017
Date of Re-Election | 29 June 2020
Chairman | Nominating Committee
Member | Audit Committee

Soon Liang is an Independent Director of Clearbridge. He is currently the Founder and Managing Director of Ti Ventures Pte. Ltd., which invests in growing businesses and partnering business owners through leading its corporate development, business transformation and mergers and acquisitions functions. He is also the Managing Director of Omnibridge Capital Pte. Ltd., which focuses on early-stage angel and venture capital investments in start-ups and fast-growing companies in Asia. Between 2006 and 2010, Soon Liang was Head of Business Advisory and later, an Advisor at BDO Raffles Advisory Pte Ltd. He was responsible for corporate advisory work for Asian family businesses and corporations, including business transformation advisory work. Early in his career, he held various positions in companies within the financial industry. As part of community services contribution, he serves as a Director of Spectra Secondary School and Vice President (Corporate Engagement & Careers) at NTU NBS Alumni Association.

Present directorships in other listed companies:

- Choo Chiang Holdings Limited (SGX-ST)
- ISDN Holdings Limited (SGX-ST and SEHK)
- GDS Global Limited (SGX-ST)
- ValueMax Group Limited (SGX-ST)

Past directorships in other listed companies:

- Wong Fong Industries Limited (SGX-ST)
- Colex Holdings Limited (SGX-ST) (Delisted since March 2023)

Academic/Professional Qualification(s)

- Bachelor of Business (Honours) (Financial Analysis), Nanyang Technological University, Singapore
- Master of Business Administration, University of Hull, UK
- CFA® charterholder, CFA Institute, US
- Member of the Singapore Institute of Directors

**MAH HOW SOON (MA HAOSHUN)**
***Independent Director***
Date of First Appointment | 23 March 2018
Date of Re-Election | 26 April 2021
Member | Audit Committee and Remuneration Committee

How Soon is an Independent Director of Clearbridge. He is presently the Managing Director of RHT Capital Pte. Ltd.. He has many years of transactional and management experience in corporate finance in international and local financial institutions, and boutique advisory firms. How Soon has played a key role in advising companies from many industries and countries on a wide range of transactions relating to both equity capital markets, and mergers and acquisitions. He is the Independent and Non-Executive Director of AP Oil International Limited, a company listed on the Main Board of the SGX-ST.

Present directorships in other listed companies:

- AP Oil International Limited (SGX-ST)

Past directorships in other listed companies:

- 800 Super Holdings Limited (SGX-ST)
- Katrina Group Ltd. (SGX-ST)

Academic/Professional Qualification(s)

- Bachelor of Accountancy (Honours), Nanyang Business School, Singapore
- Master of Business Administration, The University of Chicago Booth School of Business, US
- Chartered Accountant, Institute of Singapore Chartered Accountants, Singapore
- CFA® charterholder, CFA Institute, US

# EXECUTIVE OFFICERS

**SIMON HOO KIA WEI**
***Chief Business Officer***

Simon joined the Group as Chief Business Officer in April 2017 and assists the Chief Executive Officer ("CEO") in strategic planning and implementation, evaluation and monitoring of business strategies and business units of its subsidiaries in the Asia Pacific region.

Prior to joining the Group, Simon was the Chief Business Officer of Clearbridge Medical Group Pte. Ltd. ("CBMG"). He was the Chief Executive Officer of Life Corporation Limited (formerly known as Cordlife Limited), a company listed on the ASX, from 2014 to 2016 where he led the restructuring of the group's businesses in India, Philippines and Indonesia and the re-listing of the group's new business on the ASX. From 2004 to 2014, he was the Business Development Director of Cordlife Services (S) Pte. Ltd. (now known as Life Corporation Services (S) Pte Ltd) and was involved in the set up and initial business operations of the group in Hong Kong, Indonesia and the Philippines, and spearheaded its business operations in India from 2008. He started his career in 2001 as an auditor with KPMG Singapore.

Academic/Professional Qualification(s)

- Bachelor of Accountancy, Nanyang Technological University, Singapore
- Master of Business Administration, University of Manchester, UK
- Chartered Accountant, Institute of Singapore Chartered Accountants
- Certified Public Accountant, CPA Australia

**LIAU YEN SAN, JONATHAN**
***Chief Operating Officer***

Jonathan joined the Group as Chief Commercial Officer in August 2017 and is responsible for overseeing the commercial strategy and development of the Group. He has been re-designated to Chief Operating Officer with effect from 6 January 2021 and is responsible for overseeing commercial strategy, new products/services initiatives and general management responsibilities of the Group with a view to strategise, streamline and improve operating performance.

He was previously Vice President (Investments) at EDBI Pte. Ltd., the corporate investment arm of the Singapore Economic Development Board, from 2016 to 2017 where he led investments in biomedical sciences and oversaw portfolio management in the medical technology and biopharmaceutical fields. Between 2013 and 2016, he was the Senior Director of Corporate Development at Cordlife Group Limited, a company listed on the SGX-ST. He was responsible for corporate development, new products and general management at several of the group's subsidiaries. He was with Cordlife Services (S) Pte. Ltd. (now known as Life Corporation Services (S) Pte. Ltd.) from 2004 to 2013. His last held position was Chief Operating Officer and he was responsible for the overall operations of the company.

Academic/Professional Qualification(s)

- Master of Biochemical Engineering (Bioprocess Management), University College London, UK
- Master of Business Administration, University of Chicago, US

**TAN WEI CHEE**
***Financial Controller***

Wei Chee was appointed as the Group's Financial Controller in October 2022 and is responsible for overseeing the financial strategy and management, taxation, regulatory and financial reporting, as well as the development of internal control policies and procedures of the Group.

Prior to this, he was the Financial Controller of Biolidics Limited, a company listed on the SGX-ST's Catalist Board, from 2016 to 2022 where he took on similar responsibilities. From 2009 to 2015, he was an Audit Manager at Deloitte & Touche LLP, Singapore, where he was responsible for the application of International Financial Reporting Standards and Singapore Financial Reporting Standards. During his tenure, he led teams and managed resources in audit engagements to ensure proper and timely head-office reporting and statutory reporting. He also identified corporate governance deficiencies and offered best practice proposals, and ensured compliance to clients' internal controls and regulatory requirements.

Academic/Professional Qualification(s)

- Bachelor of Accountancy, Nanyang Business School, Singapore
- Chartered Accountant, Institute of Singapore Chartered Accountants, Singapore

# CORPORATE GOVERNANCE REPORT

The Board is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs, so as to improve the performance, accountability, and transparency of the Group.

For FY2022, the Board has reviewed its corporate governance practices and ensured that they are in compliance with the applicable provisions of the Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore on 6 August 2018 and amended on 11 January 2023. The Company has substantially complied with the principles and guidelines as set out in the Code. Appropriate explanations have been provided in the relevant sections where there are deviations from the Code.

This corporate governance report sets out how the Company has applied the principles of good corporate governance in a disclosure-based regime where the Board's accountability to the Company's shareholders ("**Shareholders**"), and the Company's management's ("**Management**") accountability to the Board provides a framework for achieving a mutually beneficial tripartite relationship aimed at creating, enhancing and growing sustainable Shareholders' value.

## BOARD MATTERS

### *Principle 1* The Board's Conduct of Affairs

***The Company is headed by an effective Board which is collectively responsible and works with the Management for the long-term success of the Company.***

***Role of the Board of Directors***

For FY2022, the Board comprises:

| | |
|---|---|
| Chen Johnson | Non-Executive Non-Independent Chairman |
| Yee Pinh Jeremy | Executive Director and CEO |
| Andrew John Lord | Lead Independent Director |
| Mark Benedict Ryan | Independent Director |
| Tan Soon Liang (Chen Shunliang) | Independent Director |
| Mah How Soon (Ma Haoshun) | Independent Director |

The Board is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs, so as to improve the performance, accountability, and transparency of the Group. The Company sets out principles and general guidelines for the Directors who are required to abide by any applicable laws or legislation, including the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") and the Companies Act 1967 of Singapore (the "**Companies Act**"). This set of principles and guidelines covers aspects such as Board composition and balance, Board diversity, tenure and number of directorships, Board member selection, and code of conduct for the avoidance of conflicts of interest and dealing in the shares of the Company.

The Board is entrusted to lead and oversee the Group, with the fundamental principle to objectively discharge their duties and responsibilities at all times as fiduciaries acting in the best interests of the Company. In addition to its statutory duties, the Board's principal functions are to:

- provide entrepreneurial leadership and set the corporate strategies of the Group. This includes setting the direction and goals for the Management;

# CORPORATE GOVERNANCE REPORT

- ensure that the necessary resources are in place for the Group to meet its strategic objectives;
- establish a framework of prudent and effective controls, which enables risk to be assessed and managed, including safeguarding of Shareholders' interest and the Group's assets;
- supervise, monitor and review the Management's performance against the goals set to enhance Shareholders' value;
- identify the key stakeholder groups and ensure transparency and accountability to such key stakeholder groups;
- set the Group's values and standards (including ethical standards), and ensure that obligations to Shareholders and other stakeholders are understood and met;
- consider sustainability issues, e.g. environmental and social factors, as part of its strategy formulation process; and
- oversee the overall corporate governance of the Group.

All Directors are required to objectively discharge their duties and responsibilities in the best interests and benefit of the Company. Directors and CEO who are in any way, directly or indirectly, interested in a proposed transaction, including those identified within the Code and provisions of the Companies Act shall declare the nature of their interests and recuse himself or herself from such discussion and decisions on the matter.

***Delegation by the Board***

The Board has delegated certain responsibilities to the Audit Committee (the "**AC**"), the Remuneration Committee (the "**RC**") and the Nominating Committee (the "**NC**") (collectively, the "**Board Committees**"). The Board accepts that while these Board Committees have the authority to examine specific issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility for all matters lies with the Board. The compositions of the Board Committees are as follows:

**Composition of the Board Committees**

| Board Committee Designation | AC | NC | RC |
|---|---|---|---|
| Chairman | • Mark Benedict Ryan | • Tan Soon Liang (Chen Shunliang) | • Andrew John Lord |
| Members | • Andrew John Lord | • Yee Pinh Jeremy | • Chen Johnson |
| | • Tan Soon Liang (Chen Shunliang) | • Andrew John Lord | • Mark Benedict Ryan |
| | • Mah How Soon (Ma Haoshun) | | • Mah How Soon (Ma Haoshun) |

# CORPORATE GOVERNANCE REPORT

***Directors' Attendance at Board Meetings, Board Committee Meetings and General Meetings in FY2022***

The attendance of each Director at the Board meetings, Board Committee meetings and general meetings of the Company in FY2022 is set out below:

| | Board | Board Committees | | | AGM |
|---|---|---|---|---|---|
| | | AC | NC | RC | |
| Number of meetings held | 4 | 4 | 1 | 1 | 1 |
| **Name of Director** | | | | | |
| Chen Johnson | 4 | – | – | 1 | 1 |
| Yee Pinh Jeremy | 4 | – | 1 | – | 1 |
| Mark Benedict Ryan | 4 | 4 | – | 1 | 1 |
| Andrew John Lord | 3 | 3 | 1 | 1 | 1 |
| Tan Soon Liang (Chen Shunliang) | 4 | 4 | 1 | – | 1 |
| Mah How Soon (Ma Haoshun) | 4 | 4 | – | 1 | 1 |

All Board and Board Committee meetings are scheduled well in advance of each year in consultation with the Directors. To ensure meetings are held regularly with maximum Directors' participation, the Company's constitution (the "**Constitution**") allows for meetings to be held through telephone and video conference. The Company ensures that telephonic and screen sharing facilities are made available for Directors to attend the meetings.

Regular meetings are held by the Board to deliberate the strategic policies of the Group including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results. The Board will also convene additional meetings for particular matters as and when they are deemed necessary.

While the Board considers Directors' attendance at Board meetings to be important, it is not the only criterion which the Board uses to measure Directors' contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

The day-to-day operations are entrusted to the Executive Director and CEO who is assisted by an experienced and qualified team of key management personnel.

***Material Transactions Requiring Board Approval***

The Company has in place policies for the approval of, among others, investments and divestments, related persons transactions and cash management. Such material transactions are specifically reserved for the Board's consideration and approval. The Company has also set out clear directions to the Management in relation to such material transactions that are subject to the Board's approval.

# CORPORATE GOVERNANCE REPORT

In this regard, matters that require the Board's approval include, amongst others, the following:

- overall Group business and budget strategy;
- capital expenditures exceeding certain material limits;
- investments or divestments;
- all capital-related matters including capital issuance;
- significant policies governing the operations of the Company;
- corporate strategic development and restructuring;
- interested person transactions exceeding S$100,000; and
- risk management strategies.

***Board Induction and Training***

All newly appointed Directors will undergo an orientation programme where the Directors are briefed on the Group's strategic direction, governance practices, business and organisation structure as well as the expected duties of a director of a listed company. To enable them to have a better understanding of the Group's business, the Directors will also be given the opportunity to visit the Group's operational facilities and meet with the Management, whenever required.

The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. To this end, the Company encourages continuous professional development for its Directors. The Company is responsible for arranging and funding the training of Directors. All the new first-time Directors who have no prior experience as a director of a company listed on the SGX-ST are required to attend the mandatory training in the roles and responsibilities of a director of a company listed on the SGX-ST as prescribed in the Catalist Rules.

Furthermore, Directors are regularly updated with the latest professional developments in relation to the Catalist Rules and other applicable regulatory updates or amendments to relevant laws, rules and regulations and changing commercial risks as well as accounting standards.

Under the enhanced SGX-ST sustainability reporting rules amended on 1 January 2022, all directors of companies listed on the SGX-ST are required to attend a one-time training on sustainability matters as prescribed by the SGX-ST. In FY2022, all of the Directors of the Company have completed the relevant mandatory sustainability training as required by the SGX-ST.

***Formal Appointment Letter to Each Director***

The Company will provide each Director with a formal letter of appointment setting out the Director's duties and obligations.

# CORPORATE GOVERNANCE REPORT

***Access to Information***

The Management recognises that the flow of complete, adequate and timely information on an ongoing basis to the Board is essential to the Board's effective and efficient discharge of its duties. To allow Directors sufficient time to prepare for the meetings, all scheduled Board and Board committee papers are distributed to Directors at least 5 working days in advance of the meeting. This allows Directors to focus on questions or raise issues which they may have at the meetings. Any additional material or information requested by the Directors is promptly furnished. The Board shall also be given unrestricted access to the Company's records and information.

To facilitate direct and independent access to senior management and key management personnel, Directors are also provided with their names and contact details.

***Role of the Company Secretary***

Directors have separate and independent access to the Company Secretary, at the Company's expense at all times. The Company Secretary is responsible for, among other things:

- advising the Board on all corporate and administrative matters;
- facilitating orientation and assisting with professional development as required;
- attending all board meetings and board committee meetings; and
- ensuring that Board procedures are observed and that the Constitution, relevant rules and regulations, including requirements of the Companies Act and the Catalist Rules are complied with.

The appointment and removal of the Company Secretary is a decision of the Board as a whole.

***Independent Professional Advice***

Directors, either individually or as a group, in the furtherance of their duties, may take independent professional advice, if necessary, at the Company's expense.

***Principle 2*** **Board Composition and Guidance**

***The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.***

***Independent Directors***

Currently, the Board comprises 6 Directors, 4 of whom are independent, which complies with the Code's guideline that independent directors make up a majority of the Board where the Chairman is not independent.

# CORPORATE
# GOVERNANCE REPORT

Mr Andrew John Lord is the Lead Independent Director who represents the views of Independent Directors, and facilitates flow of information between the Board and Shareholders, or other stakeholders of the Company. He also makes himself available at all times when Shareholders have concerns and for which normal channels of the Chairman, CEO or Financial Controller (the "**FC**") have failed to resolve or are inappropriate and to resolve conflicts of interests as and when necessary. The Lead Independent Director makes himself available to Shareholders at the Company's general meetings.

***Review of Directors' Independence***

The Company has in place a policy for the Board whereby Directors should refrain from having any conflicts of interests with the Company to ensure that their duty to act in the best interest of the Company is not compromised. Directors must immediately report any conflicts of interests that have occurred or may possibly occur as soon as the Director is aware of such potential or actual conflict of interest.

The NC reviews independence of the Independent Directors annually. The Board and the NC takes into account the conduct of relevant Directors, as well as the existence of relationships or circumstances, including those identified by the Code, that are relevant in its determination as to whether a Director is independent.

Each of the Independent Directors has provided a confirmation of his independence to the NC. The NC has reviewed and confirmed the independence of each of the Independent Directors in accordance with the Code, Practice Guidance to the Code and Rules 406(3)(c) and (d) of the Catalist Rules. Having regard to the aforementioned and taking into account the views of the NC, the Board determined that the said Directors are independent in conduct, character and judgement and the said Directors have no relationships with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment in the best interests of the Company.

The Board believes that no Director or small group of Directors is dominating the Board's decision making and is satisfied that there is a strong and independent element on the Board, which is able to exercise independent and objective judgement on corporate affairs.

***Duration of Independent Directors' Tenure***

There is no Independent Director who has served beyond 9 years since the date of his first appointment.

***Board Diversity Policy***

The Board comprises 6 Directors, comprising 1 Non-Executive Non-Independent Chairman, 1 Executive Director and 4 Independent Directors, who have the appropriate mix of core competencies and diversity of experience, to direct and lead the Company. There is a good balance between the Executive and Non-Executive Directors, with a strong and independent element on the Board.

The Company recognises that increasing the diversity at the Board level will support the achievement of the Group's strategic objectives and sustainable development. In accordance with Rule 710A(1) of the Catalist Rules, the Company has in place a Board diversity policy (the "**Board Diversity Policy**") which sets out its approach to achieving diversity on the Board. Selection of candidates to the Board

# CORPORATE GOVERNANCE REPORT

will be based on a range of diversity aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and tenure of directorship on the Board. The ultimate decision will be based on the merit and contribution that the selected candidates will bring to the Board while also considering diversity.

The composition of the Board will be reviewed on an annual basis by the NC to ensure compliance with the Code, and to ensure that the Board has the appropriate mix of expertise and experience, and that the Directors collectively possess the necessary core competencies for effective functioning and informed decision-making.

The Board's objective in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, knowledge, core competencies and experience for the Group, regardless of gender, ethnicity or nationality. The current 6 Board members are of 2 different nationalities.

In recognition of the importance and value of gender diversity in the composition of the Board, the Company is also receptive to achieving gender diversity on the Board through the appointment of female candidates to the Board, where there are suitable candidates, and the NC will include female candidates in its search for Board candidates and is committed to advancing female candidates based on merit and their contribution.

Diversity in the average tenure of service for Independent Directors is the recent focus of the Board following changes made to the Catalist Rules effective 11 January 2023 to limit the tenure of independent directors serving on the boards of companies listed on the SGX-ST to 9 years and to remove the two-tier vote mechanism for such listed companies to retain long-serving independent directors who have served for more than 9 years. As such, the Board has sought to strike an appropriate balance between tenure of service, comparability of experience and expertise, and refreshment of the Board. Such refreshment process of the Board in relation to the appointment of Independent Directors will take place as and when each of the Independent Directors approaches the tenure limit of 9 years. In relation to the Company's target to achieve gender diversity on the Board and in view of the aforementioned changes made to the Catalist Rules, the Company has set a minimum diversity target of achieving at least 1 female representative on the Board while maintaining an appropriate mix of Board members with complementary skills, knowledge, core competencies and experience for the Group, by the end of FY2028.

In order to achieve the Company's target of having at least 1 female representative on the Board by the end of FY2028, the Company has included the following process in the Board Diversity Policy:

(a) if external search consultants are engaged to search for candidates for Board appointments, the brief will include a requirement to also present female candidates;

(b) female candidates are included for consideration by the NC whenever it seeks to identify a new director for appointment to the Board;

(c) female representation on the Board will be continually improved over time based on the set objectives of the Board; and

(d) at least one female director, when suitable female candidates are identified and appointed to the Board, will be appointed to the NC.

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The Board is of the view that the current board size is appropriate to effectively facilitate decision making in relation to the operations of the Group, taking into account the nature and scope of the Group's operations. The Board believes that the current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The NC is also of the view that the current Board members comprise persons with a broad range of expertise and experience in diverse areas including accounting, finance, legal, business and management, technology, strategic planning and medical related business experience.

The Board takes the following steps to maintain or enhance its objective to have balance and diversity on the Board:

- annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
- annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

To meet the challenges of the changing landscapes in which the Group operates in, such reviews and evaluations, which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies, are done on a periodic basis to ensure that the Board dynamics remain optimal.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors. In addition, the NC will review the Company's Board Diversity Policy from time to time, as appropriate, and may recommend changes to ensure its continued effectiveness and relevance, and any revisions where necessary will be recommended to the Board for approval.

***Non-Executive Director Meetings in Absence of the Management***

Non-Executive Directors constructively challenge and help develop proposals on strategies and review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance. In addition, the Non-Executive Directors meet regularly in the absence of the Management to discuss concerns or matters such as overall Group business strategies and investments and the chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

***Principle 3*** **Chairman and Chief Executive Officer**

***There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.***

***Segregation of the Role of Chairman and the CEO***

The roles of the Chairman and the CEO are separate to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making. The Chairman is not related to the CEO.

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The Chairman leads the Board discussions and ensures the effectiveness of the Board. He ensures that Board meetings are convened when necessary, sets the Board meeting agenda and ensures the quality and timeliness of the flow of information between the Board and the Management to facilitate efficient decision making. He also chairs the Board meetings and encourages the Board members to present their views on topics under discussion at the meetings. He also assists in ensuring compliance with the Group's guidelines on corporate governance.

The CEO is responsible for identifying and implementing company-wide business growth strategies and overseeing all aspects of the Group's growth and operating functions. He also oversees the execution of the Group's corporate strategy as set out by the Board and ensures that the Directors are kept updated and informed of the Group's businesses.

***Lead Independent Director***

Given that the Chairman is not independent, the Board has appointed Mr Andrew John Lord as the Lead Independent Director. The Lead Independent Director is a key member of the Board, representing the views of the Independent Directors and facilitating the flow of information between the Board and Shareholders, or other stakeholders of the Company.

The Board is of the view that given the current composition of the Board, there are sufficient safeguards and checks to ensure that the process of decision making by Board is independent and based on shared agreement without any individual exercising any significant power or influence.

***Independent Director Meetings in Absence of Other Directors***

To facilitate well-balanced viewpoints on the Board, the Lead Independent Director will, where necessary, chair meetings with the Independent Directors without the involvement of the other Directors, and the Lead Independent Director will provide feedback to the Chairman after such meetings.

***Principle 4*** **Board Membership**

***The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.***

***Nominating Committee***

The NC comprises 3 members, a majority of whom including the Chairman, are Independent Directors. The members of the NC are as follows:

| | |
|---|---|
| Tan Soon Liang (Chen Shunliang) | Chairman |
| Andrew John Lord | Member |
| Yee Pinh Jeremy | Member |

The Lead Independent Director is a member of the NC.

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The NC is guided by written terms of reference, of which the key terms of reference are as follows:

(a) reviewing and recommending the appointment of new Directors and key management personnel and re-nomination of Directors having regard to each Director's contribution, performance and ability to commit sufficient time, resources and attention to the affairs of the Group, and each Director's respective commitments outside the Group including his principal occupation and board representations on other companies, if any. The NC will conduct such reviews at least once a year, or more frequently as it deems fit;

(b) determining annually, and as and when circumstances require, whether or not a Director is independent;

(c) ensuring that new Directors are aware of their duties and obligations and deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;

(d) developing a process and criteria for evaluating the performance of the Board as a whole and its committees, and for assessing the contribution of each Director to the effectiveness of the Board;

(e) reviewing the Directors' mix of skills, experience, core competencies and knowledge of the Group that the Board requires to function competently and efficiently;

(f) reviewing succession plans for the Directors, in particular, the Chairman and the CEO;

(g) reviewing the training and professional development programs for the Board;

(h) reviewing the number of listed company board representations which any Director may hold; and

(i) reviewing and approving the employment of persons related to the Directors or substantial Shareholders and the proposed terms of their employment.

***Board Representations***

The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his directorship in other listed companies and other principal commitments.

The considerations in assessing the capacity of Directors include the following:

- expected and/or competing time commitments of Directors;
- geographical location of Directors;
- size and composition of the Board; and
- nature and scope of the Group's operations and size.

The NC takes into consideration the following measures and evaluation tools in its assessment of competing time commitments of Directors:

- declarations by each Director of their directorships in other listed companies and other principal commitments;
- annual confirmations by each Director on his ability to devote sufficient time and attention to the Group's affairs, having regard to his other commitments; and
- assessment of each Directors' performance based on the pre-determined criteria.

During FY2022, the NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is of the opinion that the Directors have been able to devote sufficient time and resources to the matters of the Group.

***Board Nomination Process***

The Board has adopted the following nomination process for the Company for selecting and appointing new Directors and re-electing incumbent Directors:

**Process for the selection and appointment of new Directors:**

| | | |
|---|---|---|
| 1. | Determination of selection criteria | • The NC, in consultation with the Board, will identify the current needs of the Board in terms of skills, experience, knowledge and gender to complement and strengthen the Board and increase its diversity. |
| 2. | Search for suitable candidates | • The NC will consider candidates drawn from the contacts and networks of existing Directors and may approach relevant institutions such as the Singapore Institute of Directors, professional organisations, third party search firm or business federations to source for a broader range of suitable candidates. |
| 3. | Assessment of shortlisted candidates | • The NC will meet and interview the shortlisted candidates to assess their suitability. |
| 4. | Appointment of Director | • The NC will recommend the selected candidate to the Board for consideration and approval. |

**Process for the re-election of incumbent Directors:**

| | | |
|---|---|---|
| 1. | Assessment of Director | • The NC will assess the performance of the Director in accordance with the performance criteria set by the Board; and<br>• The NC will also consider the current needs of the Board. |
| 2. | Re-appointment of Director | • Subject to the NC's satisfactory assessment, the NC will recommend the proposed re-appointment of the Director to the Board for its consideration and approval. |

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The Constitution requires that at least one-third of the Board (or, if their number is not a multiple of 3, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting ("**AGM**"). A retiring Director is eligible for re-election by Shareholders at the AGM. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years.

Mr Mark Benedict Ryan and Mr Tan Soon Liang (Chen Shunliang) will be retiring as Directors at the forthcoming AGM, pursuant to Regulation 98 of the Constitution. Mr Mark Benedict Ryan has offered himself for re-election, and the NC has reviewed and provided its recommendation on his re-election, which has been accepted by the Board. Mr Tan Soon Liang (Chen Shunliang) has expressed that he will not be seeking re-election as Director at the forthcoming AGM.

Each member of the NC has abstained from voting on any resolutions and making recommendations and/or participating in respect of matters in which he has an interest.

***Continuous Review of Director's Independence***

The Independent Directors have declared their independence for FY2022 with reference to the Code. Following its annual review, the NC has considered Mr Andrew John Lord, Mr Mark Benedict Ryan, Mr Tan Soon Liang (Chen Shunliang) and Mr Mah How Soon (Ma Haoshun) to be independent, having regard to the Code.

For FY2022, the Independent Directors have confirmed that they have no relationship with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company.

***Directors' Time Commitment***

For FY2022, the NC is satisfied that sufficient time and attention was given by the Directors to the affairs of the Company and is of the opinion that the Directors are able to and have been adequately carrying out his duties as a Director, notwithstanding that some of the Directors have multiple board representations and principal commitments.

***Directors' Key Information***

Key information regarding the Directors, including their appointment date, principal commitments and directorships held presently and in the past 3 preceding years in listed companies are set out on pages 15 to 17 of this annual report.

***Principle 5*** **Board Performance**

***The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.***

***Performance Criteria***

The Board has established processes to be carried out by the NC, including taking into consideration the attendance record at the meetings of the Board and the Board Committees for monitoring and evaluating the performance of the Board as a whole and effectiveness and contribution of individual Directors. At the same time, the processes also identify areas where improvements can be made. This will then allow the Board and individual Directors to direct more effort in those areas for achieving better performance of the Board and better effectiveness of individual Directors.

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The NC has been tasked to evaluate the Board's performance covering areas that include, among others, size and composition of the Board, Board's access to information, Board processes, strategic planning and accountability.

The NC shall also review the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole. The Board is of the opinion that a separate assessment on the effectiveness of the Board Committees is not necessary as the Board Committees share common members.

The NC may also engage an external facilitator for the evaluation process where necessary.

The review of the performance of the Board is conducted by the NC annually. The review of the performance of each Director is also conducted annually and when the individual Director is due for re-election.

The review process of the performance of the Board and the individual Directors is based on the following:

1. each Director will complete a board evaluation questionnaire on the effectiveness of the Board based on the Board's pre-determined criteria;

2. the Company Secretary will collate and submit the questionnaire results to the NC Chairman in the form of a report;

3. each Director will send the duly completed confidential individual Director self-assessment checklist to the NC Chairman for review; and

4. the NC will discuss the report and the NC Chairman will present the results of the performance review during the NC meeting.

All NC members will abstain from the voting or review process of any matters in connection with the assessment of their individual performance. The assessment criteria for individual Director evaluation includes, among others, Director's attendance, commitment of time, candour, participation, knowledge and ability, teamwork, and overall effectiveness.

The NC will review the aforementioned criteria on a periodic basis to ensure that the criteria are able to provide an accurate and effective performance assessment taking into consideration industry standards and the economic climate with the objective to enhance long-term Shareholder value. Where circumstances deem it necessary for any of the criteria to be changed, the NC will propose amendments to the Board for approval.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, is of the view that the performance of the Board has been satisfactory in FY2022 and that the Board has met its performance objectives in FY2022. The evaluation process of the overall performance of the Board was conducted without an external facilitator in FY2022.

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# GOVERNANCE REPORT

**REMUNERATION MATTERS**

***Principle 6*** **Procedures for Developing Remuneration Policies**

***The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.***

***Remuneration Committee***

The RC comprises 4 members, a majority of whom including the Chairman, are Independent Directors:

| | |
|---|---|
| Andrew John Lord | Chairman |
| Chen Johnson | Member |
| Mark Benedict Ryan | Member |
| Mah How Soon (Ma Haoshun) | Member |

All members of the RC are Non-Executive Directors.

The RC recommends to the Board a framework of remuneration for the Directors and key management personnel, and determines specific remuneration packages for the Directors as well as for the key management personnel. The recommendations will be submitted for endorsement by the Board.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and benefits in kind, will be covered by the RC. The RC will also review annually the remuneration of employees related to the Directors and substantial Shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. The RC will also review and approve any bonuses, pay increases and/or promotions for these employees. The RC's recommendations will be submitted for endorsement by the Board.

Each RC member will abstain from participating in the deliberations of and voting on any resolution in respect of this remuneration package or that of employees related to him.

The RC is guided by written terms of reference, of which the key terms of reference are as follows:

(a) to recommend to the Board a framework of remuneration for the Directors, CEO and key management personnel, and determine specific remuneration packages for each Director and key management personnel;

(b) to be responsible for the administration of the Company's performance share plan;

(c) to review the remuneration of employees who are related to the Directors, CEO or substantial Shareholders who hold managerial positions to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;

(d) to annually review the remuneration of the key management personnel including the terms of renewal for their service agreements;

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(e) to consider, review and approve and/or to vary (if necessary) the entire remuneration package, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(f) to seek expert advice inside and/or outside the Company on remuneration of all Directors;

(g) to review the Company's obligations arising in the event of termination of the Executive Director and key management personnel's contracts of service and to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoid rewarding poor performance;

(h) to review and ensure that the level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate and commercially competitive to attract, retain and motivate (i) the Directors to provide good stewardship of the Company; and (ii) key management personnel to successfully manage the Company;

(i) to structure a significant and appropriate proportion of Executive Directors' and key management personnels' remuneration so as to link rewards to corporate and individual performance. Such performance-related remuneration should be aligned with the interests of Shareholders and promote the long-term success of the Company. It should take account of the risk policies of the Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. There should be appropriate and meaningful measures for the purpose of assessing the Executive Director's and key management personnel's performance;

(j) to review and consider whether the Executive Director and key management personnel should be eligible for benefits under long-term incentive schemes. The costs and benefits of long-term incentive schemes should be carefully evaluated. In normal circumstances, offers of shares or grants of options or other forms of deferred remuneration should vest over a period of time. The use of vesting schedules, whereby only a portion of the benefits can be exercised each year, is also strongly encouraged;

(k) to review and ensure the remuneration of Non-Executive Directors should be appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors. Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised. The RC will also consider implementing schemes to encourage Non-Executive Directors to hold shares in the Company so as to better align the interests of such Non-Executive Directors with the interests of Shareholders;

(l) to consider the various disclosure requirements for Directors' remuneration, particularly those required by regulatory bodies such as the SGX-ST; and

(m) to carry out such other duties as may be agreed to by the RC and the Board.

**Remuneration Consultant**

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for the Directors and the Management, so that the Group remains competitive in this regard. The Company did not engage any external remuneration consultant for FY2022.

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## *Principle 7* Level and Mix of Remuneration

***The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.***

***Remuneration Structure***

In setting remuneration packages, the RC will take into consideration the salary and employment conditions within the industry and in comparable companies. The RC also seeks to ensure that the structure of remuneration packages for the Executive Director and key management personnel are appropriate in linking rewards to corporate and individual performance and that is aligned with the interests of Shareholders and promote the long-term success of the Group. The remuneration of the Non-Executive Director is also reviewed by the RC to ensure that the remuneration is commensurate with the contribution and responsibilities of the Non-Executive Directors. It ensures that remuneration package is appropriate to attract, retain and motivate the Directors and key management personnel to provide good stewardship of the Company and successfully manage the Company for the long term.

The Company had, on 20 November 2017 entered into a service agreement (the "**Service Agreement**") with the Executive Director and CEO, Mr Yee Pinh Jeremy, for an initial period of 3 years (the "**Initial Term**") which is renewable automatically upon expiry of the Initial Term for 1 year periods, unless otherwise agreed. On 6 January 2021, the Company and the Executive Director and CEO, Mr Yee Pinh Jeremy, have entered into a supplemental deed to his Service Agreement (the "**Supplemental Deed**") in relation to the extension of his services until 31 December 2022 (the "**Extended Term**") which is renewable automatically upon expiry of the Extended Term for 1 year periods, unless otherwise agreed. Pursuant to the terms of the Supplemental Deed, Mr Yee Pinh Jeremy's appointment as the Executive Director and CEO has been renewed automatically until 31 December 2023.

The Executive Director receives a monthly salary and is entitled to an annual wage supplement of 1 month salary and a performance bonus. The Company is entitled to recover from the Executive Director the relevant portion of any performance bonus paid to the Executive Director under the Service Agreement if there is a restatement of the financial statements of the Company made to reflect the correction of a misstatement due to error or fraud during the financial year of the Company, or misconduct of the Executive Director resulting in financial loss to the Company.

Each Non-Executive Director receives a Director's fee which takes into account factors such as effort, time spent and scope of responsibilities. The fees for Non-Executive Directors are subject to Shareholders' approval at the forthcoming AGM.

## *Principle 8* Disclosure on Remuneration

***The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.***

***Directors' Remuneration***

The Company's remuneration policy is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. Total compensation is pegged to the achievement of organisational and individual performance objectives, and is benchmarked against relevant and comparative compensation in the market.

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The remuneration (including salary, bonuses, contributions to the Central Provident Fund, allowances and benefits-in-kind) of each of the Directors and key management personnel is linked to the financial performance of the Group and the individual's performance so as to promote the long-term sustainability of the Group.

The breakdown of the total remuneration of the Directors/CEO for FY2022 is as follows:

| Name of Director | Salary (%) | Benefits (%) | Bonus (%) | Share-based payment (%) | Directors' Fee (%) | Total (%) |
|---|---|---|---|---|---|---|
| **Between S$500,000 to S$750,000** | | | | | | |
| Yee Pinh Jeremy | 70 | 7 | 4 | 19 | – | 100 |
| **Below S$250,000** | | | | | | |
| Chen Johnson | – | – | – | – | 100 | 100 |
| Andrew John Lord | – | – | – | – | 100 | 100 |
| Mark Benedict Ryan | – | – | – | – | 100 | 100 |
| Tan Soon Liang (Chen Shunliang) | – | – | – | – | 100 | 100 |
| Mah How Soon (Ma Haoshun) | – | – | – | – | 100 | 100 |

Save as disclosed above, no compensation was paid or to be paid in the form of share awards to the Directors. There were no termination, retirement or post-employment benefits granted to the Directors and the CEO in FY2022.

***Key Management Personnel's Remuneration***

The breakdown of the total remuneration of the Group's key management personnel (who are not Directors or the CEO) for FY2022 is as follows:

| Name of key management personnel(1) | Salary % | Benefits % | Share-based payment % | Bonus % | Total % |
|---|---|---|---|---|---|
| **Between S$250,000 to S$500,000** | | | | | |
| Liau Yen San, Jonathan | 81 | 5 | 7 | 7 | 100 |
| **Below S$250,000** | | | | | |
| Simon Hoo Kia Wei | 78 | 7 | 9 | 6 | 100 |
| Tan Wei Chee | 92 | 8 | – | – | 100 |
| Fexlicia Lee Pei Yue | 93 | 7 | – | – | 100 |

**Notes:**

(1) During FY2022, the Group only had 4 key management personnel (who are not Directors or the CEO).

(2) Tan Wei Chee was appointed as the FC on 3 October 2022.

(3) Fexlicia Lee Pei Yue resigned as the FC on 15 September 2022 with her effective cessation date being 30 September 2022.

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Save as disclosed above, no compensation was paid or is to be paid in the form of share awards to the key management personnel of the Group. There were no termination, retirement or post-employment benefits granted to the Group's key management personnel in FY2022.

In considering the disclosure of remuneration of the Directors and key management personnel of the Group, the Board is of the opinion that given the confidential nature of and commercial sensitivities associated with remuneration matters and the highly competitive talent resource environment in which the Group operates where our key management personnel are required to have in-depth knowledge of our business and proprietary assets, it is not in the best interest of the Group to disclose the exact details of the remuneration of each Director and key management personnel, so as to prevent poaching of key management personnel.

The aggregate remuneration paid to the key management personnel of the Group (excluding Directors and the CEO) for FY2022 was approximately S$714,000.

***Employees who are Substantial Shareholders, or Related to a Director, the CEO or a Substantial Shareholder***

There is no employee of the Company who is a substantial Shareholder, or an immediate family member of a Director, the CEO or a substantial Shareholder, whose remuneration exceeded S$100,000 during FY2022.

***Clearbridge Health Performance Share Plan***

The Company has implemented the Clearbridge Health Performance Share Plan (the "**Plan**"). The objective of the Plan is to:

(a) foster an ownership culture within the Group which aligns the interests of any eligible person selected by the RC to participate in the Plan (the "**Participants**") with the interests of Shareholders;

(b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group; and

(c) make total employee remuneration sufficiently competitive to recruit new Participants and/or retain existing Participants whose contributions are important to the long-term growth and profitability of the Group, and whose skills are commensurate with the Company's ambition to become a world class company.

The Plan is administered by the RC. The RC may decide the number of shares to be granted (the "**Awards**") to the Participants as the RC may select, in its absolute discretion, at any time during the period when the Plan is in force.

The number of shares which are the subject of each Awards to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the RC, which shall take into account criteria such as the Participant's rank, job performance, years of service and potential for future development, contribution to the success and development of the Group and the extent of effort and resourcefulness with which the performance conditions were achieved within the performance period.

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The performance conditions shall be determined at the discretion of the RC, which may comprise factors such as (but are not limited to) the market capitalisation or earnings of the Company at specified times.

On 28 April 2021, the Company granted Awards amounting to 2,985,476 shares (the "**FY21 Awards**") to the relevant Participants under the Plan, of which approximately 1/3 of the FY21 Awards vested on 28 April 2022, approximately 1/3 of the FY21 Awards vested on 16 May 2023 and approximately 1/3 of the FY21 Awards will be vested on 28 April 2024. On 28 April 2022, 995,160 shares were allotted and issued, and on 16 May 2023, 842,058 shares were allotted and issued pursuant to the FY21 Awards vested under the Plan.

***Performance Criteria for Remuneration***

The remuneration received by the Executive Director and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of an annual base salary, fixed allowance and annual wage supplement. The variable compensation is determined based on the level of achievement of corporate and individual performance objectives.

The performance criteria to assess the remuneration of Executive Director and key management personnel includes, among others, the profitability of the Group, leadership skills, as well as the Executive Director's and key management personnel's compliance with all audit matters. The short-term incentive scheme would be the performance-related variable component of remuneration while the long-term incentive scheme would be the Plan.

**ACCOUNTABILITY AND AUDIT**

***Principle 9*** **Risk Management and Internal Controls**

***The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.***

The Board, with the assistance from the AC, is responsible for risk governance and ensuring that the Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Group's assets. The Board acknowledges that risk management is an on-going process in which the Management continuously participates to evaluate, monitor and report to the Board and the AC on significant risks. The Board is cognisant, however, that risk management policies and internal control systems are designed to manage identifiable risks and limit the Group's exposure to risk of errors and irregularities and can only provide reasonable mitigation and not absolute assurance against material misstatement or loss.

The Board will, at least annually, review the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems.

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***Adequacy and Effectiveness of Internal Controls***

The Management is responsible for the design and implementation of internal controls (including financial, operational, compliance and information technology controls) and risk management systems. The review of the adequacy and effectiveness of such risks management and internal controls systems is under the purview of the AC. The AC carries out the review at least annually with the assistance of the internal auditors, KPMG Services Pte. Ltd ("**KPMG**"). The AC reviews the audit plans and the findings of the external auditors and the internal auditors and ensures that appropriate measures are implemented to address those issues and any weaknesses in the internal controls are highlighted.

The Board has obtained the following assurance in respect of FY2022:

i) (from the CEO and FC) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

ii) (from the CEO, FC and key management personnel who are responsible) the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

Based on the internal controls policies and procedures established and maintained by the Group, work performed by the internal auditors and the external auditors, assurance from the CEO, the FC and key management personnel, as well as reviews performed by the Board, the AC and the Management, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance, and information technology controls) and risk management systems, were adequate and effective for FY2022. During FY2022, there were no material weaknesses identified in the Company's internal controls or risk management systems.

The Board notes that the system of internal controls and risk management established by the Group provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities.

***Principle 10*** **Audit Committee**

***The Board has an audit committee which discharges its duties objectively.***

The AC comprises 4 members, all of whom, are Non-Executive Directors:

| | |
|---|---|
| Mark Benedict Ryan | Chairman |
| Andrew John Lord | Member |
| Tan Soon Liang (Chen Shunliang) | Member |
| Mah How Soon (Ma Haoshun) | Member |

The AC members, including the Chairman, are independent.

The AC will meet with the internal auditors and the external auditors without the presence of the Management at least once a year, to, among others, receive feedback on the level of co-operation provided by the Management and ascertain if there are any material weaknesses or control deficiency in the Group's financial reporting and operational systems.

# CORPORATE GOVERNANCE REPORT

The members of the AC do not have any management and business relationships with the Company or any substantial Shareholder.

The AC does not comprise of former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of 2 years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

The AC is guided by written terms of reference, including:

(a) review, with the internal auditors and the external auditors, the audit plans, scope of work, their evaluation of the system of internal controls, audit reports, their management letters and the Management's response, and the results of audits compiled by the internal auditors and the external auditors, and will review at regular intervals with the Management the implementation by the Group of the internal control recommendations made by the internal auditors and the external auditors;

(b) review the periodic consolidated financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, compliance with accounting standards, compliance with the Catalist Rules and any other statutory and regulatory requirements, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;

(c) review the assurance from the CEO and the FC on the financial records and financial statements;

(d) review and report to the Board, at least annually, the effectiveness and adequacy of the internal control procedures addressing financial, operational, information technology and compliance risks and discuss issues and concerns, if any, arising from the internal audits;

(e) review and discuss with the internal auditors and the external auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's results of operation, financial performance or financial position and the Management's response;

(f) review the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;

(g) review and approve hedging policies that may be implemented by the Group and conduct periodic review of such policies, including review of foreign exchange transactions and hedging policies and procedures;

(h) review the co-operation given by the Management to the internal auditors and the external auditors, where applicable;

(i) meet with the external auditor, other committees, and the Management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

# CORPORATE GOVERNANCE REPORT

(j) review the independence and objectivity of the internal auditors and the external auditors as well as making recommendations to the Board on the appointment or re-appointment of the internal auditors and the external auditors and approving the remuneration and terms of engagement of the internal auditors and the external auditors;

(k) review the nature and extent of non-audit services provided by the external auditors;

(l) report actions and minutes of the AC meetings to the Directors with such recommendations as the AC considers appropriate;

(m) review and approve any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules and review procedures thereof;

(n) review potential conflicts of interests (if any) and set out a framework to resolve or mitigate any potential conflicts of interests;

(o) review the procedures including the whistle-blowing policy by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;

(p) review transactions falling within the scope of Chapter 10 of the Catalist Rules, if any;

(q) undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(r) advise the Board to any necessary changes to make to improve the quality of interim financial statements or financial updates; and

(s) undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

In addition, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's results of operations or financial position.

***Qualifications of AC***

The Board is of the view that the AC Chairman and members are appropriately qualified, with the necessary accounting, financial advisory, business management, corporate and finance, investment and corporate legal expertise and experience to discharge the AC's functions.

Mr Mark Benedict Ryan is a Chartered Accountant and has extensive accounting and financial management knowledge and exposure. Mr Tan Soon Liang (Chen Shunliang) is a Chartered Financial Analyst(r) with many years of accounting and financial management expertise and experience. Mr Mah How Soon (Ma Haoshun) is a Chartered Accountant and Chartered Financial Analyst(r) with many years of transactional and management experience in corporate finance.

# CORPORATE GOVERNANCE REPORT

***Authority of AC***

Apart from the duties listed above, the AC has the power to conduct or authorise investigations into any matters within the AC's terms of reference. The AC has full access to and co-operation of the Management and has full discretion to invite any Director or key management personnel to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The AC is authorised to obtain independent professional advice as it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

**Internal Audit**

The Company has outsourced the internal audit function to KPMG. The internal auditor reports directly to the AC Chairman on internal audit matters and to the Management on administrative matters. To ensure the adequacy of the internal audit function, the AC reviews and approves, on an annual basis, the internal audit plans, and the independence of and the resources available to KPMG.

The AC has reviewed and is satisfied that KPMG is independent, effective and adequately resourced with suitably qualified and experienced professionals. KPMG is a corporate member of The Institute of Internal Auditors ("**IIA**") and the internal audit work carried out by KPMG is guided by the International Standards for the Professional Practice of Internal Auditing issued by IIA. The internal audit team is led by a KPMG partner who has more than 20 years of audit experience and the team consists of professionals with relevant qualifications and experience.

The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC.

Based on the scope of work performed by the internal auditors for FY2022, there were no material weaknesses identified.

***Meeting between Audit Committee and Auditors***

The AC met with the internal auditors and the external auditors in the absence of the Management in FY2022.

***Independence of External Auditor***

A breakdown of the fees paid/payable to the external auditors of the Group for FY2022 is as follows:

| ***Fees Paid/Payable to the External Auditors for FY2022*** | | |
|---|---|---|
| | **S$'000** | **% of total** |
| **Audit fees** | 357 | 92.7 |
| **Non-audit fees** | 28 | 7.3 |
| **Total** | **385** | **100** |

The AC has undertaken a review of all non-audit services that were provided by the external auditors and is satisfied that the provision of such services has not affected the independence of the external auditors. Non-audit fees paid by the Group to the external auditors were for provision of taxation services.

# CORPORATE GOVERNANCE REPORT

The Company confirms that it complies with Rules 712 and 715 of the Catalist Rules on the appointment of auditing firms for the Company, subsidiaries and significant associated companies.

The AC periodically receives updates on changes in accounting standards shared by the external auditors.

The Company's external auditors, Ernst & Young LLP ("**EY**"), have been the external auditors of the Company since FY2017. EY were re-appointed at the last annual general meeting of the Company held on 26 April 2022 to hold office until the conclusion of the forthcoming AGM. As EY will not be seeking re-appointment as the external auditors of the Company at the forthcoming AGM, Shareholders' approval for the proposed appointment of CLA Global TS Public Accounting Corporation, the incoming external auditors of the Company, will be sought at the forthcoming AGM.

**Whistle-blowing Policy**

The Company has in place a whistle-blowing policy. The Company's employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting to the AC a whistle-blowing report through the whistleblowing channels of the Company. The Company will consider and decide whether or not to conduct an investigation and acknowledge the receipt of the report within 5 working days. The AC together with the Lead Independent Director are responsible for the oversight and monitoring of whistle-blowing channels and ensuring that all concerns or complaints raised are independently investigated and that appropriate follow-up actions are carried out.

Depending on the nature of the concern raised, the investigation may be conducted with the assistance of experts or advisers, such as the internal auditors and the external auditors, forensic professionals, and the police or Commercial Affairs Department.

The Lead Independent Director together with the AC will ensure that any disciplinary, civil and/or criminal action that is initiated following the completion of investigations is appropriate and impartial. All investigation reports will be properly documented.

The whistleblowing policy contains confidentiality clauses that protect the identification of the whistleblower and offers protection to the whistleblower against any detrimental and unfair treatment. The details of the policy have been disseminated and made available to all parties concerned in the Company's code of conduct.

The AC received a whistle-blowing report with respect to an incident concerning an alleged financial data breach in August 2022 involving certain of the Group's employees. The AC conducted an investigation on the employees involved and other employees who were part of the alleged operation to obtain the relevant financial data. Upon investigation, the AC was of the view that the report did not contain sufficient grounds to allege that a financial data breach had indeed occurred. As such, the case was closed and no further action was taken.

Save for the above, there was no whistle-blowing report received during FY2022.

# CORPORATE GOVERNANCE REPORT

## SHAREHOLDER RIGHTS AND ENGAGEMENT

*Principle 11* **Shareholder Rights and Conduct of General Meetings**

***The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.***

The Company treats all Shareholders fairly and equitably, and recognises, protects and facilitates the exercise of Shareholders' rights and continually reviews and updates such governance arrangements.

The Company is committed to making timely, full and accurate disclosures to Shareholders and the public. All information on the Company's new initiatives which would be likely to materially affect the price or value of the Company's shares will be promptly disseminated via SGXNET and the Company's website, https://clearbridgehealth.com to ensure fair communication with Shareholders. The Company does not practice selective disclosure.

All Shareholders are informed of general meetings through notices or circulars sent to them. Shareholders will be given the opportunity to participate effectively in and vote at the general meetings.

The Constitution allows members of the Company to appoint not more than 2 proxies to attend, speak and vote at the general meetings on their behalf. A relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to as different share or shares held by such member.

Supplementary Retirement Scheme Investors ("**SRS Investors**") may attend and cast their vote(s) at the general meetings in person. SRS Investors who are unable to attend the general meetings but would like to vote, may inform their Supplementary Retirement Scheme approved nominees to appoint the chairman of the general meetings to act as their proxy.

### Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors such as levels of cash and accumulated profits, actual and projected financial performance, projected levels of capital requirements and general financing conditions, restrictions on payment of dividends imposed on the Group by its financing arrangements (if any), general economic and business conditions in countries the Group operates and other relevant factors as the Board may deem appropriate.

No dividend was declared by the Company for FY2022 as the Company did not record any distributable profits.

### Conduct of Shareholder Meetings

Shareholders are encouraged to attend the general meetings to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Shareholders are given the opportunity to raise questions and clarify any issues that they may have relating to the resolutions to be passed. Notice of the general meetings will be advertised in newspapers and announced on SGXNET.

# CORPORATE GOVERNANCE REPORT

Pursuant to the COVID-19 alternative arrangements for the holding and conduct of general meetings afforded by legislation, the notice of the forthcoming AGM to be held on 28 June 2023 will not be advertised in newspapers. Instead, it will be published on the Company's website and announced on SGXNet.

The Constitution allows for absentia voting (including but not limited to the voting by mail, electronic mail or facsimile). A shareholder is entitled to attend and vote or to appoint not more than 2 proxies who need not be a shareholder, to attend and vote at the general meetings on his behalf.

The Board does not implement absentia-voting methods by mail, electronic mail or facsimile, until issues on security and integrity are satisfactorily resolved.

An independent polling agent will be appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meeting. The Company ensures that Shareholders are given the opportunity to participate effectively in and vote at general meetings.

The Company ensures that there are separate resolutions at general meetings on each distinct issue. Separate resolutions are proposed for substantially separate issues at Shareholders' meetings for approval. "Bundling" of resolutions is done only where the resolutions are interdependent and linked so as to form one significant proposal and only where there are reasons and material implications involved.

All Directors (including the respective chairmen of the Board Committees) will be present at general meetings to address Shareholder's queries. The external auditors are also required to be present to address Shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. The Directors' attendance at such meetings held during a financial year is disclosed in the Company's annual report. All Directors attended the AGM held electronically on 26 April 2022.

The Chairman of the meeting shall facilitate constructive dialogue between shareholders and the Board, Management, external auditors and other relevant professionals. The Chairman should also allow specific directors such as Board Committee chairs or the Lead Independent Director to answer queries on matters related to their roles.

The Company will prepare the detailed Shareholders' meeting minutes, which include comments and the questions received from Shareholders and responses from the Board and the Management. These minutes will be made available to Shareholders on SGXNET and the Company website within 1 month after the AGM.

All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meetings. Electronic poll voting will be adopted so as to better reflect Shareholders' interest and ensure greater transparency. Votes cast for and against each resolution will be tallied and displayed live-on-screen to Shareholders immediately at the general meeting.

The forthcoming AGM to be held on 28 June 2023 ("**2023 AGM**") will be convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via

# CORPORATE GOVERNANCE REPORT

live audio-visual webcast or live audio-only stream), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to the deadline submission of the AGM proxy forms, appointing proxies to attend and vote in shareholders' stead at the AGM, real-time electronic voting and real-time question-and-answer sessions will be put in place for the 2023 AGM. Printed copies of the notice of 2023 AGM and proxy form will not be sent to members. Instead, the notice of 2023 AGM and proxy form will be sent to members by electronic means via publication on the Company's website and SGXNET.

Shareholders are invited to participate at the general meetings by observing and/or listening to the proceedings via live audio-visual webcast or live audio-only stream. Details of the relevant procedure including pre-registration, submission of questions, appointment of proxy to attend, speak and vote on their behalf, live voting and live question-and-answer session via text, will be set out in a separate announcement released on SGXNET.

***Principle 12*** **Engagement with Shareholders**

***The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.***

The Company commits itself to disclose and convey pertinent information to all stakeholders in a timely manner.

General meetings are the principal forum for dialogue with Shareholders and Shareholders are encouraged to participate in such meetings. During these meetings, Shareholders are able to engage with the Board and the Management in discussions on the Group's business activities, financial performance and other business-related matters. This enables the Company to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company on investors' views.

The Group's financial results and annual reports are announced or issued within the period specified under the Catalist Rules, and are also made available to the public via the Company's website, https://clearbridgehealth.com. The website is also updated regularly with voluntary interim updates on useful and relevant information to provide Shareholders a better understanding of the Company's performance in the context of the current business environment and various other investor-related information on the Company which serves as an important resource for investors.

As and when necessary, the Executive Director and the key management personnel will meet analyst and fund managers who wish to seek a better understanding of the Group's business and operation.

The Company has adopted an investor relations policy which allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with Shareholders. Further, the Company has appointed an investor relations firm, 8PR Asia Pte Ltd, to manage communication with its stakeholders and to ensure that their queries and concerns are promptly addressed by the relevant management personnel.

Shareholders and the investment community can submit their queries and feedback by telephone at +65 6251 0136, by fax at +65 6251 0132 or by email at contactus@clearbridgehealth.com.

# CORPORATE
# GOVERNANCE REPORT

***Principle 13*** **MANAGING STAKEHOLDERS RELATIONSHIPS**

**Engagement with Stakeholders**

***The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.***

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to secure the long-term future of the Company. The Company's key efforts on sustainability are focused on creating sustainable value for our key stakeholders, which include communities, customers, staff, regulators, Shareholders and vendors.

The Company maintains a corporate website at https://clearbridgehealth.com to communicate and engage stakeholders. The following table depicts the respective stakeholder groups, the various platforms through which we engage them and their concerns and needs.

| Stakeholders | Engagement platforms | Issues of concern |
|---|---|---|
| Customers | • Contact form on company website<br>• Helplines for medical and facility enquiries<br>• Direct feedback during consultations | • Affordability of healthcare<br>• Customer privacy<br>• Quality of service |
| Employees | • Annual employee performance reviews<br>• Employee events<br>• Internal memos and emails | • Training and development of employees<br>• Recruitment and retention of skilled staff<br>• Well-being of employees |
| Suppliers | • Supplier quality assurance | • Feedback of products and services<br>• Business continuity |
| Government and regulators | • Meetings and consultations<br>• License applications<br>• Active engagement on healthcare legislation | • Compliance with laws and regulations<br>• Cyber security threats on customer privacy<br>• Climate change and sustainability performance |
| Shareholders and investors | • General meetings<br>• Announcements and press releases on SGXNET | • Clearbridge's financial performance<br>• Operational strategy<br>• Shareholders' returns<br>• Sustainable business practices |

# CORPORATE GOVERNANCE REPORT

***Material Contracts***

Save for the Service Agreement, there were no material contracts of the Company and its subsidiaries involving the interests of the CEO, any Directors or controlling Shareholder which is either still subsisting at the end of FY2022 or, if not then subsisting, entered into since the end of FY2021.

***Interested Person Transactions ("IPTs")***

Save as disclosed in the Offer Document, there were no IPTs during FY2022. The Group does not have a general mandate for IPTs.

The Company has implemented an internal policy in respect of any transactions with an interested person (as defined in the Catalist Rules) and has established procedures for the review and approval of all IPTs entered into by the Group. In the event that a potential conflict of interest arises, the Director concerned will not participate in discussions, and shall abstain from decision making, and refrain from exercising any influence over other members of the Board.

The Company has also established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and the transactions will not be prejudicial to the interest of the Group and its minority Shareholders. To ensure compliance with Chapter 9 of the Catalist Rules, the Board and the AC will review, on a quarterly basis, IPTs entered into by the Group (if any).

***Dealing in Securities***

The Company and its subsidiaries have adopted an internal policy which prohibits the Directors and officers of the Group from dealing in the securities of the Company while in possession of price-sensitive information. All Directors and officers of the Group are expected to observe insider trading laws at all times.

The Company, the Directors and officers of the Group are discouraged from dealing in the Company's securities on short-term considerations and are prohibited from dealing in the Company's securities during the period commencing 1 month before the announcement of the Company's half year and full year financial statements.

***Non-sponsor Fees***

No non-sponsor fees were paid to the Company's sponsor, United Overseas Bank Limited, for FY2022.

***Use of Initial Public Offering ("IPO") Proceeds***

Pursuant to the IPO of the Company, the Company received net proceeds of approximately S$22.00 million (the "**IPO Net Proceeds**").

# CORPORATE GOVERNANCE REPORT

The IPO Net Proceeds have been utilised as follows:

| | Amount allocated (as disclosed in the offer document) (S$'000) | Amount utilised as at the date of this annual report (S$'000) | Balance (S$'000) |
|---|---|---|---|
| Expansion of medical clinics/centres business organically or through, among others, investments, mergers and acquisitions, joint ventures and/or strategic collaborations | 11,000 | (11,000) | – |
| Expansion of laboratory testing services business organically or through, among others, 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

***Use of Placement Proceeds***

Pursuant to the issuance of the placement shares on 19 August 2019, the Company received net proceeds of approximately S$11.28 million (the "**Placement Net Proceeds**").

The Placement Net Proceeds have been utilised as follows:

| | Amount allocated (as disclosed in the placement announcement) (S$'000) | Amount utilised as at the date of this annual report (S$'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 | (3,263) | 4,630 |
| General working capital purpose(1) | 3,383 | (3,383) | – |
| Total | 11,276 | (6,646) | 4,630 |

**Note:**

(1) Comprises operating expenses

# FINANCIAL CONTENTS



# DIRECTORS' **STATEMENT**

The directors present their statement to the members together with the audited consolidated financial statements of Clearbridge Health Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2022.

## 1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 2. Directors

The directors of the Company in office at the date of this statement are:

Chen Johnson
Yee Pinh Jeremy
Mark Benedict Ryan
Andrew John Lord
Tan Soon Liang (Chen Shunliang)
Mah How Soon (Ma Haoshun)

## 3. Arrangements to enable Directors to acquire shares and debentures

Except as described in paragraph 4 and 5 below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

## 4. Directors' interests in shares or debentures

The following directors who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

| | Direct interest | | | Deemed interest | | |
|---|---|---|---|---|---|---|
| **Name of Director** | **At 1.1.2022** | **At 31.12.2022** | **At 21.1.2023** | **At 1.1.2022** | **At 31.12.2022** | **At 21.1.2023** |
| Chen Johnson | 77,055,100 | 77,055,100 | 77,055,100 | – | – | – |
| Yee Pinh Jeremy | 12,597,773 | 12,750,874 | 12,750,874 | 14,578,200 | 14,578,200 | 14,578,200 |
| Mark Benedict Ryan | – | – | – | 2,097,600 | 2,097,600 | 2,097,600 |

# DIRECTORS' STATEMENT

## 5. Share options

By the Company

(a) Clearbridge Health Performance Share Plan

At an Extraordinary General Meeting held on 20 November 2017, shareholders approved the Clearbridge Health Performance Share Plan (the "Plan") that gives the rights to grant awards in the form of shares to full time employees of the Group or Group Directors at the absolute discretion of the Remuneration Committee (the "RC").

The RC, comprising four directors, Mr. Andrew John Lord, Mr. Chen Johnson, Mr. Mark Benedict Ryan and Mr. Mah How Soon (Ma Haoshun), is responsible for administering the Plan.

On 6 December 2019, the Company granted share awards to certain employees of the Company pursuant to the Clearbridge Health Performance Share Plan. A total of 9,620,000 ordinary shares were granted at the fair value of S$0.13 per share, which was based on market price of the shares on the date of grant. Two-thirds of the awarded shares were vested on 18 December 2019 and remaining one-third of the awarded shares were vested on 18 December 2020.

On 19 December 2019, the Board approved the share awards pursuant to the Clearbridge Health Performance Share Plan to reward certain employees for driving shareholder value and to incentivise executive officers to achieve performance targets.

For the performance share plan to drive shareholder value, number of shares equivalent to 1% of the then current share capital will be awarded to certain employees upon the first occurrence of the Company achieving a market capitalisation of S$300,000,000 for 3 consecutive months. The shares awarded have a moratorium period of 6 months from the date of issue.

For the performance share plan to incentivise employees of the Group, the performance targets to be set under the Plan are based on longer-term corporate objectives covering business growth which include Group EBITDA. The shares awards have a vesting period of 3 years from the date of issue. The final number of shares awarded will depend on the achievement of the pre-determined performance targets at end of each financial year.

On 30 December 2020, the Company awarded share to a director of the Company pursuant to the Plan. A total of 4,810,000 ordinary shares were granted at the fair value of S$0.15, which was based on market price of the shares on the date of grant on 30 December 2020. The shares were issued on 7 January 2021 and vested immediately.

On 28 April 2021, the Company granted share awards to employees of the Company pursuant to the Plan (the "Awards"). A total of 2,985,476 ordinary shares were granted at the fair value of S$0.13, which was based on market price of the shares on the date of grant. The shares will vest in three equal annual instalments in 2022, 2023 and 2024.

On 28 April 2022, the Company allotted and issued 995,160 new ordinary shares in the capital of the Company pursuant to the vesting of the Awards. As at 31 December 2022, 306,202 unvested Awards were forfeited due to the resignation of certain employees.

# DIRECTORS' STATEMENT

**5. Share options (Continued)**

By the Company (Continued)

(a) Clearbridge Health Performance Share Plan (Continued)

Except for the performance share plan and shares awards granted to certain employees since the commencement of the Plan till the end of the financial year:

(i) There were no share options granted during the financial year to subscribe for unissued shares of the Company under the Plan.

(ii) There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company under the Plan.

(iii) There were no unissued shares of the Company under option at the end of the financial year under the Plan.

Except as disclosed above, during the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares of the Company or its subsidiaries;

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries; and

(iii) no unissued shares of the Company or its subsidiaries under option.

**6. Audit committee**

The Audit Committee ("AC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act 1967. Further details regarding the AC are disclosed in the Corporate Governance Report.

**7. Auditor**

Ernst & Young LLP will not be seeking re-appointment as auditor.

On behalf of the Board of Directors,

Chen Johnson
Director

Yee Pinh Jeremy
Director

Singapore
9 June 2023

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**Independent Auditor's Report to the Members of Clearbridge Health Limited**

**Report on the audit of the financial statements**

We were engaged to audit the financial statements of Clearbridge Health Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit report on these financial statements.

**Basis for Disclaimer of Opinion**

As disclosed in Note 39 to the financial statements, the Group entered into a transaction during the financial year to dispose its interest in certain subsidiaries in the Healthcare systems segment, (collectively, the "Disposed Group"). The Group recorded a gain on disposal of S$2,320,000 for the financial year ended 31 December 2022 and the sale consideration was satisfied entirely by the issuance of convertible exchangeable bonds by Lunadorii Inc. (the "Purchaser"). The terms of the convertible bonds are disclosed in Note 32, and they have not been redeemed, converted or exchanged as at the date of this report.

Due to limited information made available to us, we have not been able to obtain all necessary information in respect of the matters discussed below in connection with the disposal transaction.

(i) Disposal of the Disposed Group

As disclosed in Note 39, the Group has recorded a gain on disposal of S$2,320,000. This gain is recognised on the basis that the Group has ceased to control the Disposed Group based on factors disclosed in Note 39. The gain was computed based on the difference between the sale consideration and net assets of the Disposed Group as at the date of disposal. In determining the net assets of the Disposed Group at the date of disposal, the Group is required to consolidate the results of the Disposed Group until the date of disposal. As disclosed further in Note 39 to the financial statements, the Group had consolidated the results of PT Tirta Medika Jaya ("TMJ") and PT Indo Genesis Medika ("IGM") only up to 31 August 2022 and 30 June 2022, respectively, using their management accounts.

Due to the unavailability of relevant financial information of the Disposed Group, we have not been able to assess the relevant financial impact of not consolidating the results of the Disposed Group until the date of disposal. Additionally, we have not been able to verify the accuracy of the financial information of TMJ and IGM used by the Group for consolidation purposes as we have not been able to carry out any audit procedures due to lack of information available to us. As a result, we have not been able to determine if the net assets of the Disposed Group as at the date of disposal is appropriately stated. This in turn has an impact on the computation of the gain on disposal and the accuracy of the disclosure within Note 39.

# INDEPENDENT
# AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**Basis for Disclaimer of Opinion (Continued)**

(i) Disposal of the Disposed Group (Continued)

As further disclosed in Note 39, there is an on-going legal action between the Group and a minority shareholder of an entity within the Disposed Group prior to the disposal. Management has represented that any potential liability arising from this litigation will not be attributable to the Group as the relevant entities have ceased to be subsidiaries of the Group. However, due to insufficient information available to us, we are unable to evaluate this representation. If any adjustment is found to be necessary in respect of this matter, it may have an impact on the computation of the gain on disposal and other related balances.

(ii) Fair valuation of convertible exchangeable bonds

In determining the sale consideration for the disposal, the Group has estimated the fair value of the convertible exchangeable bonds at inception to be S$10,625,000 (Note 32). The Group determined the fair value, with the assistance of an external valuer, based on the equity value of the Purchaser (which also include the disposed entities). This valuation is highly subjective as the convertible exchangeable bonds is a complex instrument (includes embedded derivative) and its value is sensitive to the forecast of their future cash flows and other significant inputs such as discount rate, long term growth rate, probability of default event and liquidity event (Note 34).

We have not been provided with sufficient information, including relevant financial and non-financial information of the Purchaser and the Disposed Group, and other supporting information for the forecast and key assumptions, to assess the reasonableness of the fair value at inception. Due to lack of other reliable or publicly available information about the Purchaser, we were also unable to assess the reasonableness of the fair value using other reliable valuation method. Consequently, we are unable to determine the reasonableness of the fair value of the convertible exchangeable bonds of S$10,625,000 at inception. This in turn has an impact on the computation of the gain on disposal.

The Group has also represented that the fair value of the convertible exchangeable bonds as at 31 December 2022 continues to approximate S$10,625,000 as ascertained at inception. Due to lack of information available to us to support this assumption, we are unable to ascertain the reasonableness of this basis. As a result, we are unable to determine if the carrying value of the convertible exchangeable bonds as at 31 December 2022 is appropriately stated, and whether any adjustments might have been found to be necessary.

(iii) Recoverable value of loans due from certain disposed entities and the Purchaser

As disclosed in Note 21 to the financial statements, the Group has loans receivable due from certain entities within the Disposed Group and the Purchaser amounting to S$12,054,571 as at 31 December 2022. No expected credit loss has been recognised against this balance as at 31 December 2022.

Due to lack of information available to us, we have not been able to assess the recoverability of these loans and the appropriateness of not recording any expected credit loss as at 31 December 2022. As a result, we are unable to determine if the carrying values of these loans is appropriately stated as at 31 December 2022, and whether any adjustments might have been found to be necessary.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**Basis for Disclaimer of Opinion (Continued)**

In summary, we have not been able to obtain all necessary information to complete our audit procedures to fully evaluate the substance of this significant transaction, assess the related gain/loss recognised and the net assets of the Disposed Group as at the date of disposal, determine the appropriateness of the carrying amounts of the convertible exchangeable bonds and loans due from the Disposed Group and the Purchaser as at 31 December 2022, and adequacy of the related disclosures. Had we been able to complete the necessary audit procedures, other matters might have come to our attention that may require further adjustments to the financial statements in respect of this transaction.

Accordingly, we are unable to determine whether any adjustments might have been found necessary to the aforementioned balances and other elements making up the statements of financial position as at 31 December 2022, consolidated statement of comprehensive income, statements of changes in equity and consolidated statement of cashflows for the year financial ended 31 December 2022, and the related notes and disclosures in the financial statements.

**Responsibilities of management and directors for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to conduct an audit of the Group's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

# INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**Report on other legal and regulatory requirements**

In our opinion, in view of the significance of the matters referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiaries corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Koh.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
9 June 2023

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Note | 2022<br>S$'000 | 2021<br>(Restated)<br>S$'000 |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | 4 | **16,412** | 11,442 |
| Purchases | | **(6,836)** | (5,079) |
| Employee benefits expense | 5 | **(6,094)** | (6,750) |
| Depreciation expense | | **(1,474)** | (1,635) |
| Amortisation expense | | **(60)** | (110) |
| Other income | 6 | **751** | 3,648 |
| Fair value loss on an associate | | **(8,769)** | (6,615) |
| Fair value loss on derivative financial instruments | | **(762)** | (3,500) |
| Other operating expenses | | **(3,539)** | (3,248) |
| Finance costs | 7 | **(866)** | (1,722) |
| **Loss before taxation from continuing operations** | 8 | **(11,237)** | (13,569) |
| Income tax expense | 9 | **(189)** | (318) |
| **Loss for the year from continuing operations** | | **(11,426)** | (13,887) |
| **Discontinued operations** | | | |
| Net gain/(loss) from discontinued operations | 39 | **948** | (4,259) |
| **Loss for the year** | | **(10,478)** | (18,146) |
| **Other comprehensive income:** | | | |
| *Items that will not be reclassified to profit or loss* | | | |
| Net fair value (loss)/gain on equity instruments at fair value through other comprehensive income | | **(53)** | 113 |
| Remeasurement gain on retirement liability | | **2** | 2 |
| *Item that may be reclassified subsequently to profit or loss* | | | |
| Exchange difference on translation of foreign operations | | **(7)** | (155) |
| **Total comprehensive income for the year, net of tax** | | **(10,536)** | (18,186) |
| **Loss attributable to:** | | | |
| Owners of the Company | | | |
| – Continuing operations | | **(12,476)** | (16,376) |
| – Discontinued operations | | **1,332** | (3,594) |
| | | **(11,144)** | (19,970) |
| Non-controlling interests | | | |
| – Continuing operations | | **1,050** | 2,489 |
| – Discontinued operations | | **(384)** | (665) |
| | | **(10,478)** | (18,146) |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | | | |
| – Continuing operations | | **(12,440)** | (16,174) |
| – Discontinued operations | | **1,260** | (3,734) |
| | | **(11,180)** | (19,908) |
| Non-controlling interests | | | |
| – Continuing operations | | **1,029** | 2,440 |
| – Discontinued operations | | **(385)** | (718) |
| | | **(10,536)** | (18,186) |
| **– (Loss)/profit per share (cents per share)** | | | |
| Basic and diluted | 10 | | |
| – Continuing operations | | **(2.02)** | (2.65) |
| – Discontinued operations | | **0.22** | (0.58) |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# STATEMENTS OF
# FINANCIAL POSITION

AS AT 31 DECEMBER 2022

| | Note | Group 2022 S$'000 | Group 2021 S$'000 | Company 2022 S$'000 | Company 2021 S$'000 |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Investments in subsidiaries | 11 | **–** | – | **19,837** | 21,957 |
| Investment in an associate | 12 | **–** | 11,425 | **–** | – |
| Derivative financial instruments | 13 | **47** | – | **47** | – |
| Plant and equipment | 14 | **670** | 4,738 | **10** | 16 |
| Convertible exchangeable bonds | 13,32 | **10,625** | – | **8,544** | – |
| Right-of-use assets | 15 | **1,435** | 1,728 | **–** | – |
| Intangible assets | 16 | **11** | 1,144 | **3** | 3 |
| Goodwill on consolidation | 17 | **21,296** | 30,438 | **–** | – |
| Other investments | 18 | **1,318** | 900 | **–** | – |
| Other receivables | 21 | **11,942** | 1,237 | **9,100** | – |
| Amounts due from subsidiaries | 22 | **–** | – | **3,236** | 22,315 |
| | | **47,344** | 51,610 | **40,777** | 44,291 |
| **Current assets** | | | | | |
| Cash at banks and short-term deposits | 19 | **6,055** | 14,553 | **1,901** | 2,266 |
| Trade receivables | 20 | **1,196** | 7,485 | **–** | – |
| Prepayments | | **252** | 319 | **124** | 152 |
| Other receivables | 21 | **3,003** | 4,941 | **135** | 342 |
| Amounts due from subsidiaries | 22 | **–** | – | **7,548** | 26,920 |
| Inventories | 23 | **301** | 719 | **–** | – |
| Derivative financial instruments | 13 | **27** | 1,090 | **27** | 1,090 |
| Assets held for sale | 38 | **–** | 2,005 | **–** | – |
| | | **10,834** | 31,112 | **9,735** | 30,770 |
| **Total assets** | | **58,178** | 82,722 | **50,512** | 75,061 |
| **Current liabilities** | | | | | |
| Borrowings | 27 | **1,314** | 6,147 | **724** | 1,333 |
| Trade payables | 24 | **394** | 2,488 | **–** | – |
| Other payables | 25 | **2,026** | 7,163 | **660** | 496 |
| Amounts due to subsidiaries | 26 | **–** | – | **4,619** | 10,738 |
| Lease liabilities | 15 | **644** | 785 | **–** | – |
| Contract liabilities | 4 | **515** | 471 | **–** | – |
| Income tax payable | | **207** | 161 | **–** | – |
| | | **5,100** | 17,215 | **6,003** | 12,567 |
| **Net current assets** | | **5,734** | 13,897 | **3,732** | 18,203 |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# STATEMENTS OF **FINANCIAL POSITION**

AS AT 31 DECEMBER 2022

| | Note | Group 2022 S$'000 | Group 2021 S$'000 | Company 2022 S$'000 | Company 2021 S$'000 |
|---|---|---|---|---|---|
| **Non-current liabilities** | | | | | |
| Borrowings | 27 | **4,573** | 4,806 | **4,562** | 4,806 |
| Other payables | 25 | **73** | 74 | **–** | – |
| Lease liabilities | 15 | **936** | 1,003 | **–** | – |
| Derivative financial instruments | 13 | **–** | 254 | **–** | 254 |
| Deferred tax liabilities | 28 | **1,827** | 2,060 | **–** | – |
| | | **7,409** | 8,197 | **4,562** | 5,060 |
| **Total liabilities** | | **12,509** | 25,412 | **10,565** | 17,627 |
| **Net assets** | | **45,669** | 57,310 | **39,947** | 57,434 |
| **Equity attributable to owners of the Company** | | | | | |
| Share capital | 29 | **92,899** | 92,899 | **92,899** | 92,899 |
| Capital reserve | 30 | **(1,256)** | (1,256) | **(6,030)** | (6,030) |
| Share-based payment reserve | 30 | **4,257** | 4,108 | **4,258** | 4,109 |
| Fair value reserve | 30 | **97** | 150 | **–** | – |
| Currency translation reserve | 30 | **(57)** | (304) | **–** | – |
| Employee benefits reserve | | **4** | 1 | **–** | – |
| Accumulated losses | | **(54,545)** | (43,388) | **(51,180)** | (33,544) |
| **Equity attributable to owners of the Company** | | **41,399** | 52,210 | **39,947** | 57,434 |
| Non-controlling interests | | **4,270** | 5,100 | **–** | – |
| **Total equity** | | **45,669** | 57,310 | **39,947** | 57,434 |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# STATEMENTS OF
# CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Note | Share capital S$'000 | Capital reserve S$'000 | Share-based payment reserve S$'000 | Fair value reserve S$'000 | Currency translation reserve S$'000 | Employee benefits reserve S$'000 | Accumulated losses S$'000 | Equity attributable to owners of the Company S$'000 | Non-controlling interests S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | | | | |
| **As at 1 January 2022** | | 92,899 | (1,256) | 4,108 | 150 | (304) | 1 | (43,388) | 52,210 | 5,100 | 57,310 |
| *Total comprehensive income for the year* | | | | | | | | | | | |
| Loss for the year | | – | – | – | – | – | – | (11,144) | (11,144) | 666 | (10,478) |
| Other comprehensive income for the year | | – | – | – | (53) | 17 | – | – | (36) | (22) | (58) |
| Total comprehensive income for the year | | – | – | – | (53) | 17 | – | (11,144) | (11,180) | 644 | (10,536) |
| *Transactions with owners, recognised directly in equity* | | | | | | | | | | | |
| Dividend | | – | – | – | – | – | – | 441 | 441 | (633) | (192) |
| Share-based payment – equity settled | 5 | – | – | 149 | – | – | – | – | 149 | – | 149 |
| Issuance of ordinary shares by subsidiaries | | – | – | – | – | – | – | (209) | (209) | 209 | – |
| *Change in ownership interest in subsidiaries* | | | | | | | | | | | |
| Acquisition of non-controlling interests without a change in control | | – | – | – | – | – | – | 1 | 1 | (5) | (4) |
| Disposal of subsidiary groups | 11(f) | – | – | – | – | 230 | 3 | (246) | (13) | (1,045) | (1,058) |
| **As at 31 December 2022** | | 92,899 | (1,256) | 4,257 | 97 | (57) | 4 | (54,545) | 41,399 | 4,270 | 45,669 |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Note | Share capital | Capital reserve | Share-based payment reserve | Fair value reserve | Currency translation reserve | Employee benefits reserve | Accumulated losses | Reserves of a disposal group held for sale | Equity attributable to owners of the Company | Non-controlling interests | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Group** | | | | | | | | | | | | |
| **As at 1 January 2021** | | 92,899 | (1,493) | 3,721 | 37 | (202) | – | (34,975) | 463 | 60,450 | (500) | 59,950 |
| *Total comprehensive income for the year* | | | | | | | | | | | | |
| Loss for the year | | – | – | – | – | – | – | (19,970) | – | (19,970) | 1,824 | (18,146) |
| Other comprehensive income for the year | | – | – | – | 113 | (47) | 1 | – | (5) | 62 | (102) | (40) |
| Total comprehensive income for the year | | – | – | – | 113 | (47) | 1 | (19,970) | (5) | (19,908) | 1,722 | (18,186) |
| *Transactions with owners, recognised directly in equity* | | | | | | | | | | | | |
| Dividend | | – | – | – | – | – | – | – | – | – | (869) | (869) |
| Share-based payment – equity settled | 5 | – | – | 387 | – | – | – | – | – | 387 | – | 387 |
| Effects of dilution of interest in subsidiaries | 11(a) | – | – | – | – | – | – | 11,557 | – | 11,557 | 3,264 | 14,821 |
| *Change in ownership interest in subsidiaries* | | | | | | | | | | | | |
| Disposal of a subsidiary group | 11(e) | – | 237 | – | – | (55) | – | – | (458) | (276) | 1,483 | 1,207 |
| **As at 31 December 2021** | | 92,899 | (1,256) | 4,108 | 150 | (304) | 1 | (43,388) | – | 52,210 | 5,100 | 57,310 |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# STATEMENTS OF
# CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Note | Share capital S$'000 | Capital reserve S$'000 | Share-based payment reserve S$'000 | Accumulated losses S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|
| **Company** | | | | | | |
| **As at 1 January 2021** | | 92,899 | (6,030) | 3,722 | (18,047) | 72,544 |
| Share-based payment – equity settled | 5 | – | – | 387 | – | 387 |
| Loss for the year, representing total comprehensive income for the year | | – | – | – | (15,497) | (15,497) |
| **As at 31 December 2021 and 1 January 2022** | | 92,899 | (6,030) | 4,109 | (33,544) | 57,434 |
| Share-based payment – equity settled | 5 | – | – | 149 | – | 149 |
| Loss for the year, representing total comprehensive income for the year | | – | – | – | (17,636) | (17,636) |
| **As at 31 December 2022** | | 92,899 | (6,030) | 4,258 | (51,180) | 39,947 |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Note | 2022 S$'000 | 2021 S$'000 |
|---|---|---|---|
| **Operating activities** | | | |
| Loss before taxation from continuing operations | | **(11,237)** | (13,245) |
| Gain/(loss) before taxation from discontinued operations | | **1,228** | (4,648) |
| | | **(10,009)** | (17,893) |
| Adjustments for: | | | |
| Actuarial loss on retirement plan | | **2** | 3 |
| Share-based payment – equity settled | 5 | **149** | 387 |
| Gain on disposal of subsidiary groups/a subsidiary group | 39, 6 | **(2,320)** | (2,012) |
| Gain on disposal of investment property | | **(75)** | – |
| Gain on sublease | | **(180)** | – |
| Gain on disposal of nil-paid rights | | **(96)** | – |
| Gain on loan extinguishment | | **–** | (965) |
| Loss on modification of deferred consideration | | **30** | – |
| Depreciation of plant and equipment | 14 | **1,299** | 2,457 |
| Depreciation of investment property | | **–** | 45 |
| Depreciation of right-of-use assets | 15 | **1,011** | 1,001 |
| Amortisation of intangible assets | 16 | **431** | 692 |
| Interest income | | **(86)** | (78) |
| Interest expense | 39 | **946** | 1,898 |
| Inventories written off | | **84** | 651 |
| Bad debt written off | | **127** | – |
| Impairment of plant and equipment | | **118** | 210 |
| Impairment of trade and other receivables | | **393** | 2,945 |
| Impairment of investment property | | **–** | 62 |
| Fair value adjustment on contingent consideration for business combinations | | **(38)** | (23) |
| Fair value loss on derivative financial instruments | | **762** | 3,500 |
| Fair value loss on associates | | **8,769** | 6,615 |
| Unrealised foreign exchange loss | | **205** | 247 |
| **Operating cash flows before changes in working capital** | | **1,522** | (258) |
| (Increase)/decrease in trade receivables | | **(3,000)** | 827 |
| Decrease in prepayments | | **76** | 386 |
| Increase in other receivables | | **(706)** | (1,961) |
| (Increase)/decrease in inventories | | **(32)** | 596 |
| Increase/(decrease) in trade payables | | **1,236** | (1,671) |
| (Decrease)/increase in other payables | | **(159)** | 465 |
| **Cash flows used in operations** | | **(1,063)** | (1,616) |
| Income tax paid | | **(496)** | (397) |
| Interest paid | | **(503)** | (1,058) |
| Interest received | | **86** | 78 |
| **Net cash flows used in operating activities** | | **(1,976)** | (2,993) |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# CONSOLIDATED
# CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Note | 2022<br>S$'000 | 2021<br>S$'000 |
|---|---|---|---|
| **Investing activities** | | | |
| Repayment of advance from third party | | **–** | 1,862 |
| Purchase of plant and equipment | | **(679)** | (746) |
| Acquisition of intangible assets | | **(10)** | (87) |
| Payment for contingent consideration | | **(1,989)** | (1,095) |
| Proceeds from contingent consideration | | **–** | 300 |
| Proceeds from disposal of property, plant and equipment | | **2,080** | 2 |
| Proceeds from disposal of investment in associate | | **2,186** | – |
| Proceeds from disposal of nil-paid rights | | **96** | – |
| Net cash (outflow)/inflow on disposal of subsidiary groups/a subsidiary group | 11(e) 11(f) | **(2,767)** | 941 |
| **Net cash flows (used in)/generated from investing activities** | | **(1,083)** | 1,177 |
| **Financing activities** | | | |
| Dividends paid to non-controlling interests | | **(192)** | (869) |
| Proceeds from bank loans | | **–** | 595 |
| Proceeds from issuance of convertible preference shares | | **–** | 11,505 |
| Repayment of loans and borrowings | | **(4,125)** | (3,825) |
| Repayment of lease liabilities | | **(1,085)** | (1,095) |
| Redemption of convertible bond | | **–** | (4,188) |
| Decrease in restricted deposits | | **2,845** | 341 |
| **Net cash flows (used in)/generated from financing activities** | | **(2,557)** | 2,464 |
| **Net (decrease)/increase in cash and cash equivalents** | | **(5,616)** | 648 |
| Effect of foreign exchange rate changes, net | | **(37)** | 171 |
| Cash and cash equivalents at 1 January | | **11,708** | 10,889 |
| **Cash and cash equivalents at 31 December** | 19 | **6,055** | 11,708 |

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 1. CORPORATE INFORMATION

### 1.1 The Company

The Company (Registration No. 201001436C) is incorporated in Singapore with its principal place of business and registered office at 37 Jalan Pemimpin, #08-05 Mapex, Singapore 577177. The financial statements are expressed in Singapore dollars.

The principal activity of the Company is that of investment holding company. The principal activities of the subsidiaries and associates are disclosed in Notes 11 and 12 to the financial statements, respectively.

The Company's ordinary shares have been listed on the Catalist Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") since 18 December 2017.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("SGD" or "S$") and all values are rounded to the nearest thousand ("S$'000"), except when otherwise indicated.

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 as 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 a convertible exchangeable bonds (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 Group'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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

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 to Lunadorii Inc. on 7 October 2022, such dates being 7 October 2022, 7 October 2022, 31 August 2022, 30 June 2022 and 7 October 2022 for SAM Labs, CBMA, TMJ, IGM and CMPL respectively.

### 2.2 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective as at 31 December 2022.

| Description | Effective for annual periods beginning on or after |
|---|---|
| Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies* | 1 January 2023 |
| Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates* | 1 January 2023 |
| Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* | 1 January 2023 |
| Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current* | 1 January 2023 |
| Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback* | 1 January 2024 |
| Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants* | 1 January 2024 |
| Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | To be determined |

The directors expect that the adoption of the standards will have no material impact on the financial statements in the year of initial application.

### 2.3 Basis of consolidation and business combinations

(a) ***Basis of consolidation***

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.3 Basis of consolidation and business combinations (Continued)

#### (a) *Basis of consolidation (Continued)*

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

#### (b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

2.3 **Basis of consolidation and business combinations (Continued)**

(b) ***Business combinations and goodwill (Continued)***

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units ("**CGUs**") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the amount that would be recognised in accordance with the accounting policy for provisions set out in Note 2.16.

2.4 **Transactions with non-controlling interests**

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.5 **Subsidiaries**

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's statement of financial position, investments in subsidiaries are accounted for at cost less impairment losses.

2.6 **Associates**

Investments in associates which are held as part of the Group's investment portfolio are designated upon initial recognition as investments at fair value through profit or loss as their performance is managed and evaluated on a fair value basis. This treatment is permitted by SFRS(I) 1-28 Investments in Associates which allows investments held indirectly by venture capital organisation, or mutual fund, unit trust and similar entities to be recognised and measured at fair value through profit or loss and accounted for in accordance with SFRS(I) 9, with changes in fair value recognised in the profit or loss in the period of change.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.7 Foreign currency

The financial statements are presented in Singapore Dollar, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) ***Transactions and balances***

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) ***Consolidated financial statements***

For consolidation purpose, the assets and liabilities of foreign operations are translated into Singapore dollar at the rate of exchange ruling at the end of reporting periods and the profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### 2.8 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

| | | |
|---|---|---|
| Computer equipment | – | 3 to 5 years |
| Furniture and fittings | – | 3 to 11 years |
| Office equipment | – | 3 to 11 years |
| Medical equipment | – | 3 to 6 years |
| Laboratory equipment | – | 3 to 5 years |
| Motor vehicles | – | 5 to 8 years |
| Renovation | – | 3 to 11 years |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Plant and equipment (Continued)

Work-in-progress included in the plant and equipment are not depreciated as these assets are not yet available for use.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

### 2.9 Investment property

Investment property is a property that is either owned by the Group that is held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment property comprise completed investment property.

Investment property is initially measured at cost, including transaction costs.

Subsequent to initial recognition, the investment property is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the asset as follows:

Freehold Property – 50 years

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

The investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.10 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

(a) ***CAP accreditation***

The CAP Laboratory Accreditation (“CAP Accreditation”) arose due to the acquisition of a subsidiary and relates to an accreditation attained by a clinical lab certifying that the lab’s quality has complied with certain requirements. The useful life of the CAP Accreditation is estimated to be 2 years as the laboratory is required to undergo re-inspection every two years to maintain the CAP Accreditation.

(b) ***Customer relationships***

Customer relationships acquired in business combinations, including joint operation contracts entered by a subsidiary with hospitals for installation of renal dialysis facilities were initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 8 to 10 years.

(c) ***Favourable rental agreement***

Favourable rental agreement arose due to the acquisition of a subsidiary and relates to an operating lease in which the terms are favourable to the Group relative to the market terms. The useful life of the favourable rental agreement is 2.75 years.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

### 2.12 Financial instruments

(a) ***Financial assets***

**Initial recognition and measurement**

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Financial instruments (Continued)

(a) ***Financial assets (Continued)***

**Subsequent measurement**

Investment in debt instruments at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in OCI, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

**Derecognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in other comprehensive income for debt instruments is recognised in profit or loss.

(b) ***Financial liabilities***

**Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.12 Financial instruments (Continued)

(b) ***Financial liabilities (Continued)***

**Subsequent measurement**

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Financial liabilities at fair value through profit and loss are derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also at fair value through profit and loss unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gain or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### 2.13 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

# NOTES TO THE
# FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

2.13 **Impairment of financial assets (Continued)**

For trade receivables and contract assets, the Group applied a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis, and includes all costs of purchases and other costs incurred in bringing the inventories to their present location and condition. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

2.16 **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 **Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to income, the grant is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as “Other income”.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Employee benefits

(a) ***Defined contribution plans***

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions are made into separate state managed entities, such as the Central Provident Fund in Singapore, Mandatory Provident Fund in Hong Kong, Social Security Fund in Philippines, Indonesia and United States and Employees Provident Fund in Malaysia under a defined contribution plan, on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) ***Employee share-based payment***

Employees of the Group receive remuneration in the form of equity instruments as consideration for services rendered. The cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the equity instruments at the grant date which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share-based payment reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

(c) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

### 2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.19 Leases (Continued)

***Group as a lessee (Continued)***

(a) ***Right-of-use assets***

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows.

Office and clinical premises – 1 to 12 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.11 to the financial statements.

(b) ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.19 Leases (Continued)

***Group as a lessee (Continued)***

(c) ***Short-term leases and leases of low-value assets***

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 2.20 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

***Medical and clinical revenue***

(a) ***Rendering of medical and clinical services***

The Group renders consultations, clinical treatments, medical tests and aesthetics treatments to patients. Revenue from the provision of consultations, clinical treatments and medical tests are recognised when the services to be provided are completed at a point in time.

Revenue from the provision of aesthetics services, usually sold in bundled packages, are recognised upon completion of the series of distinct services rendered over time based on number of sessions utilised. The allocation of revenue is based on utilisation at the stand-alone selling price.

A contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract liability is recognised as revenue when services are rendered.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.20 Revenue recognition (Continued)

***Medical and clinical revenue (Continued)***

(b) ***Sales of medical and clinical products***

The Group supplies medical, lifestyle and wellness products including Sinopharm COVID-19 Vaccine, COVID-19 antigen rapid test kits, COVID-19 antibody test kits and personal protective equipment. Revenue is recognised when the goods are delivered and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the contractual price.

***Laboratory testing services***

(a) ***Laboratory services***

The Group renders laboratory support services to hospitals. Revenue is recognised when the services provided to the hospitals, to enable the hospitals to provide laboratory services to each patient, is complete.

The amount of revenue recognised is based on the contractual price and invoiced once at every month end to the hospitals.

(b) ***Sales of laboratory consumables***

The Group supplies laboratory consumables to the hospitals. Revenue is recognised when the goods are delivered to the hospital and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the contractual price and invoiced once at every month end to the hospitals.

***Renal care revenue***

(a) ***Renal care services***

The Group renders renal care support services to hospitals. Revenue is recognised when the services provided to the hospitals, to enable the hospitals to provide renal services to each patient, is complete.

The amount of revenue recognised is based on the contractual price and invoiced once at every month end to the hospitals.

(b) ***Sales of renal care consumables***

The Group supplies dialysis treatment consumables to the hospitals. Revenue is recognised when the goods are delivered to the hospital and all criteria for acceptance have been satisfied.

The amount of revenue recognised is based on the contractual price and invoiced once at every month end to the hospitals.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Taxes

(a) ***Current income tax***

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) ***Deferred tax***

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.21 Taxes (Continued)

(b) ***Deferred tax (Continued)***

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

### 2.22 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.23 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.23 Non-current assets held for sale and discontinued operations (Continued)

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

### 2.24 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements.

(a) ***Control over investees***

The Group made investments in entities by investing in equity instruments issued by the investees, such as: ordinary shares or preference shares. Investments are also made by holding convertible bond or convertible/exchangeable bond/loans issued by the investees.

The Group carried out assessment in accordance with SFRS(I) 10 to determine if the Group has control over respective investees. Amongst the factors considered by the Group includes: relevant activities of the investees, power to direct the relevant activities through existing rights or potential voting rights, substantive right or protective right conferred to the shareholders in the reserved matters, exposure or rights to variable returns, etc.

The determination of the relevant activities of the investees and whether reserved matters are substantive in nature or protective in nature requires judgement. In making this judgement, the Group evaluates the memorandum and articles of association of the investees as well as the shareholders agreements.

Based on the assessment, the Group has accounted for its investees, for which the Group has control, as subsidiaries of the Group. For investees where the Group does not have control but have significant influence, the Group has accounted for those investees as associates.

(b) ***Loss of control over the disposed subsidiaries***

During the year, the Group had disposed SAM Labs and CBMA as disclosed in Note 39. The disposal consideration was satisfied by the issue of convertible exchangeable bonds by the Purchaser to the Group.

The Group carried out assessment in accordance with SFRS(I) 10 and had applied significant judgement to determine if the Group has lost control over the disposed entities.

Based on the assessment, on 7 October 2022, SAM Labs and CBMA ceased to be subsidiaries of the Group as the shares of the disposed subsidiaries were transferred to the Purchaser and the Purchaser had obtained the legal rights over the shares. The Group no longer has power to direct the relevant activities of the disposed entities via shareholding.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### 3.2 Key source of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) ***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 34.

(b) ***Impairment of goodwill on consolidation***

As disclosed in Note 17 to the financial statements, the recoverable amounts of the cash generating units, which goodwill have been allocated to, are determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. The key assumptions applied in the determination of the value in use, are disclosed and further explained in Note 17 to the financial statements.

The carrying amount of the goodwill on consolidation as at 31 December 2022 is S$21,296,000 (2021: S$30,438,000).

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### 3.2 Key source of estimation uncertainty (Continued)

(c) ***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. The carrying amount of the Group's other receivables at the end of the reporting period is disclosed in Note 21 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 4. REVENUE

(a) ***Disaggregation of revenue***

| | Continuing operations | | | | | | Discontinued operations (Note 39) | |
|---|---|---|---|---|---|---|---|---|
| | Healthcare systems | | Medical clinics/centres | | Total revenue | | Healthcare systems | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | 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 | **–** | – | **15,650** | 10,859 | **15,650** | 10,859 | **–** | – |
| Laboratory testing services | **41** | 55 | **–** | – | **41** | 55 | **8,533** | 18,106 |
| Renal care revenue | **–** | – | **721** | 528 | **721** | 528 | **3,190** | 4,575 |
| | **41** | 55 | **16,371** | 11,387 | **16,412** | 11,442 | **11,723** | 22,681 |
| **Primary geographical markets** | | | | | | | | |
| Singapore | **–** | – | **9,267** | 9,078 | **9,267** | 9,078 | **–** | – |
| Philippines | **–** | – | **4,480** | 1,517 | **4,480** | 1,517 | **–** | – |
| Hong Kong, Malaysia and others | **41** | 55 | **2,624** | 792 | **2,665** | 847 | **11,723** | 22,681 |
| | **41** | 55 | **16,371** | 11,387 | **16,412** | 11,442 | **11,723** | 22,681 |
| **Timing of transfer of goods or services** | | | | | | | | |
| At a point in time | **41** | 55 | **15,547** | 10,550 | **15,588** | 10,605 | **11,723** | 22,681 |
| Over time | **–** | – | **824** | 837 | **824** | 837 | **–** | – |
| | **41** | 55 | **16,371** | 11,387 | **16,412** | 11,442 | **11,723** | 22,681 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 4. REVENUE (CONTINUED)

(b) ***Methods used in recognising revenue***

*Recognition of revenue from aesthetics packages*

For the bundled package sale of aesthetic services where the Group satisfies its performance obligations over time, management has determined that an output method provides a faithful depiction of the Group's performance in transferring control of the services to the customers, as it reflects the direct measurements of the value to the customer of services transferred to date relative to the remaining services promised under the contract. The measure of progress is based on the number of sessions utilised as a percentage of the total sessions sold in a package.

(c) ***Receivables and contract liabilities***

Information about receivables and contract liabilities from contract with customers is disclosed as follows:

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Receivables from contracts with customers (Note 20) | **1,196** | 7,485 |
| Contract liabilities | **515** | 471 |

Contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received advances from customers for sale of aesthetic services. Contract liabilities are recognised as revenue as the Group performs under the contract.

During the year, revenue recognised that was included in the contract liability balance at the beginning of the year amounted to S$326,000 (2021: S$345,000)

The Group expects to recognise S$515,000 (2021: S$471,000) as revenue relating to the transaction price allocated to the unsatisfied performance obligations as at year-end in the financial year 2022.

## 5. EMPLOYEE BENEFITS EXPENSE

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | | **(Restated)** |
| | **S$'000** | **S$'000** |
| Directors' remuneration | **197** | 197 |
| Salaries and bonuses | **5,071** | 5,392 |
| Defined contribution plan | **499** | 488 |
| Share-based payment – equity settled | **149** | 387 |
| Share options expenses | **–** | 39 |
| Employee benefits | **156** | 219 |
| Others | **22** | 28 |
| | **6,094** | 6,750 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5. EMPLOYEE BENEFITS EXPENSE (CONTINUED)

(a) Service agreement

On 18 November 2017, the Company entered into a three-year Service Agreement, with the Executive Director and CEO (the "Executive") of the Company where a performance bonus is granted in the form of cash and shares to the Executive. On 6 January 2021, the Company amended the term of the Service Agreement and extended it for a period of two years (the 'Extended Term'). which is renewable automatically upon expiry of the Extended Term for 1 year periods, unless otherwise agreed. The appointment of the Executive Director and CEO has been renewed automatically until 31 December 2023.

1. Performance bonus in the form of cash or shares (the "First Performance Bonus") will vest if the following conditions are met:

   a. where the Operating Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") is less than or equal to S$7,500,000, 10% on the Group's Operating EBITDA to be paid either in cash and/or Shares; and

   b. where the Operating EBITDA is more than S$7,500,000, 5% on such amount of the Group's Operating EBITDA in excess of S$7,500,000 plus S$750,000, to be paid either in cash and/or Shares.

2. Performance bonus in the form of shares (the "Second Performance Bonus") will vest upon the first occurrence of the Company achieving the following respective milestones:

   a. Number of shares equivalent to 1% of the then current share capital of the Company, shall be issued to the Executive in a single tranche credited as fully paid if the first milestone as described below is met:

      i. an Operating EBITDA of S$2,000,000 or more for the financial year; or

      ii. a daily market capitalisation of S$150,000,000 or more for every day over a consecutive three month period and the volume weighted average price of the Company's shares calculated over every trading day being more than 15% above the issued price at IPO for every day over that consecutive three month period.

   b. Number of shares equivalent to 2% of the then current share capital of the Company, shall be issued to the Executive in a single tranche credited as fully paid if the second milestone as described below is met:

      i. an Operating EBITDA of S$7,500,000 or more for the financial year is met; or

      ii. a daily market capitalisation of S$300,000,000 or more for every day over a consecutive three month period and the volume weighted average price of the Company's shares calculated over every trading day being more than 25% above the issued price at IPO for every day over that consecutive three month period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5. EMPLOYEE BENEFITS EXPENSE (CONTINUED)

(a) Service agreement (Continued)

c. Number of shares equivalent to 2% of the then current share capital of the Company, shall be issued to the Executive in a single tranche credited as fully paid if the third milestone as described below is met:

i. an Operating EBITDA of S$15,000,000 or more for the financial year is met; or

ii. a daily market capitalisation of S$600,000,000 or more for every day over a consecutive three month period and the volume weighted average price of the Company's shares calculated over every trading day being more than 50% above the issued price at IPO for every day over that consecutive three month period.

For the avoidance of doubt, the Operating EBITDA for the first milestone, second milestone and third milestone are achieved on a cumulative basis. Hence unless the previous milestones have been paid, the previous milestones shall be payable in the event the second or third milestones are met. The first milestone was met in the financial year ended 31 December 2018.

The contractual life of the Second Performance Bonus was extended automatically until 31 December 2023 and if the conditions are not met, the rights to the issuance of shares will lapse. There are no cash settlement alternatives.

*Fair value of shares granted*

Following the extension of the Service agreement, the fair value of shares is estimated at the date of the extension using a Monte Carlo simulation model, taking into account the terms and conditions upon which the options were granted. The model simulates the probability of meeting the Operating EBITDA and the Market Capitalisation targets. It takes into account the management's assumption of the Group's forecast and the share price fluctuation covariance of the Company to predict the distribution of the share performance.

The following table lists the key inputs to the model used to determine the fair value of the shares granted as at 6 January 2021 and 18 November 2017 for share-based payment for the years ended 31 December 2022 and 2021:

| | **2021** |
|---|---|
| Dividend (%) | – |
| Expected volatility (%) | 61.2 |
| Risk-free interest rate (%) | 0.25 |
| Share price at the extension/grant date (S$) | 0.15 |

In 2018, the first milestone for the Second Performance Bonus was met. Accordingly, 4,810,000 shares were earned by the Executive and issued during that year.

The expense recognised in profit or loss for performance share payment during the year is S$130,000 (2021: S$130,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5. EMPLOYEE BENEFITS EXPENSE (CONTINUED)

(b) Performance share plan

Performance share plan awarded to certain employees on 19 December 2019

On 19 December 2019, the Board of Directors approved the share awards pursuant to the Clearbridge Health Performance Share Plan to incentivise certain employees for driving shareholder value. A number of shares equivalent to 1% of the then current share capital will be awarded to certain employees upon the first occurrence of the Company achieving a market capitalisation of S$300,000,000 for 3 consecutive months. The shares awarded have a moratorium period of 6 months from the date of issue.

*Fair value of shares granted*

The fair value of shares granted is estimated at the date of the grant using a Monte Carlo simulation model, taking into account the terms and conditions upon which the options were granted. The model simulates the probability of meeting the Market Capitalisation targets. It takes into account the management's assumption of the share price fluctuation covariance of the Company to predict the distribution of the share performance.

The following table lists the key inputs to the model used to determine the fair value of the shares granted as at 19 December 2019 for share-based payment for the years ended 31 December 2022 and 2021:

| | |
|---|---|
| Dividend (%) | – |
| Expected volatility (%) | 49.2 |
| Daily risk-free interest rate (%) | 3.7 |
| Share price at the grant date (S$) | 0.13 |
| Fair value of shares | `0.014 |

The expense recognised in profit or loss for performance share plan during the year is S$43,000 (2021: S$52,000).

Performance share plan awarded to employees of the Group on 19 December 2019

On 19 December 2019, the Board of Directors approved the share awards pursuant to the Clearbridge Health Performance Share Plan to incentivise employees to achieve performance targets. The shares to be granted is at a fair value of $$0.13 as at the date of the grant. The performance share plan expires in 2022 and will award the following shares based on the Group meeting the following performance targets in the respective years.

The performance targets to be set under the Plan are intended to based on longer-term corporate objectives covering business growth which include Group EBIDTA. The shares awards have a vesting period of 3 years from the date of issue and are awarded. The final number of shares awarded will depend on the achievement of the pre-determined performance targets at end of each financial year.

On 28 April 2021, the Company granted share awards to employees of the Company pursuant to the Plan. A total of 2,985,476 ordinary shares were granted at the fair value of S$0.13, which was based on market price of the shares on the date of grant. The shares vest in three equal annual instalments in 2022, 2023 and 2024.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 5. EMPLOYEE BENEFITS EXPENSE (CONTINUED)

(b) Performance share plan (Continued)

On 28 April 2022, the Company allotted and issued 995,160 new ordinary shares in the capital of the Company pursuant to the vesting of the Awards. As at 31 December 2022, 306,202 unvested Awards were forfeited due to the resignation of certain employees.

The reversal of/the expense recognised in profit or loss for this performance share plan during the year is S$24,000 (2021 expense: S$205,000).

## 6. OTHER INCOME

| | Group | |
|---|---|---|
| | **2022** | **2021 (Restated)** |
| | **S$'000** | **S$'000** |
| Interest income from: | | |
| Financial assets measured at amortised cost | | |
| – Lease interest income | **5** | 8 |
| – Loan to a related party | **34** | 34 |
| – Cash at banks and short-term deposits | **6** | 6 |
| – Loan to third parties | **30** | – |
| Grant income | **170** | 375 |
| Licensing income | **–** | 61 |
| Gain on disposal of investment property | **75** | – |
| Gain on disposal of a subsidiary group | **–** | 2,012 |
| Gain on loan extinguishment | **–** | 965 |
| Gain on disposal of nil paid rights | **96** | – |
| Gain on sub-lease | **180** | – |
| Rental income | **10** | 54 |
| Others | **145** | 133 |
| | **751** | 3,648 |

Licensing income of the Group mainly relates to licensing of the Group's patents held under the strategic investments segment to third parties.

## 7. FINANCE COSTS

| | Group | |
|---|---|---|
| | **2022** | **2021 (Restated)** |
| | **S$'000** | **S$'000** |
| Interest expense on: | | |
| – Convertible bonds | **657** | 1,289 |
| – Bank loans | **126** | 332 |
| – Hire purchase | **1** | – |
| – Lease liabilities | **82** | 101 |
| | **866** | 1,722 |

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 8. LOSS BEFORE TAXATION

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

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | Continuing operations | | Discontinued operations | | Total | |
| | 2022 | 2021 (Restated) | 2022 | 2021 (Restated) | 2022 | 2021 |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Audit fees – auditors of the Company | **435** | 429 | **8** | 11 | **443** | 440 |
| Non-audit fees – auditors of the Company | **28** | 28 | **–** | – | **28** | 28 |
| Fair value loss due to adjustment on contingent consideration | **7** | 8 | **–** | – | **7** | 8 |
| Inventory written off | **83** | 588 | **1** | 63 | **84** | 651 |
| Professional fees | **557** | 584 | **540** | 424 | **1,097** | 1,008 |
| Impairment of plant and equipment and intangible assets | **118** | 1 | **–** | 209 | **118** | 210 |
| Depreciation expense | **1,474** | 1,635 | **836** | 1,868 | **2,310** | 3,503 |
| Amortisation expense | **61** | 110 | **370** | 582 | **431** | 692 |
| Bad debts written off/(Bad debts recovered) | **66** | 10 | **61** | (58) | **127** | (48) |
| (Reversal of)/impairment on trade and other receivable | **(503)** | – | **896** | 2,945 | **393** | 2,945 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 9. INCOME TAX EXPENSE

The major components of income tax expense for the years ended 31 December 2022 and 2021 are:

| | Group | |
|---|---|---|
| | 2022 | 2021 (Restated) |
| | S$'000 | S$'000 |
| Current income tax | | |
| – Current income taxation | **150** | 155 |
| – Under provision in respect of previous years | **422** | 237 |
| Deferred tax | | |
| – Current deferred taxation | **(77)** | (128) |
| – Over provision in respect of previous years | **(27)** | (11) |
| | **468** | 253 |
| Income tax expense is attributable to: | | |
| – Continuing operation | **189** | 318 |
| – Discontinued operation | **279** | (65) |
| | **468** | 253 |

Domestic income tax for Singapore companies is calculated at 17% (2021: 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

**Relationship between tax expense and accounting loss**

| | Group | |
|---|---|---|
| | 2022 | 2021 (Restated) |
| | S$'000 | S$'000 |
| Loss before taxation from continuing operations | **(11,237)** | (13,245) |
| Gain/(loss) before tax from discontinued operations | **1,228** | (4,648) |
| | **(10,009)** | (17,893) |
| Tax at the domestic rates applicable to profits in the countries where the Group operates | **(1,760)** | (3,187) |
| Effect of expenses not deductible | **2,729** | 4,904 |
| Effect of income not subject to taxation | **(646)** | (1,524) |
| Effect of tax incentives | **(122)** | (184) |
| Deferred tax assets not recognised | **293** | 147 |
| Deferred tax on intangible assets | **(91)** | (128) |
| Utilisation of previously unrecognised tax losses | **(330)** | (1) |
| Under provision in respect of previous years | **395** | 226 |
| Income tax expense | **468** | 253 |

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 9. INCOME TAX EXPENSE (CONTINUED)

A loss transfer system of group relief (known as "group relief system") for companies was introduced in Singapore with effect from Year of Assessment 2003. Under the group relief system, a company belonging to a group may transfer its current year unabsorbed capital allowances, current year unabsorbed trade losses and current year unabsorbed donations (loss items) to another company belonging to the same group, to be deducted against the assessable income of the latter company.

On 31 December 2022, the Company intends to receive unabsorbed tax losses of S$872,000 (2021: S$906,000) from its subsidiaries under the group relief system, subject to compliance with the relevant rules and procedures and agreement of Inland Revenue Authority of Singapore ("IRAS").

## 10. LOSS PER SHARE

Basic loss per share is calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share is calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into 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 are anti-dilutive.

The following table reflects the loss and share data used in the computation for basic and diluted loss per share for the financial years ended 31 December 2022 and 2021:

| | **Group** | |
|---|---|---|
| | **Basic and diluted** | |
| | **2022** | **2021 (Restated)** |
| | **S$'000** | **S$'000** |
| (Loss)/profit for the year attributable to owners of the Company | | |
| – Continuing operations | **(12,476)** | (16,376) |
| – Discontinued operations | **1,332** | (3,594) |
| | **(11,144)** | (19,970) |

| | **Number of ordinary shares '000** | |
|---|---|---|
| | **Basic and diluted** | |
| Weighted average number of shares for basic loss per share computation | 617,891 | 617,136 |
| Weighted average number of shares for diluted loss per share computation | 617,891 | 617,136 |
| Basic and diluted (loss)/profit per share (cents) | | |
| – Continuing operations | (2.02) | (2.65) |
| – Discontinued operations | 0.22 | (0.58) |
| | (1.80) | (3.23) |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES

| | Company | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Unquoted shares, at cost | **30,708** | 32,828 |
| Impairment losses on subsidiary | **(10,871)** | (10,871) |
| | **19,837** | 21,957 |

*Impairment of investment in subsidiaries*

During the financial year ended 31 December 2021, management performed an impairment review of its investment in subsidiaries and assess that the recoverable amount of a subsidiary is lower than the cost of investment. As a result of the review, the Company recognised an impairment loss of S$3,105,000.

The recoverable amounts of the subsidiaries are determined using value in use method. The key assumptions and inputs used in the valuation of the underlying assets of the subsidiaries are disclosed in Note 17.

(a) ***Composition of the Group***

The Group has the following investments in subsidiaries at the end of the reporting period:

| Name | Principal activities (Country of incorporation and operations) | Proportion of ownership interest 2022 % | Proportion of ownership interest 2021 % |
|---|---|---|---|
| ***Held by the Company*** | | | |
| Clearbridge BSA Pte. Ltd.[(4)] | Investment holding (Singapore) | **100** | 100 |
| Clearbridge Assays Pte. Ltd.[(4)] | Investment holding (Singapore) | **100** | 100 |
| Clearbridge Medical Group Pte. Ltd.[(4)] | Clinics/centres and other general medicine services (Singapore) | **80.20** | 80.20 |
| SAM Laboratory Pte. Ltd.[(1)(4)] | Investment holding (Singapore) | **–** | 100 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) ***Composition of the Group (Continued)***

| Name | Principal activities (Country of incorporation and operations) | Proportion of ownership interest 2022 % | 2021 % |
|---|---|---|---|
| ***Held by Clearbridge Medical Group Pte. Ltd.*** | | | |
| Clearbridge Medical Hong Kong Corporation Limited[(4)] | Biotechnology and life sciences (Hong Kong) | **80.20** | 80.20 |
| Clearbridge Health (Philippines) Inc.[(5)] | Clinics/centres and other general medical services (Philippines) | **80.19** | 80.19 |
| Medic Laser Private Limited[(4)] | Clinics/centres and other general medical services (Singapore) | **68.17** | 68.17 |
| Medic Surgical Private Limited[(4)] | Clinics/centres and other general medical services (Singapore) | **68.17** | 68.17 |
| Clearbridge Medica Sdn Bhd[(6)] | Clinics/centres and other general medical services (Malaysia) | **80.20** | 80.20 |
| Clearbridge Lifestyle Pte. Ltd.[(4)] | Management consultancy for healthcare organisation (Singapore) | **80.20** | 80.20 |
| Clearbridge Distribution Pte. Ltd.[(4)] | Wholesale of medicinal and pharmaceutical products (Singapore) | **80.20** | 80.20 |
| Clearbridge Australia Pty. Ltd.[(2)(6)] | Dormant (Australia) | **80.20** | – |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### (a) *Composition of the Group (Continued)*

| Name | Principal activities (Country of incorporation and operations) | Proportion of ownership interest 2022 % | 2021 % |
|---|---|---|---|
| ***Held by SAM Laboratory Pte. Ltd.*** | | | |
| PT Indo Genesis Medika[(1)(8)(10)] | Medical laboratories (Indonesia) | **–** | 79.80 |
| PT Clearbridge Health Indonesia[(6)(9)] | Dormant (Indonesia) | **–** | 95 |
| ***Held by Clearbridge Health (Philippines) Inc.*** | | | |
| Clearbridge Medical Philippines, Inc.[(5)] | Clinics/centres and other general medical services (Philippines) | **52.13** | 52.13 |
| ***Held by Clearbridge Medical Hong Kong Corporation Limited*** | | | |
| Shanghai Kai Zhun Health Management Co. Ltd. (上海凯准健康管理有限公司)[(6)] | Distribution of medical devices and related services (China) | **80.20** | 80.20 |
| ***Held by Clearbridge Lifestyle Pte. Ltd.*** | | | |
| Clearbridge Dental Holdings Pte. Ltd.[(4)] | Investment holding (Singapore) | **40.90** | 40.90 |
| ***Held by Shanghai Kai Zhun Health Management Co. Ltd.*** | | | |
| Red Dot Health Technology (Shanghai) Co. Ltd.[(6)] | Distribution of medical and lifestyle products (China) | **80.20** | 80.20 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) ***Composition of the Group (Continued)***

| Name | Principal activities (Country of incorporation and operations) | Proportion of ownership interest 2022 % | 2021 % |
|---|---|---|---|
| ***Held by Clearbridge Assays Pte. Ltd.*** | | | |
| Renum Distribution Holdings Pte. Ltd.[11] | Wholesale of medicinal and pharmaceutical products (Singapore) | **100** | 100 |
| PT Clearbridge Health Indonesia[6] | Dormant (Indonesia) | **5** | 5 |
| ***Held by Renum Distribution Holdings Pte. Ltd.*** | | | |
| Clearbridge Medical Asia Pte. Ltd.[1][4] | Clinics/centres and other general medicine services (Singapore) | **–** | 100 |
| PT Clearbridge Health Indonesia[6][9] | Dormant (Indonesia) | **95** | – |
| ***Held by Clearbridge Distribution Pte. Ltd.*** | | | |
| Golden Bridge Pte. Ltd.[3][4] | Management consultancy services for healthcare organisations (Singapore) | **80.2** | 40.18 |
| ***Held by Clearbridge Medical Asia Pte. Ltd.*** | | | |
| Clearbridge Medicentre Private Limited[1][6] | Clinics/centres and other general medical services. Providing consultancy and sales of specialised and critical care medical services and devices (India) | **–** | 99.99 |
| PT Tirta Medika Jaya[1][7][10] | Supply of medical consumable related to haemodialysis activity (Indonesia) | **–** | 55 |
| ***Held by PT Clearbridge Health Indonesia*** | | | |
| PT Clearbridge Medical Indonesia[6] | Dormant (Indonesia) | **49** | 49 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) ***Composition of the Group (Continued)***

| Name | Principal activities (Country of incorporation and operations) | Proportion of ownership interest 2022 % | 2021 % |
|---|---|---|---|
| ***Held by Clearbridge Dental Holdings Pte. Ltd.*** | | | |
| Dental Town (AMK) Pte. Ltd.[4] | Provision of dental and ancillary services (Singapore) | **40.90** | 40.90 |
| LKDS (Hougang Green) Pte. Ltd.[4] | Provision of dental and ancillary services (Singapore) | **40.90** | 40.90 |
| LKDS (Simei) Pte. Ltd.[4] | Provision of dental and ancillary services (Singapore) | **40.90** | 40.90 |
| LKDS (Yishun) Pte. Ltd.[4] | Provision of dental and ancillary services (Singapore) | **40.90** | 40.90 |
| Urban Dental (SG) Pte. Ltd.[4] | Provision of dental and ancillary services (Singapore) | **40.90** | 40.90 |
| Dental Focus (Bendemeer) Pte. Ltd.[4] | Provision of dental and ancillary services (Singapore) | **40.90** | 40.90 |
| Dental Focus (Pioneer) Pte. Ltd.[4] | Provision of dental and ancillary services (Singapore) | **40.90** | 40.90 |
| Dentalfamily (Pioneer) Pte. Ltd.[4] | Provision of dental and ancillary services (Singapore) | **40.90** | 40.90 |
| Dental Focus (People's Park) Pte. Ltd.[4] | Provision of dental and ancillary services (Singapore) | **40.90** | 40.90 |

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### (a) *Composition of the Group (Continued)*

(1) Disposed on 7 October 2022. Refer to Note 39 for more information.

(2) The subsidiary was incorporated in 2022.

(3) In 2022, the ownership interest of this entity increases as a result of acquisition of non-controlling interests without a change in control.

(4) Audited by Ernst & Young LLP, Singapore for statutory audit and/or group consolidation purpose.

(5) Audited by member firms of EY Global in the respective countries.

(6) Not required to perform statutory audit and not material to the group.

(7) Prior to the disposal of this subsidiary on 7 October 2022, the ownership interest of this subsidiary includes those held by a non-controlling shareholder who has 6% of the issued share capital in the subsidiary. The shareholder's interest is pledged for a convertible bond subscribed by Clearbridge Medical Asia Pte. Ltd. ("CBMA") and exchangeable at CBMA's option into shares representing 6% equity interest in the subsidiary. The Group accounts for the effect of convertible bond as though it owns the shareholder's interest in the subsidiary. The proportion allocated to the Group and non-controlling interest is determined by taking into account the eventual exercise of the convertible bond that gives the Group access to the returns.

(8) Prior to the disposal of this subsidiary on 7 October 2022, the ownership interest of this subsidiary includes those held by a non-controlling shareholder who has 30.8% of the issued share capital in the subsidiary. The shareholder's interest is pledged for a convertible bond subscribed by SAM Laboratory Pte. Ltd. ("SAM") and exchangeable at SAM's option into shares representing 30.8% equity interest in the subsidiary. The Group accounts for the effect of convertible bond as though it owns the shareholder's interest in the subsidiary. The proportion allocated to the Group and non-controlling interest is determined by taking into account the eventual exercise of the convertible bond that gives the Group access to the returns.

(9) This entity was transferred from SAM Laboratory Pte. Ltd. to Renum Distribution Holdings Pte. Ltd. in 2022. As the transaction was common control transaction, there is no impact on the consolidated financial statements.

(10) Audited by member firms of EY Global in the respective countries in 2021.

(11) Audited by Ernst & Young LLP, Singapore for statutory audit for the period ended 31 December 2022. As at 31 December 2021, the entity is not required to perform statutory audit and is not material to the group.

The following schedule shows the effects of changes in the Group's ownership interest in certain subsidiaries that did not result in change of control.

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Loss on increase in interest in subsidiary due to conversion of loan (Note A) | – | (185) |
| Gain on dilution of interest in subsidiary due to issuance of convertible preference share (Note B) | – | 11,742 |
| | – | 11,557 |

Note A: On 6 April 2021, the Group converted a convertible loan into interest in CBBP, increasing the Group's interest from 43.9% to 46.5%.

Note B: On 16 March 2021, Clearbridge Medical Group Pte Ltd ("CBMG") issued 166,017,035 convertible preference shares at the price of $0.06927 to third party investors representing 19.8% of CBMG. Following the issuance, the Group's interest in CBMG decreased from 100% to 80.20%. The preference shares have no voting rights, and the Group holds 100% of the voting rights in CBMG. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary.

Pursuant to the agreement, the Company received an option to acquire the convertible preference share from the third parties and is recognised as a derivative asset (Note 13).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) ***Interest in subsidiaries with material non-controlling interest ("NCI")***

The Group has the following subsidiaries that have NCI that are material to the Group.

| Name of subsidiary | Principal place of business | Proportion of ownership interest held by NCI % | Profit/(loss) allocated to NCI during the reporting period S$'000 | Accumulated NCI at the end of the reporting period S$'000 | Dividends paid to NCI S$'000 |
|---|---|---|---|---|---|
| **31.12.2022** | | | | | |
| Clearbridge Medical Philippines, Inc. | Philippines | **47.87** | **(148)** | **700** | **–** |
| Clearbridge Dental Holdings Pte. Ltd. and its subsidiaries | Singapore | **59.1** | **841** | **1,349** | **(147)** |
| Clearbridge Medical Group Pte. Ltd. | Singapore | **19.80** | **134** | **2,151** | **–** |
| **31.12.2021** | | | | | |
| Clearbridge Medical Philippines, Inc. | Philippines | 47.87 | (300) | 848 | – |
| PT Tirta Medika Jaya | Indonesia | 45 | (539) | 135 | – |
| PT Indo Genesis Medika | Indonesia | 20.2 | (179) | 1,294 | – |
| Clearbridge Dental Holdings Pte. Ltd. and its subsidiaries | Singapore | 59.1 | 747 | 659 | (760) |
| Clearbridge Medical Group Pte. Ltd. | Singapore | 19.80 | (75) | 2,017 | – |

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### (b) *Interest in subsidiaries with material non-controlling interest ("NCI") (Continued)*

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

**Summarised statements of financial position**

| | Clearbridge Medical Philippines, Inc. | | PT Tirta Medika Jaya | | PT Indo Genesis Medika | | Clearbridge Dental Holdings Pte. Ltd. and its subsidiaries | | Clearbridge Medical Group Pte. Ltd. | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Current assets | **2,465** | 1,853 | **–** | 2,379 | **–** | 10,687 | **4,280** | 3,271 | **23,925** | 25,069 |
| Non-current assets | **562** | 944 | **–** | 1,383 | **–** | 3,360 | **6,391** | 6,191 | **2,488** | 1,567 |
| Current liabilities | **(1,194)** | (598) | **–** | (3,421) | **–** | (12,631) | **(7,889)** | (7,877) | **(15,422)** | (16,432) |
| Non-current liabilities | **(370)** | (428) | **–** | (40) | **–** | (233) | **(498)** | (470) | **(127)** | (15) |
| Net assets | **1,463** | 1,771 | **–** | 301 | **–** | 1,183 | **2,284** | 1,115 | **10,864** | 10,189 |

**Summarised statements of comprehensive income**

| | Clearbridge Medical Philippines, Inc. | | PT Tirta Medika Jaya | | PT Indo Genesis Medika | | Clearbridge Dental Holdings Pte. Ltd. and its subsidiaries | | Clearbridge Medical Group Pte. Ltd. | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Total income | **4,455** | 1,895 | **–** | 4,599 | **–** | 18,226 | **8,478** | 7,884 | **2,143** | 1,812 |
| Total expenses | **(4,633)** | (2,398) | **–** | (5,643) | **–** | (19,175) | **(6,907)** | (6,471) | **(1,468)** | (1,900) |
| Income tax (expense)/credit | **(3)** | (49) | **–** | (63) | **–** | 124 | **(148)** | (117) | **–** | – |
| (Loss)/income for the year | **(181)** | (552) | **–** | (1,107) | **–** | (825) | **1,423** | 1,296 | **675** | (88) |
| *Other comprehensive income* | | | | | | | | | | |
| Exchange difference on translation of foreign operations | **(129)** | (156) | **–** | (89) | **–** | (58) | **–** | – | **–** | – |
| Remeasurement gain/(loss) on retirement liability | **2** | 7 | **–** | (1) | **–** | (4) | **–** | – | **–** | – |
| Total comprehensive income for the year | **(308)** | (701) | **–** | (1,197) | **–** | (887) | **1,423** | 1,296 | **675** | (88) |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) ***Interest in subsidiaries with material non-controlling interest ("NCI") (Continued)***

**Other summarised information**

| | Clearbridge Medical Philippines, Inc. | | PT Tirta Medika Jaya | | PT Indo Genesis Medika | | Clearbridge Dental Holdings Pte. Ltd. and its subsidiaries | | Clearbridge Medical Group Pte. Ltd. | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| Net cash inflow/(outflow) from operating activities | **703** | (546) | **–** | 4 | **–** | 251 | **817** | (182) | **667** | (817) |
| Net cash (outflow)/ inflow from investing activities | **(22)** | (11) | **–** | (71) | **–** | 19 | **(87)** | (5) | **(4,316)** | 652 |
| Net cash (outflow)/ inflow from financing activities | **(37)** | (80) | **–** | (42) | **–** | 423 | **(6)** | (168) | **(1,010)** | 2,621 |
| Net cash inflow/(outflow) | **644** | (637) | **–** | (109) | **–** | 693 | **724** | (355) | **(4,659)** | 2,456 |

(c) ***Deemed acquisition of CBBP***

On 6 April 2021 the Group converted a convertible loan into interest in CBBP increasing the Company's interest from 43.9% to 46.5%. The transaction has been accounted for as an equity transaction with non-controlling interests, resulting in:

| | 2021 S$'000 |
|---|---|
| Decrease in financial liabilities | 1,539 |
| Decrease in net liabilities attributable to NCI | (1,724) |
| Decrease in equity attributable to parent | (185) |
| Represented by: | |
| Decrease in retained earnings | (185) |

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### (d) *Deemed disposal of CBMG*

As described in note 11(a) above, following the issuance preference shares in CBMG to the non-controlling interests, the Group's interest in CBMG decreased from 100% to 80.20%. The transaction has been accounted for as an equity transaction with non-controlling interests, resulting in:

| | **2021**<br>**S$'000** |
|---|---|
| Increase in financial asset | 1,777 |
| Proceeds from issuance of preference shares | 11,505 |
| Net assets attributable to NCI | (1,540) |
| Increase in equity attributable to parent | 11,742 |
| Represented by: | |
| Increase in retained earnings | 11,742 |

### (e) *Disposal of CBBP*

On 7 April 2021, the Group entered into a conditional share purchase agreement to dispose of 46.5% of its aggregate shareholding interests in CBBP, a subsidiary of the Group. The disposal consideration was fully settled in cash. The disposal was completed on 20 April 2021, on which control of CBBP was passed on to the acquirer.

As the disposal of CBBP did not meet the criteria of discontinued operations, CBBP's financial information for FY2021 is not re-presented as if the operations had been discontinued from the start of FY2021.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### (e) *Disposal of CBBP (Continued)*

The value of assets and liabilities of CBBP recorded in the consolidated financial statements as at 20 April 2021, and the effects of the disposal were:

| | 20 April 2021 S$'000 |
|---|---|
| **Assets** | |
| Plant and equipment | 7 |
| Cash and cash equivalents | 4 |
| Trade and other receivables | 17 |
| | 28 |
| **Liabilities** | |
| Trade and other payables | (2,100) |
| Deferred revenue | (17) |
| Carrying value of net liabilities | (2,089) |
| Less: Non – controlling interest | 1,483 |
| Realisation of reserves | (276) |
| Net liabilities derecognised | (882) |
| Sales consideration | 1,130 |
| Less: Sales consideration not yet received | (185) |
| Cash consideration received | 945 |
| Cash and cash equivalents of the subsidiary | (4) |
| Net cash inflow on disposal of a subsidiary group | 941 |
| **Gain on disposal** | |
| Sales consideration | 1,130 |
| Net liabilities derecognised | 882 |
| Gain on disposal | 2,012 |

The gain on disposal of a subsidiary group was included in other income in profit or loss.

### (f) *Disposal of SAM Group and CBMA Group*

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 (collectively, the "Disposed Groups", which fall under the Healthcare systems segment). The disposal consideration was satisfied by the issue of a convertible exchangeable bonds (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.

For details, refer to Note 39.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 12. INVESTMENT IN AN ASSOCIATE

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| **Investment designated as FVTPL** | | | | |
| Quoted equity shares | | | | |
| – Ordinary shares | – | 11,425 | – | – |

Changes in fair value amounting to a loss of S$8,769,000 (2021: S$6,615,000) have been included in profit or loss for the year.

During the year, 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 investment in Biolidics is recorded as Other Investments.

Details of the Group's associate are as follows:

| Name of associate | Principal activities (Country of incorporation and operations) | Proportion of ownership interest 2022 % | 2021 % |
|---|---|---|---|
| Biolidics Limited[(1)] | Research and development of biotechnology, life and medical science (Singapore) | – | 22.7 |

(1) Audited by Ernst & Young LLP, Singapore.

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 investment in Biolidics is recorded as Other Investments.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 12. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Summarised financial information in respect of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with SFRS(I):

| | Biolidics Limited 2021 S$'000 |
|---|---|
| Current assets | 6,110 |
| Non-current assets | 5,314 |
| Current liabilities | (2,411) |
| Non-current liabilities | (6,676) |
| Net assets of the associates | 2,337 |
| Revenue | 2,314 |
| Total comprehensive loss for the year | (6,088) |

## 13. DERIVATIVE FINANCIAL INSTRUMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | **2022 S$'000** | **2021 S$'000** | **2022 S$'000** | **2021 S$'000** |
| **Assets** | | | | |
| Issuance of convertible bonds (Note A) | **47** | – | **47** | – |
| Convertible exchangeable bonds (Note C) | **10,625** | – | **8,544** | – |
| Non-current asset | **10,672** | – | **8,591** | – |
| Call option on convertible preference shares (Note B) | **27** | 1,090 | **27** | 1,090 |
| Current asset | **27** | 1,090 | **27** | 1,090 |
| **Liabilities** | | | | |
| Issuance of convertible bonds (Note A) | **–** | 254 | **–** | 254 |
| Non-current liabilities | **–** | 254 | **–** | 254 |

**Note A:** Relates to the redeemable option and convertible options of the convertible bonds issued by the Company on 8 March 2019 and 17 May 2019 respectively. Please refer to Note 27(vi) for details on the convertible bonds.

**Note B:** 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 C:** 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. 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 7 October 2025. The disposal was completed on the same day, on which control of the Disposed Groups was passed on to the Purchaser.

Changes in fair value amounting to a loss of S$762,000 (2021: loss of S$3,500,000) have been included in profit or loss for the year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14. PLANT AND EQUIPMENT

| Group | Computer equipment S$'000 | Furniture and fittings S$'000 | Office equipment S$'000 | Medical equipment S$'000 | Laboratory equipment S$'000 | Motor vehicles S$'000 | Renovation S$'000 | Work-in-progress S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | | |
| At 1 January 2021 | 665 | 143 | 114 | 1,361 | 6 | 81 | 9,554 | 1,161 | 13,085 |
| Additions | 32 | 8 | 4 | 209 | 6 | 15 | 472 | – | 746 |
| Reclassification | (296) | – | – | 15 | – | – | 507 | (542) | (316) |
| Exchange difference | (66) | 10 | – | 188 | – | (5) | (480) | (49) | (402) |
| At 31 December 2021 and 1 January 2022 | 335 | 161 | 118 | 1,773 | 12 | 91 | 10,053 | 570 | 13,113 |
| Additions | 41 | 13 | 3 | 228 | – | 16 | 389 | 2 | 692 |
| Disposal | – | – | – | (5) | – | – | – | – | (5) |
| Reclassification | 13 | – | (13) | – | – | – | – | – | – |
| Disposal of subsidiary groups | (90) | (1) | – | (90) | (11) | (44) | (9,021) | (567) | (9,824) |
| Exchange difference | (8) | (51) | (35) | (76) | (1) | 24 | (92) | (5) | (244) |
| At 31 December 2022 | **291** | **122** | **73** | **1,830** | **–** | **87** | **1,329** | **–** | **3,732** |
| **Accumulated depreciation and impairment:** | | | | | | | | | |
| At 1 January 2021 | 414 | 87 | 57 | 624 | – | 42 | 4,684 | – | 5,908 |
| Charge for the year | 50 | 7 | 10 | 310 | 3 | 22 | 2,055 | – | 2,457 |
| Impairment | 2 | – | – | – | – | – | – | 208 | 210 |
| Reclassification | (156) | – | – | – | – | – | – | – | (156) |
| Exchange difference | (46) | 5 | – | 185 | – | 1 | (189) | – | (44) |
| At 31 December 2021 and 1 January 2022 | 264 | 99 | 67 | 1,119 | 3 | 65 | 6,550 | 208 | 8,375 |
| Charge for the year | 38 | 9 | 5 | 283 | 1 | 15 | 947 | – | 1,298 |
| Disposal | – | – | – | (5) | – | – | – | – | (5) |
| Impairment | 3 | – | – | 115 | – | – | – | – | 118 |
| Disposal of subsidiary groups | (57) | (1) | – | (8) | (4) | (9) | (6,278) | (208) | (6,565) |
| Reclassification | – | – | – | – | – | – | – | – | – |
| Exchange difference | (5) | 3 | (5) | (62) | – | (6) | (84) | – | (159) |
| At 31 December 2022 | **243** | **110** | **67** | **1,442** | **–** | **65** | **1,135** | **–** | **3,062** |
| **Carrying amount:** | | | | | | | | | |
| At 31 December 2021 | 71 | 62 | 51 | 654 | 9 | 26 | 3,503 | 362 | 4,738 |
| At 31 December 2022 | **48** | **12** | **6** | **388** | **–** | **22** | **194** | **–** | **670** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 14. PLANT AND EQUIPMENT (CONTINUED)

| Company | Computer equipment S$'000 | Office equipment S$'000 | Total S$'000 |
|---|---|---|---|
| **Cost:** | | | |
| At 1 January 2021 | 41 | 32 | 73 |
| Additions | 10 | 1 | 11 |
| At 31 December 2021 and 1 January 2022 | 51 | 33 | 84 |
| Additions | 5 | 2 | 7 |
| Reclassification | 13 | (13) | – |
| At 31 December 2022 | **69** | **22** | **91** |
| **Accumulated depreciation:** | | | |
| At 1 January 2021 | 39 | 15 | 54 |
| Charge for the year | 9 | 5 | 14 |
| At 31 December 2021 and 1 January 2022 | 48 | 20 | 68 |
| Charge for the year | 10 | 3 | 13 |
| Reclassification | 3 | (3) | – |
| At 31 December 2022 | **61** | **20** | **81** |
| **Carrying amount:** | | | |
| At 31 December 2021 | 3 | 13 | 16 |
| At 31 December 2022 | **8** | **2** | **10** |

The cash outflow on acquisition of plant and equipment amounted to S$679,000 (2021: S$746,000).

## 15. 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 15. LEASES (CONTINUED)

***Group as a lessee (Continued)***

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

| Group | Office and clinical premises | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| At 1 January | **1,728** | 1,713 |
| Additions | **909** | 1,387 |
| Derecognition of right-of-use assets | **(160)** | (371) |
| Depreciation expense | **(1,011)** | (1,001) |
| Exchange difference | **(31)** | – |
| At 31 December | **1,435** | 1,728 |

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

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| At 1 January | **1,788** | 1,796 |
| Additions | **894** | 1,387 |
| Derecognition of lease liabilities | **(28)** | (371) |
| Accretion of interest | **91** | 121 |
| Payments | **(1,176)** | (1,216) |
| Exchange difference | **11** | 71 |
| At 31 December | **1,580** | 1,788 |
| Current | **644** | 785 |
| Non-current | **936** | 1,003 |
| | **1,580** | 1,788 |

The following are the amounts recognised in profit or loss:

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Depreciation of right-of-use assets | **1,011** | 1,001 |
| Interest expense on lease liabilities | **91** | 121 |
| Expense relating to short-term leases (included in other expenses) | **117** | 16 |
| Total amount recognised in profit or loss | **1,219** | 1,138 |

The Group had total cash outflows for leases of S$1,293,000 (2021: S$1,232,000). The Group also had non-cash additions to right-of-use assets of S$909,000 (2021: S$1,387,000) and lease liabilities of S$894,000 (2021: S$1,387,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 16. INTANGIBLE ASSETS

| Group | Patent rights S$'000 | Trademark S$'000 | CAP Accreditation S$'000 | Customer relationships S$'000 | Favourable rental agreement S$'000 | Computer Software S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | |
| At 1 January 2021 | 99 | 3 | 105 | 3,034 | 99 | 17 | 3,357 |
| Additions | – | – | – | – | – | 87 | 87 |
| Reclassification from plant and equipment | – | – | – | – | – | 316 | 316 |
| Disposal | – | – | (105) | – | – | – | (105) |
| Exchange difference | – | – | – | – | – | (2) | (2) |
| At 31 December 2021 and 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 | **99** | **3** | **–** | **–** | **99** | **408** | **609** |
| **Accumulated amortisation and impairment** | | | | | | | |
| At 1 January 2021 | 99 | – | 105 | 1,424 | 99 | 6 | 1,733 |
| Charge for the year | – | – | – | 513 | – | 179 | 692 |
| Reclassification from plant and equipment | – | – | – | – | – | 156 | 156 |
| Disposal | – | – | (105) | – | – | – | (105) |
| Exchange difference | – | – | – | 34 | – | (1) | 33 |
| At 31 December 2021 and 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 | **99** | **–** | **–** | **–** | **99** | **400** | **598** |
| **Carrying amount:** | | | | | | | |
| At 31 December 2021 | – | 3 | – | 1,063 | – | 78 | 1,144 |
| At 31 December 2022 | **–** | **3** | **–** | **–** | **–** | **8** | **11** |

## 17. GOODWILL ON CONSOLIDATION

| | Group 2022 S$'000 | Group 2021 S$'000 |
|---|---|---|
| **Carrying amount:** | | |
| At the beginning of the year | **30,438** | 30,483 |
| Disposal of subsidiaries | **(9,053)** | – |
| Exchange difference | **(89)** | (45) |
| At the end of the year | **21,296** | 30,438 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 17. GOODWILL ON CONSOLIDATION (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to two CGUs, which are also the reportable operating segments, for impairment testing as follows:

| | 2022<br>S$'000 | 2021<br>S$'000 |
|---|---|---|
| Medical clinics/centres | **21,296** | 21,317 |
| Healthcare systems | **–**[(1)] | 9,121 |
| | **21,296** | 30,438 |

(1) Upon disposal of subsidiary groups in 2022, the goodwill amount has been derecognised (Note 39).

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

| | Medical clinics/centres | | Healthcare systems | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Growth rates | **1.8%** | 1.3% | **–** | 3.7% |
| Pre-tax discount rates | **11.5%** | 12.5% | **–** | 14% |

Key assumptions used in the value in use calculations

The calculations of value in use for both CGUs are most sensitive to the following assumptions:

| Assumption | Description |
|---|---|
| Growth rates | The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs. |
| Pre-tax discount rates | Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital ("**WACC**"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 17. GOODWILL ON CONSOLIDATION (CONTINUED)

Sensitivity to changes in assumptions

With regards to the assessment of value in use for the medical clinics/centres and healthcare systems segment, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the CGUs to materially exceed its recoverable amount.

## 18. OTHER INVESTMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **At fair value through profit or loss** | | | | |
| Quoted equity shares | **471** | – | **–** | – |
| **At fair value through other comprehensive income** | | | | |
| Unquoted equity shares | **847** | 900 | **–** | – |
| | **1,318** | 900 | **–** | – |

Other investment at fair value through profit or loss include investments in listed equity shares. Fair values of these equity shares are determined by reference to published price quotations in an active market.

Unquoted equity shares represent investment in an entity not listed on any stock exchange.

As at 31 December 2022, the fair value of the investment in unquoted equity shares of Singapore Institute of Advanced Medicine Holdings Pte. Ltd. designated by the Group at fair value through other comprehensive income amounted to S$847,000 (2021: S$900,000). The Group has elected to measure these equity securities at FVOCI due to the Group's intention to hold these equity instruments for long-term appreciation. During the year, the Group recognised a loss for changes in fair value of the investment of S$53,000 (2021 fair value gain: S$113,000) in other comprehensive income.

## 19. CASH AT BANKS AND SHORT-TERM DEPOSITS

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Cash at banks | **5,950** | 12,294 | **1,901** | 2,266 |
| Short-term deposits | **105** | 2,259 | **–** | – |
| | **6,055** | 14,553 | **1,901** | 2,266 |

Certain cash at banks earns interest. Short-term deposits are made for varying periods of between three to six months and earn interests at the respective short-term deposit rates. The average interest as at 31 December 2022 is 0.3% (2021: 0.25%-0.27%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 19. CASH AT BANKS AND SHORT-TERM DEPOSITS (CONTINUED)

Cash and cash equivalents denominated in foreign currencies as at 31 December 2022 and 2021 are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| US dollar | **354** | 160 | **218** | 132 |
| Euro | **1** | 2 | **1** | 2 |
| CNY | **30** | – | **–** | – |

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

| | **2022** | **2021** |
|---|---|---|
| | **S$'000** | **S$'000** |
| Cash at banks and short-term deposits | **6,055** | 14,553 |
| Less: Restricted deposits | **–** | (2,845) |
| Cash and cash equivalents per consolidated cash flow statement | **6,055** | 11,708 |

Restricted deposits represent bank balances of certain subsidiaries placed with banks to obtain credit facilities and loans.

## 20. TRADE RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| External parties | **1,214** | 7,926 | **–** | – |
| Allowance for expected credit losses | **(18)** | (441) | **–** | – |
| | **1,196** | 7,485 | **–** | – |

Trade receivable balances are unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash. The average credit period is 30 to 60 days. There are no trade receivables denominated in foreign currencies.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 21. OTHER RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Current** | | | | |
| Deposits | **499** | 525 | **4** | 4 |
| Amounts due from related parties[(1)] | **223** | 169 | **67** | 62 |
| Amount due from a related party[(2)] | **656** | – | **–** | – |
| Amounts due from an associate | **–** | 19 | **–** | 5 |
| Prepaid taxes | **270** | 3,653 | **64** | 86 |
| Lease receivables | **92** | 65 | **–** | – |
| Loan to third parties | **302** | – | **–** | – |
| Others | **411** | 510 | **–** | 185 |
| Amount due from a third party arising from sale of a subsidiary | **3,244** | – | **–** | – |
| | **5,697** | 4,941 | **135** | 342 |
| Allowance for expected credit loss | **(2,694)** | – | **–** | – |
| | **3,003** | 4,941 | **135** | 342 |
| **Non-current** | | | | |
| Amounts due from a related party | **–** | 657 | **–** | – |
| Lease receivables | **164** | – | **–** | – |
| Loan to third parties | **11,752** | – | **9,100** | – |
| Others | **26** | – | **–** | – |
| Amount due from an associate arising from the sale of a subsidiary | **–** | 3,214 | **–** | – |
| | **11,942** | 3,871 | **9,100** | – |
| Allowance for expected credit loss | **–** | (2,634) | **–** | – |
| | **11,942** | 1,237 | **9,100** | – |

(1) Current amounts due from related parties are unsecured, non-interest bearing and repayable monthly over the next 12 months.

(2) Amount due from a related party is unsecured, bears interest at 6.9% per annum (2021: 6.9% per annum) and is repayable monthly until May 2023.

Non-current loan to third parties is non-secured, bears interest at 1% per annum and shall be payable no later than 6 October 2025.

Amount due from a third party (2021: an associate) arising from the sale of a subsidiary is secured and interest free. On 23 September 2022, both parties entered into a deed of amendment and deferred the remaining S$3,300,000 deferred consideration further which shall be payable no later than 25 November 2023.

An expected credit loss was recognised against this amount. More information on credit exposures is disclosed in Note 33(a)(i).

As at 31 December 2022, loan to third parties amounting to S$12,054,571 due from the disposed entities (SAM Labs and CMBA) and the Purchaser.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 21. OTHER RECEIVABLES (CONTINUED)

Expected credit losses

The movement in allowance for expected credit losses of other receivables based on lifetime ECL are as follows:

| | Group | |
|---|---|---|
| | 2022 | 2021 |
| Movement in allowance accounts: | S$'000 | S$'000 |
| At 1 January | **2,634** | – |
| Charge for the year | **60** | 2,634 |
| At 31 December | **2,694** | 2,634 |

## 22. AMOUNTS DUE FROM SUBSIDIARIES

| | Company | |
|---|---|---|
| | 2022 | 2021 |
| | S$'000 | S$'000 |
| **Current** | | |
| Non-interest bearing | **7,858** | 27,230 |
| Allowance for expected credit losses | **(310)** | (310) |
| | **7,548** | 26,920 |
| **Non-current** | | |
| Interest bearing amount | **14,091** | 14,858 |
| Non-interest bearing | **11,177** | 17,704 |
| | **25,268** | 32,562 |
| Allowance for expected credit losses | **(22,032)** | (10,247) |
| | **3,236** | 22,315 |

The non-interest bearing amounts are unsecured, non-trade related, repayable on demand and to be settled in cash. Part of the non-interest bearing amounts are not expected to be recovered within the next 12 months and are classified as non-current.

The non-current interest bearing amounts are unsecured, bear interest of 8% per annum (2021: 8%), are repayable on demand but are not expected to be recovered within the next 12 months, accordingly these are classified as non-current.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 22. AMOUNTS DUE FROM SUBSIDIARIES (CONTINUED)

Expected credit losses

The movement in allowance for expected credit losses of amount due from subsidiaries based on lifetime ECL are as follows:

| | Company | |
|---|---|---|
| | **2022** | **2021** |
| Movement in allowance accounts: | **S$'000** | **S$'000** |
| At 1 January | **10,557** | 3,553 |
| Charge for the year | **11,785** | 10,557 |
| Write-off | **–** | (3,553) |
| At 31 December | **22,342** | 10,557 |

## 23. INVENTORIES

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Medical supplies (at lower of cost and net realisable value) | **301** | 719 |

In 2022, S$2,354,000 (2021: S$1,161,000) and S$8,286,000 (2021: S$16,628,000) was recognised as an expense in purchases for continuing operations and discontinued operations respectively.

## 24. TRADE PAYABLES

Trade payables balances are unsecured, non-interest bearing, and are expected to be settled between 30 to 60 days. There are no trade payables denominated in foreign currencies.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 25. OTHER PAYABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| **Current** | | | | |
| Accruals | **1,121** | 2,198 | **377** | 319 |
| Contingent consideration for business combinations | **–** | 1,967 | **–** | – |
| Other creditors | **905** | 2,998 | **283** | 177 |
| | **2,026** | 7,163 | **660** | 496 |
| **Non-current** | | | | |
| Accruals | **19** | 7 | **–** | – |
| Other creditors | **54** | 67 | **–** | – |
| | **73** | 74 | **–** | – |

Accruals mainly relate to accruals for payroll and professional fees.

Other creditors are non-interest bearing and are generally on a 30 to 60 days term.

Contingent consideration for business combinations are in relation to the acquisitions made by the Group.

## 26. AMOUNTS DUE TO SUBSIDIARIES

Amounts due to subsidiaries by the Company are unsecured, non-interest bearing, non-trade related, repayable on demand and to be settled in cash.

## 27. BORROWINGS

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 S$'000 | 2021 S$'000 | 2022 S$'000 | 2021 S$'000 |
| **Current** | | | | |
| Fixed rate bank loans | **1,242** | 2,908 | **654** | 634 |
| Floating rate bank loans | **–** | 3,169 | **–** | 629 |
| Finance lease | **2** | – | **–** | – |
| Redeemable convertible bonds | **70** | 70 | **70** | 70 |
| | **1,314** | 6,147 | **724** | 1,333 |
| **Non-current** | | | | |
| Fixed rate bank loans | **960** | 1,614 | **960** | 1,614 |
| Finance lease | **11** | – | **–** | – |
| Redeemable convertible bonds | **3,602** | 3,192 | **3,602** | 3,192 |
| | **4,573** | 4,806 | **4,562** | 4,806 |
| Total borrowings | **5,887** | 10,953 | **5,286** | 6,139 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 27. BORROWINGS (CONTINUED)

| | Effective interest rate | Maturity | Group 2022 S$'000 | Group 2021 S$'000 | Company 2022 S$'000 | Company 2021 S$'000 |
|---|---|---|---|---|---|---|
| **Total borrowings comprise:** | | | | | | |
| Fixed rate bank loans | 3%-9.25% | May 2022 – May 2025 | **2,202** | 4,522 | **1,614** | 2,248 |
| Floating rate bank loans | 1.56%-3.20% | Mar 2022 – Aug 2022 | **–** | 3,169 | **–** | 629 |
| Finance lease | 18% | Sep 2027 | **13** | – | **–** | – |
| Redeemable convertible bonds | 7% | Mar 2024 & May 2024 | **3,672** | 3,262 | **3,672** | 3,262 |
| | | | **5,887** | 10,953 | **5,286** | 6,139 |

Included in the bank loans are:

(i) In 2021, loan amounting to S$1,443,000 which is secured by the freehold office unit of the Group;

(ii) In 2021, loan amounting to S$628,000 which is secured by all rights, interest in all material contracts and assets owned by the Company's subsidiaries;

(iii) In 2021, loan amounting to S$1,098,000 which is secured by a charge over the issued share capital of the Company's subsidiaries, fixed deposit in the name of the Company's subsidiaries and corporate guarantee provided by the Company;

(iv) In 2021, loan amounting to S$1,396,000 which is secured by fixed deposit in the name of the Company's subsidiary and standby letter of credit provided by the Company's subsidiary;

(v) In 2021, loans amounting to S$51,000 which are secured by personal guarantee provided by a minority shareholder and corporate guarantee provided by the Company's subsidiaries;

(vi) During the financial year 2019, the Company issued Series 1 and Series 2 convertible bonds of S$9,500,000 and S$1,500,000, on 8 March 2019 and 17 May 2019, respectively. The convertible bonds bear interest at the rate of 7.0% per annum and will mature on March 2022 and May 2022, respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 27. BORROWINGS (CONTINUED)

The redeemable option allows the Company to redeem the convertible bonds 18 months after the issue date. The redemption premium is half of the unearned interest from the redemption date to the maturity date and an addition redemption premium calculated as follows:

(i) 9.0% of the principle for early redemption between 18 months and 24 months from the issue of the bonds;

(ii) 14.4% of the principal for early redemption between 24 months and 30 months from the issue of the bonds; and

(iii) 20.0% principle for early redemption after 30 months from issue of the bonds.

Upon maturity, the Company is required to redeem the convertible bonds at 120% of the principle.

The convertible bonds may be converted at any time from the issuance date to the maturity date at the option of the holder at S$0.28 per share. During the financial year 2019, the Company issued 80,450,200 new ordinary shares via placement and this resulted in an adjustment to the conversion price of S$0.28 to S$0.14.

Certain adjustment clauses within the terms of the convertible bonds results in the convertible option not meeting the “fixed for fixed” criteria. Therefore, the redeemable and convertible option is classified as a derivative liability.

In 2020, convertible bonds with a principle amounting to S$3,950,000 was converted into ordinary shares by the bond holders.

In 2021, 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, respectively; and

(vii) In 2020, the Group has secured 2 bridging loans under the Enterprise Financing Scheme with principal amounts of S$3,000,000 and S$1,000,000 respectively. Interest of the borrowings is 3% and repayable in tranches within 5 years.

The bridging loan amounting to S$1,000,000 is classified as current as the terms of the loan states that Enterprise Singapore reserves the right to reject the Group’s continued participation in the scheme.

(viii) In 2022, all existing loans are unsecured.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 27. BORROWINGS (CONTINUED)

A reconciliation of liabilities arising from financing activities is as follows:

| | 1.1.2022 | Cash flows | Non-cash changes | | | | 31.12.2022 |
|---|---|---|---|---|---|---|---|
| | | | Revaluation | Accretion of interests/ Amortisation of facility fees | Disposal of subsidiary | Others | |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Bank loans | | | | | | | |
| – Current | **6,077** | **(4,283)** | **(11)** | **191** | **(1,386)** | **654** | **1,242** |
| – Non-current | **1,614** | **–** | **–** | **–** | **–** | **(654)** | **960** |
| Finance lease | | | | | | | |
| – Current | **–** | **12** | **–** | **1** | **–** | **(11)** | **2** |
| – Non-current | **–** | **–** | **–** | **–** | **–** | **11** | **11** |
| Convertible bonds | | | | | | | |
| – Current | **70** | **(247)** | **–** | **657** | **–** | **(410)** | **70** |
| – Non-current | **3,192** | **–** | **–** | **–** | **–** | **410** | **3,602** |
| | **10,953** | **(4,518)** | **(11)** | **849** | **(1,386)** | **–** | **5,887** |

| | 1.1.2021 | Cash flows | Non-cash changes | | | | 31.12.2021 |
|---|---|---|---|---|---|---|---|
| | | | Revaluation | Accretion of interests/ Amortisation of facility fees | Loan extinguishment | Others | |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Bank loans | | | | | | | |
| – Current | 5,523 | (3,593) | (79) | 391 | – | 3,835 | 6,077 |
| – Non-current | 5,367 | – | – | 82 | – | (3,835) | 1,614 |
| Convertible bonds | | | | | | | |
| – Current | 137 | (560) | – | 1,226 | – | (733) | 70 |
| – Non-current | 7,612 | (4,188) | – | – | (965) | 733 | 3,192 |
| | 18,639 | (8,341) | (79) | 1,699 | (965) | – | 10,953 |

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 28. DEFERRED TAX LIABILITIES

Deferred tax as at 31 December 2022 and 2021 relates to the following:

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Balance as at 1 January | **2,060** | 2,165 |
| Credited to profit or loss | **(104)** | (139) |
| Disposal of subsidiaries | **(149)** | – |
| Foreign exchange | **20** | 34 |
| Balance as at 31 December | **1,827** | 2,060 |

Deferred tax liabilities as at 31 December 2022 and 2021 related to the following:

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Fair value gain on financial instruments | **1,765** | 1,765 |
| Deferred tax liabilities arising from business combinations | **–** | 295 |
| Leases | **26** | – |
| Accelerated depreciation for tax purpose | **36** | – |
| | **1,827** | 2,060 |

Unrecognised tax losses

Subject to the agreement with the Comptroller of Income Tax and the relevant provisions of the income Tax Act, the Group has estimated unabsorbed tax losses of S$13,856,000 (2021: S$20,140,000) and unutilised capital allowances of S$497,000 (2021: S$395,000) available for offset against future profit. S$5,964,353 of the decrease in unutilised tax loss is due to expiry and disposal of subsidiaries.

Tax losses and capital allowances amounting to S$337,000, S$125,000 and S$679,000 (2021: S$987,000, S$4,223,000 and S$246,000) can be carried forward up to 1 year, 2 years and 3 years respectively, while the remaining tax losses and capital allowances have no expiry dates.

The tax losses can be carried forward indefinitely subject to the conditions imposed by law including the retention of majority shareholders (the "Shareholding test") as defined.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 29. SHARE CAPITAL

| | Group and Company | | | |
|---|---|---|---|---|
| | 2022 | | 2021 | |
| | **No. of shares** | **S$'000** | **No. of shares** | **S$'000** |
| **Ordinary shares** | | | | |
| At the beginning of year | **617,215,180** | **92,899** | 612,405,180 | 92,899 |
| Issuance of shares | **995,160** | **–[2]** | 4,810,000 | –[1] |
| At the end of the year | **618,210,340** | **92,899** | 617,215,180 | 92,899 |

(1) On 7 January 2021, the Company had allotted and issued 4,810,000 ordinary shares of the Company pursuant to the Company's performance share plan.

(2) On 28 April 2022, the Company had allotted and issued 995,160 shares pursuant to the Company's performance share plan.

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

## 30. OTHER RESERVES

(a) ***Capital reserve***

This represents the effects of a series of transactions with shareholders prior to the listing of the Company in December 2017 and share premium arising from the convertible bonds converted in 2020.

(b) ***Share-based payment reserve***

Share-based payment reserve represents the equity-settled shares granted to employees (Note 5).

(c) ***Fair value reserve***

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets carried at fair value through other comprehensive income until they are disposed.

(d) ***Currency translation reserve***

Currency translation reserve represents exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 31. 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 year:

***Compensation of directors and key management personnel***

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Short-term benefits | **1,150** | 1,697 |
| Post-employment benefits | **61** | 69 |
| Share-based payment – equity settled | **167** | 291 |
| Directors' fee | **180** | 180 |
| | **1,558** | 2,237 |
| Comprise amounts paid to: | | |
| Directors of the Company | **844** | 1,217 |
| Other key management personnel | **714** | 1,020 |
| | **1,558** | 2,237 |

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

## 32. CONVERTIBLE EXCHANGEABLE BONDS

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| Issue price of convertible exchangeable bonds | **11,000** | – | **8,630** | – |
| Fair value at inception | **10,625** | – | **8,544** | – |
| Fair value as at 31 December 2022 | **10,625** | – | **8,544** | – |

As set out in Note 39, these convertible exchangeable bonds were acquired as the consideration for the disposal of SAM Labs and CBMA.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 32. CONVERTIBLE EXCHANGEABLE BONDS (CONTINUED)

(a) ***Redemption***

Issuer's right of redemption

The issuer shall have the right to redeem the bond (in full and not in part only) (i) at any time up to the maturity date or (ii) upon receipt of a conversion notice or an exchange notice save where the conversion notice or exchange notice is served pursuant to an event of default or liquidity event, at a redemption amount being 100 per cent of the outstanding amount of the bonds plus any accrued but unpaid interest to the holder of the bond, provided always that the issuer shall ensure that all amounts owing by the issuer and its subsidiaries to the bondholder or any of its related corporations are repaid in full prior to such redemption.

Bondholder's right of redemption

The bondholder has the right to require the issuer to redeem the bond immediately upon the occurrence of (i) an event of default or (ii) a liquidity event by giving the Issuer not less than 30 days' notice.

(b) ***Exchange right***

The bondholder shall have the right (A) at any time after 12 months from the date of the issuance of the bond or (B) immediately upon the occurrence of (i) an event of default or (ii) a liquidity event, to exchange the bond (whether in whole or in part) for the exchange shares. The exchange shares when transferred to the bondholder, shall be free from all encumbrances. "exchange shares" means the ordinary shares in the capital, as the bondholder may elect at is sole and absolute discretion, of either SAM Labs/CBMA or any subsidiary of the SAM Labs/CBMA, or in the event the assets of such subsidiary have been substantially transferred to a new entity, such new entity, as the case may be, to be transferred by the Issuer to the bondholder pursuant to these conditions upon exchange exercised by the bondholder in full of the bond.

(c) ***Conversion***

The number of shares to be issued upon the conversion of the whole of the CBMA Bond and the SAM Labs Bond shall be equivalent to 16.0% and 58.4% of the issuer respectively. In the event only part of the bond is converted, the number of conversion shares to be issued shall be such percentage of the total converted shareholding as the percentage of bond being converted.

Optional conversion

The bondholder shall have the right (but not the obligation) (A) at any time after 12 months from the date of the issuance of the bond or (B) immediately upon the occurrence of (i) an event of default or (ii) a liquidity event, to convert the bond (whether in whole or in part) for the conversion shares.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 32. CONVERTIBLE EXCHANGEABLE BONDS (CONTINUED)

(c) ***Conversion (Continued)***

Mandatory conversion

On the maturity date, if any part of the bond remains outstanding, the Issuer shall be required to convert the bond, together with the accrued but unpaid interest under the bond (and not only part thereof) to such number of conversion shares as determined in accordance with the terms of the bond and pay to the bondholder any Interest accrued and unpaid in cash.

The convertible exchangeable bonds mature on 6 October 2025.

Interest

The convertible exchangeable bonds bear interest from and including the date of issue of the bonds at the rate equivalent to 0.65 times and 2.35 times the total dividends declared by the Issuer at any time the CBMA Bonds and SAM Labs Bond remains outstanding, respectively. The interest is payable within 10 days from the date of payment of such dividends by the Issuers to its shareholders.

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, market risk, liquidity risk and interest risk. The board of directors reviews and agrees on policies and procedures for the management of these risks.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) *Credit risk (Continued)*

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be:

1) for financial assets receivable from government linked counterparties, 150 days after due date; and

2) for financial assets receivable from individuals and non-government linked corporate counterparties, 90 days after due date.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

– Internal credit rating

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations

– Actual or expected significant changes in the operating results of the debtor

– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the debtor

– A breach of contract, such as a default or past due event

– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

– There is a disappearance of an active market for that financial asset because of financial difficulty

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) *Credit risk (Continued)*

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 90 to 150 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

(i) Non-trade financial assets and loans at amortised cost

The Group uses three categories of internal credit risk ratings for debt instruments and loans which reflect their credit risk and how the loss provision is determined for each of those categories. These internal credit risk ratings are determined through incorporating both qualitative and quantitative information that builds on information specific to the counterparty and other external information that could affect the counterparty's behaviour.

The Group computes expected credit loss for this group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default based on historical loss rates for each category of counterparty, and adjusts for forward looking macroeconomic data such as GDP growth.

A summary of the Group's internal grading category in the computation of the Group's expected credit loss model for the debt instruments and loans is as follows:

| Category | Definition of category | Basis for recognition of expected credit loss provision |
|---|---|---|
| Grade I | Customers have a low risk of default and a strong capacity to meet contractual cash flows. | 12-month expected credit losses |
| Grade II | Loans for which there is a significant increase in credit risk. | Lifetime expected credit losses |
| Grade III | Interest and/or principal repayments are 90 days past due. | Lifetime expected credit losses |

There are no significant changes to estimation techniques or assumptions made during the reporting period.

No loss allowance provision for other non-trade financial assets and loan has been provided as management has assessed the impact to be not significant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) *Credit risk (Continued)*

(i) Non-trade financial assets and loans at amortised cost (Continued)

The gross carrying amount of other non-trade financial assets and loans at amortised cost without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is as follows:

| **Group** | | **2022 S$'000** | **2021 S$'000** |
|---|---|---|---|
| 12-month ECL | Non-trade financial assets at amortised cost | **14,125** | 1,945 |
| Lifetime expected credit losses | Non-trade financial assets at amortised cost | **3,244** | 3,214 |
| | | **17,369** | 5,159 |

The gross carrying amount of non-trade financial assets and loans at amortised cost of the Group as at 31 December 2022, without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is S$17,369,000 (2021: S$5,159,000).

The gross carrying amount of non-trade financial assets and loans at amortised cost of the Company as at 31 December 2022, without taking into account of any collaterals held or other credit enhancements which represents the maximum exposure to loss, is S$9,171,000 (2021: S$256,000).

(ii) Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region and type of customers. The expected credit losses below also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risk (Continued)***

(ii) Trade receivables (Continued)

Management has assessed that the impact of the loss allowance provision as at 31 December 2022 and 2021 are not significant.

Summarised below is the information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix, grouped by geographical region:

| **As at 31 December 2022** | **Singapore S$'000** | **Philippines S$'000** | **Others S$'000** | **Total S$'000** |
|---|---|---|---|---|
| Current | **63** | **349** | **179** | **591** |
| 0 to 30 days past due | **37** | **152** | **3** | **192** |
| 31 to 90 days past due | **61** | **67** | **–** | **128** |
| 91 to 120 days past due | **10** | **24** | **–** | **34** |
| More than 121 days past due | **155** | **96** | **–** | **251** |
| Total | **326** | **688** | **182** | **1,196** |

| **As at 31 December 2021** | **Singapore S$'000** | **Indonesia S$'000** | **Philippines S$'000** | **Others S$'000** | **Total S$'000** |
|---|---|---|---|---|---|
| Current | 27 | 2,378 | 173 | 101 | 2,679 |
| 0 to 30 days past due | 43 | 791 | 111 | 10 | 955 |
| 31 to 90 days past due | 47 | 962 | 7 | 1 | 1,017 |
| 91 to 120 days past due | 37 | 550 | – | – | 587 |
| More than 121 days past due | 194 | 1,803 | 221 | 29 | 2,247 |
| Total | 348 | 6,484 | 512 | 141 | 7,485 |

(iii) Concentration risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) ***Credit risk (Continued)***

(iii) Concentration risk (Continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Singapore | **326** | 348 |
| Philippines | **688** | 512 |
| Indonesia | **–** | 6,484 |
| Others | **182** | 141 |
| | **1,196** | 7,485 |

At the end of the reporting period, approximately:

(i) 30% of the Group's trade receivables were due from 3 major customers located in Philippines (2021: 59% was due from 2 major customers located in Indonesia).

(ii) 10% (2021: 23%) of the Group's other receivables were due from related parties while 1% (2021:18%) of the Company's receivables were balances with related parties.

There are no other debtors who represent more than 5% of the Group's total balance of trade and other receivables. Other than the above, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash at banks and short-term deposits, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) *Market risk*

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity shares and unquoted equity shares. The quoted equity shares are listed on the Catalist Board of the Singapore Exchange Securities Trading Limited in Singapore and are classified as held for trading. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the end of the reporting period, if the price of the quoted shares held had been 2% (2021: 2%) higher/lower with all other variables held constant, the Group's profit before tax would have been S$9,400 (2021: S$229,000) higher/lower, arising as a result of higher/lower fair value gains on investment in associates.

The sensitivity analysis for unquoted shares is disclosed in Note 34.

### (c) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

***Analysis of financial instruments by remaining contractual maturities***

Non-derivative financial liabilities

| Group | One year or less S$'000 | One to five years S$'000 | Over five years S$'000 | Total S$'000 |
|---|---|---|---|---|
| **31.12.2022** | | | | |
| **Financial liabilities:** | | | | |
| Trade payables | **394** | **–** | **–** | **394** |
| Other payables | **2,026** | **73** | **–** | **2,099** |
| Borrowings | **1,547** | **5,350** | **–** | **6,897** |
| Lease liability | **717** | **902** | **185** | **1,804** |
| Total undiscounted financial liabilities | **4,684** | **6,325** | **185** | **11,194** |
| **31.12.2021** | | | | |
| **Financial liabilities:** | | | | |
| Trade payables | 2,488 | – | – | 2,488 |
| Other payables | 7,163 | 74 | – | 7,237 |
| Borrowings | 6,578 | 6,879 | – | 13,457 |
| Lease liability | 1,046 | 732 | 269 | 2,047 |
| Total undiscounted financial liabilities | 17,275 | 7,685 | 269 | 25,229 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) ***Liquidity risk (Continued)***

***Analysis of financial instruments by remaining contractual maturities (Continued)***

Non-derivative financial liabilities (Continued)

| Company | One year or less S$'000 | One to five years S$'000 | Over five years S$'000 | Total S$'000 |
|---|---|---|---|---|
| **31.12.2022** | | | | |
| **Financial liabilities:** | | | | |
| Other payables | **660** | **–** | **–** | **660** |
| Borrowings | **940** | **5,336** | **–** | **6,276** |
| Amounts due to subsidiaries | **4,619** | **–** | **–** | **4,619** |
| Total undiscounted financial liabilities | **6,219** | **5,336** | **–** | **11,555** |
| **31.12.2021** | | | | |
| **Financial liabilities:** | | | | |
| Other payables | 496 | – | – | 496 |
| Borrowings | 1,583 | 6,276 | – | 7,859 |
| Amounts due to subsidiaries | 10,738 | – | – | 10,738 |
| Total undiscounted financial liabilities | 12,817 | 6,276 | – | 19,093 |

(d) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group's policy is to obtain the most favourable rates available and to minimise the interest rate risks by placing such balances on varying maturities and interest rate terms.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 100 (2021: 100) basis points lower/higher with all other variables held constant, the Group's loss before tax would have been S$16,000 (2021: S$69,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 34. 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 that 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:

| | Fair value measurements at the end of the reporting period using | | | |
|---|---|---|---|---|
| | **Quoted prices in active markets for identical instruments S$'000** | **Significant observable inputs other than quoted prices S$'000** | **Significant unobservable inputs S$'000** | **Total S$'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 investments 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** |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 34. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(b) ***Assets and liabilities measured at fair value (Continued)***

| | Fair value measurements at the end of the reporting period using | | | |
|---|---|---|---|---|
| | **Quoted prices in active markets for identical instruments S$'000** | **Significant observable inputs other than quoted prices S$'000** | **Significant unobservable inputs S$'000** | **Total S$'000** |
| **2021** | | | | |
| **Assets measured at fair value** | | | | |
| **Financial assets** | | | | |
| Investments in associates at FVTPL | | | | |
| – Quoted equity shares | 11,425 | – | – | 11,425 |
| Derivatives financial assets | – | – | 1,090 | 1,090 |
| Other investments at FVOCI | | | | |
| – Unquoted equity shares | – | 900 | – | 900 |
| **Financial assets as at 31 December 2021** | 11,425 | 900 | 1,090 | 13,415 |
| **Liabilities measured at fair value** | | | | |
| **Financial liabilities** | | | | |
| Derivatives financial liabilities | | | | |
| – Redeemable convertible option on convertible bonds | – | – | 254 | 254 |
| Contingent consideration for business combinations | – | – | 1,967 | 1,967 |
| **Financial liabilities as at 31 December 2021** | – | – | 2,221 | 2,221 |

(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:

<u>Other investments</u>

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 34. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

### (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 31 December 2022 S$'000 | Valuation techniques | Significant Unobservable inputs | Relationship unobservable inputs to fair value |
|---|---|---|---|---|
| Derivative financial assets | | | | |
| 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** | 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$6,100. |
| 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% | 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. |
| | | | Discount rate at 14.5 – 50% | 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. |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 34. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(d) ***Level 3 fair value measurements (Continued)***

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

| 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** | 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. | 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 31 December 2022** | **10,699** | | | |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 34. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

### (d) *Level 3 fair value measurements (Continued)*

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

| Description | Fair Value as at 31 December 2021 S$'000 | Valuation techniques | Significant Unobservable inputs | Relationship unobservable inputs to fair value |
|---|---|---|---|---|
| Derivative financial assets | | | | |
| Call options on convertible preference shares | 1,090 | Black Scholes Model | Volatility at 33.0% to 44.0% | The higher the volatility, the higher the fair value. An increase by 10% points would result in a lower fair value of S$427,000. |
| **Financial assets as at 31 December 2021** | 1,090 | | | |
| Derivative financial liabilities | | | | |
| Convertible option on redeemable convertible bonds | 254 | 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 higher fair value of S$41,000. |
| Other payables | | | | |
| Contingent consideration for business combinations | 1,967 | Discounted cash flow and probability of meeting EBITA or NPAT target based on projected cash flow. | Discount rate | The higher the discount rate, the lower the fair value. An increase by 1% would result in a lower fair value of S$13,000. |
| **Financial liabilities as at 31 December 2021** | 2,221 | | | |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 34. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

(d) ***Level 3 fair value measurements (Continued)***

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

| | Fair value measurements using significant unobservable inputs (Level 3) | | | |
|---|---|---|---|---|
| | **Call options S$'000** | **Derivative financial (liabilities)/ asset S$'000** | **Contingent consideration S$'000** | **Total S$'000** |
| At 1 January 2021 | 2,751 | (124) | (3,056) | (429) |
| Expiry of call option | (2,751) | – | – | (2,751) |
| Total losses included in profit or loss | (687) | (130) | (9) | (826) |
| Recognition of derivative arising from convertible preference shares | 1,777 | – | – | 1,777 |
| Foreign exchange gain | – | – | 11 | 11 |
| Fair value adjustment | – | – | (8) | (8) |
| Payment for contingent consideration | – | – | 1,095 | 1,095 |
| At 31 December 2021 and 1 January 2022 | 1,090 | (254) | (1,967) | (1,131) |
| Total (losses)/gain included in profit or loss | (1,063) | 301 | (22) | (784) |
| Payment for contingent consideration | – | – | 1,989 | 1,989 |
| At 31 December 2022 | 27 | 47 | – | 74 |

(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.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 35. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cos were as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | **S$'000** | **S$'000** | **S$'000** | **S$'000** |
| **Financial assets measured at amortised cost** | | | | |
| Cash at banks and short-term deposits (Note 19) | **6,055** | 14,553 | **1,901** | 2,266 |
| Trade receivables (Note 20) | **1,196** | 7,485 | **–** | – |
| Other receivables (Note 21)* | **14,675** | 2,525 | **9,171** | 256 |
| Amounts due from subsidiaries (Note 22) | **–** | – | **10,784** | 49,235 |
| Total financial assets measured at amortised cost | **21,926** | 24,563 | **21,856** | 51,757 |
| **Financial liabilities measured at amortised cost** | | | | |
| Borrowings (Note 27) | **5,887** | 10,953 | **5,286** | 6,139 |
| Trade payables (Note 24) | **394** | 2,488 | **–** | – |
| Other payables (Note 25) | **2,099** | 7,237 | **660** | 496 |
| Amounts due to subsidiaries (Note 26) | **–** | – | **4,619** | 10,738 |
| Lease liabilities (Note 15) | **1,580** | 1,788 | **–** | – |
| Total financial liabilities measured at amortised cost | **9,960** | 22,466 | **10,565** | 17,373 |

* *exclude prepaid taxes*

## 36. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payments, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on a gearing ratio. The Group is also required under the terms of its borrowing facilities to maintain a total debt-to-equity ratio not exceeding 50% (2021: 50%). Total debt is calculated as the aggregate of all interest-bearing borrowings and total equity is calculated as total equity less any non-controlling interests.

| | Group | |
|---|---|---|
| | **2022** | **2021** |
| | **S$'000** | **S$'000** |
| Interest-bearing borrowings | **5,887** | 10,953 |
| Equity attributable to owners of the Company | **41,399** | 52,210 |
| Total debt to total equity ratio | **14.2%** | 21.0% |

The Group is in compliance with all externally imposed capital requirements for the years ended 31 December 2022 and 2021.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 37. 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 and information security companies, for which the performance of the investments is measured and evaluated on a fair value basis.

(ii) ***Healthcare systems***

The healthcare systems segment involves the provision of diagnostic services and manufacturing of and research and development on diagnostic related products, and provision of renal care services by partnering with medical device equipment manufacturers and hospitals.

Following the disposal of the Disposed Groups (as defined herein, please refer to Note 39), the provision of diagnostic services and renal care services remains in the Healthcare systems segment.

(iii) ***Medical clinics/centres***

Medical clinics/centres segment involves the provision of general medical, dental and clinical services.

(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 is no transaction in FY2021 and FY2022.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 37. SEGMENT INFORMATION (CONTINUED)

| 2022 | Continuing operations | | | | | | | Discontinued operations |
|---|---|---|---|---|---|---|---|---|
| | Strategic investments S$'000 | Healthcare systems S$'000 | Medical clinics/ centres S$'000 | Corporate S$'000 | Adjustments and eliminations S$'000 | Notes | Total S$'000 | Healthcare systems (Note 39) S$'000 |
| **Revenue:** | | | | | | | | |
| External customers | – | 41 | 16,371 | – | – | | 16,412 | 11,723 |
| Inter-segment | – | – | 2,477 | – | (2,477) | (A) | – | – |
| Total revenue | – | 41 | 18,848 | – | (2,477) | | 16,412 | 11,723 |
| **Results:** | | | | | | | | |
| Interest income | – | 8 | 45 | 22 | – | | 75 | 11 |
| Depreciation expense | – | – | (1,462) | (12) | – | | (1,474) | (836) |
| Amortisation expense | – | – | (60) | – | – | | (60) | (371) |
| Other income | 96 | 82 | 498 | – | – | | 676 | 19 |
| Fair value adjustment of contingent consideration for business combinations | 15 | – | (22) | – | – | | (7) | 15 |
| Fair value loss on an associate | (8,769) | – | – | – | – | | (8,769) | – |
| Fair value loss on derivative financial instruments | – | – | – | (762) | – | | (762) | – |
| Segment (loss)/gain | (8,161) | (2,457) | 1,444 | 68 | – | | (9,106) | 948 |
| **Assets:** | | | | | | | | |
| Other investments | 1,318 | – | – | – | – | | 1,318 | – |
| Derivative financial instruments | – | – | – | 74 | – | | 74 | – |
| Additions to non-current assets | – | – | 263 | 7 | – | (B) | 270 | 431 |
| Segment assets | 1,954 | 5,230 | 31,089 | 19,905 | – | | 58,178 | – |
| Segment liabilities | (1,788) | (9) | (4,766) | (5,946) | – | | (12,509) | – |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 37. SEGMENT INFORMATION (CONTINUED)

| 2021 | Continuing operations | | | | | | | Discontinued operations |
|---|---|---|---|---|---|---|---|---|
| | Strategic investments S$'000 | Healthcare systems S$'000 | Medical clinics/ centres S$'000 | Corporate S$'000 | Adjustments and eliminations S$'000 | Notes | Total S$'000 | Healthcare systems (Note 39) S$'000 |
| **Revenue:** | | | | | | | | |
| External customers | – | 55 | 11,387 | – | – | | 11,442 | 22,681 |
| Inter-segment | – | – | 1,891 | – | (1,891) | (A) | – | – |
| Total revenue | – | 55 | 13,278 | – | (1,891) | | 11,442 | 22,681 |
| **Results:** | | | | | | | | |
| Interest income | – | – | 46 | 2 | – | | 48 | 30 |
| Depreciation expense | – | (45) | (1,575) | (15) | – | | (1,635) | (1,868) |
| Amortisation expense | – | – | (110) | – | – | | (110) | (582) |
| Other income | 2,152 | 54 | 423 | 971 | – | | 3,600 | 5 |
| Fair value adjustment of contingent consideration for business combinations | – | – | (8) | – | – | | (8) | 31 |
| Fair value loss on an associate | (6,615) | – | – | – | – | | (6,615) | – |
| Fair value loss on derivative financial instruments | (2,681) | – | – | (819) | – | | (3,500) | – |
| Segment loss | (9,069) | (130) | (1,268) | (3,420) | – | | (13,887) | (4,259) |
| **Assets:** | | | | | | | | |
| Investments in associates | 11,425 | – | – | – | – | | 11,425 | – |
| Other investments | 900 | – | – | – | – | | 900 | – |
| Derivative financial instruments | – | – | – | 1,090 | – | | 1,090 | – |
| Additions to non-current assets | – | 5 | 336 | 11 | – | (B) | 352 | 481 |
| Segment assets | 12,348 | 1,322 | 35,384 | 3,880 | – | | 52,934 | 29,788 |
| Segment liabilities | (1,784) | (1,488) | (8,144) | (6,888) | – | | (18,304) | (7,108) |

**Note A:** Inter-segment revenues are eliminated on consolidation.

**Note B:** Additions to non-current assets consist of additions to plant and equipment.

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 37. SEGMENT INFORMATION (CONTINUED)

Geographical information

Please refer to Note 4 for revenue information based on geographical location of customers. Non-current assets information on the geographical location assets is as follows:

| | Non-current assets | |
|---|---|---|
| | **2022** | **2021 (Restated)** |
| | **S$'000** | **S$'000** |
| Singapore | **46,842** | 40,794 |
| Philippines | **813** | 1,290 |
| Indonesia | **–** | 9,308 |
| Hong Kong, Malaysia and others | **117** | 218 |
| | **47,772** | 51,610 |

## 38. ASSETS HELD FOR SALE

(a) Property held for sale

On 13 December 2021, Clearbridge Assays Pte. Ltd. entered into an option with a third party for the sale of mapex property for a total consideration of S$2,082,000. Accordingly, the mapex property is presented on the balance sheet as "Asset held-for-sale" as at 31 December 2021 and is stated at lower of carrying amount and fair value less costs to sell. The mapex property is mortgaged to secure the Group's bank loans (Note 27). The bank loan will be discharged upon the sale of the mapex property. The sale transaction has been completed on 7 March 2022. The details of the mapex property are as follows:

| **Location** | **Tenure** | **Floor area (sqm)** |
|---|---|---|
| No 37 Jalan Pemimpin #04-13 MAPEX, Singapore 577177 | Freehold | 152 |

## 39. DISCONTINUED OPERATIONS

On 7 October 2022, the Company and its wholly-owned subsidiary, RDH, entered into 2 share purchase agreements with the 3rd party 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 (collectively, the "Disposed Groups", which fall under the Healthcare systems segment). The disposal consideration was satisfied by the issue of a convertible exchangeable bonds (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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 39. DISCONTINUED OPERATIONS (CONTINUED)

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 Group'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 value of assets and liabilities of the Disposed Groups recorded in the Group's consolidated financial statements as at 31 December 2022, and the effects of the disposal which was completed on 7 October 2022, were 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 to Lunadorii Inc. on 7 October 2022, such dates being 7 October 2022, 7 October 2022, 31 August 2022, 30 June 2022 and 7 October 2022 respectively, were presented as follows:

| | 7 October 2022 S$'000 |
|---|---|
| **Non-current assets** | |
| Plant and equipment | 3,259 |
| Right-of-use assets | 45 |
| Intangible assets | 676 |
| Goodwill | 9,053 |
| Other receivable | 1 |
| **Total non-current assets** | 13,034 |
| **Current assets** | |
| Cash and cash equivalents | 2,767 |
| Trade and other receivables | 9,382 |
| Prepayment | 291 |
| Other receivable | 3,275 |
| Inventory | 366 |
| **Total current assets** | 16,081 |
| **Total assets** | 29,115 |
| **Current liabilities** | |
| Trade and other payables | 15,571 |
| Lease liability | 9 |
| Income tax credit | (23) |
| Borrowing | 1,386 |
| **Total current liabilities** | 16,943 |

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 39. DISCONTINUED OPERATIONS (CONTINUED)

| | 7 October 2022 S$'000 |
|---|---|
| **Non-current liabilities** | |
| Other payables | 2,664 |
| Lease liability | 9 |
| Deferred tax liability | 149 |
| **Total non-current liabilities** | 2,822 |
| **Total liabilities** | 19,765 |
| **Carrying value of net assets** | 9,350 |
| Less: Non-controlling interest | (1,045) |
| Net assets derecognised | 8,305 |
| **Net cash outflow arising from disposal** | |
| Cash consideration received | – |
| Cash and cash equivalents of the subsidiary groups disposed of | (2,767) |
| Net cash outflow on disposal of subsidiary groups | (2,767) |
| **Gain on disposal** | |
| Sales consideration* | 10,625 |
| Net assets derecognised | (8,305) |
| Gain on disposal of subsidiary groups | 2,320 |

* Sales consideration relates to the fair value of the Bonds as at the date of disposal.

The results of operations of the Disposed Groups for 2022, is 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 available to the Company, prior to the disposal to Lunadorii Inc. on 7 October 2022, such dates being 7 October 2022, 7 October 2022, 31 August 2022, 30 June 2022 and 7 October 2022 respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 39. DISCONTINUED OPERATIONS (CONTINUED)

The revenue, expenses, and gain relating to the discontinuation have been removed from the results of continuing operations which shown as a single line item on the face of the statement of comprehensive income (Net gain/(loss) from discontinued operations) are as follows. The Disposed Groups were not previously presented as discontinued operations or classified as held for sale as at 31 December 2021. Thus, the comparative statement of profit or loss has been restated to show the discontinued operations separately from continuing operations.

| | **1 January 2022 to 7 October 2022 S$'000** | **2021 S$'000** |
|---|---|---|
| Revenue | **11,723** | 22,681 |
| Purchases | **(8,340)** | (16,428) |
| Employee benefits expense | **(932)** | (1,696) |
| Depreciation expense | **(836)** | (1,868) |
| Amortisation expense | **(371)** | (582) |
| Other income | **45** | 66 |
| Other operating expenses | **(2,301)** | (6,321) |
| Finance costs | **(80)** | (176) |
| **Loss before taxation from discontinued operations** | **(1,092)** | (4,324) |
| Income tax (expense)/credit | **(280)** | 65 |
| **Loss for the year from discontinued operations** | **(1,372)** | (4,259) |
| Gain on disposal | **2,320** | – |
| **Net gain/(loss) from discontinued operations** | **948** | (4,259) |

The net cash flows incurred by the Disposed Groups for 2022, which 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 available to the Company, prior to the disposal to Lunadorii Inc. on 7 October 2022, such dates being 7 October 2022, 7 October 2022, 31 August 2022, 30 June 2022 and 7 October 2022 respectively, are presented as follows:

| | **7 October 2022 S$'000** | **2021 S$'000** |
|---|---|---|
| Operating | **(615)** | (1,402) |
| Investing | **(377)** | 117 |
| Financing | **(712)** | 2,231 |
| **Net cash (outflow)/inflow** | **(1,704)** | 946 |

# NOTES TO THE
# FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 39. DISCONTINUED OPERATIONS (CONTINUED)

Litigation against CBMA and TMJ

On 22 May 2020, PT Tirta Medika Nusantara ("TMN"), an existing shareholder of TMJ, initiated a legal action against, among others, CBMA and TMJ. It relates to, among others, an allegation by TMN that a certain notarial deed has been made unlawfully as a result of the alleged unlawful conduct of the shareholders' meeting of TMJ in relation to, among others, (a) a change in the composition of the board of directors and board of commissioners of TMJ; and (b) an amendment of the articles of association of TMJ.

Consequently, TMN requested the Court to, among others,

(i) declare that the said notarial deed has been made unlawfully;

(ii) award damages of IDR1.06 trillion (approximately S$98.06 million based on an exchange rate of SS1.00 : IDR10,810 as at 21 August 2020 published by the Monetary Authority of Singapore) and;

(iii) declare that the previous composition of the board of directors and board of commissioners of TMJ as at 18 February 2019 is legal instead.

This lawsuit was dismissed by the North Jakarta District Court ("North Jakarta Court") on 7 June 2021 based on the reason that pursuant to the shareholders agreement among the TMJ's shareholders dated 23 April 2018, the North Jakarta Court does not have the jurisdiction to hear the lawsuit. On 18 June 2021, TMN submitted an appeal, and the case was delivered to the Jakarta High Court after 19 August 2021. On 3 August 2022, the Jakarta High Court gave judgement that the North Jakarta District Court had the jurisdiction to hear the Suit and hearing of the Suit will be held there. On 16 August 2022, CBMA filed a notice of appeal to the Indonesia Supreme Court against the whole of the Jakarta High Court's decision.

On 7 October 2022, CBMA and TMJ ceased to be subsidiaries of the Group as the Group no longer has the power to direct relevant activities of the disposed entities without any shareholding.

## 40. EVENTS OCCURRING AFTER THE REPORTING PERIOD

i. On 28 February 2023, the Group and Biolidics agreed to a partial settlement of the remaining deferred consideration from the sale in FY2020 of the entire issued and paid-up ordinary share capital of Biomedics Laboratory Pte. Ltd., by entering into a partial settlement deed dated 28 February 2023 ("Partial Settlement Deed"). Pursuant to the terms of the Partial Settlement Deed, S$1,161,250 of the remaining deferred consideration shall be settled with S$550,000 in cash and S$611,250 in the issue of ordinary shares in Biolidics. The Group further agreed to receive and Biolidics agreed to issue 37,500,000 ordinary shares in Biolidics at the volume weighted average price of shares traded on the SGX-ST on 28 February 2023, being S$0.0163 per share. The Group was subsequently allotted and issued 37,500,000 ordinary shares in Biolidics on 20 March 2023, increasing its shareholdings in Biolidics to 10.22% as at 20 March 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

## 40. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

ii. On 13 April 2023, the maturity date of the outstanding convertible bonds (Note 27) was extended for a further 18 months from 8 March 2024 and 17 May 2024 to 8 September 2025 and 17 November 2025, respectively.

iii. On 16 May 2023, the Company allotted and issued 842,058 new ordinary shares (the “Award Shares”) in the capital of the Company pursuant to the awards vested under the Clearbridge Health Performance Share Plan. Following the allotment and issuance of the Award Shares, the issued and paid-up share capital of the Company has increased from 618,210,340 shares to 619,052,398 shares.

## 41. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Directors on 9 June 2023.

# STATISTICS OF **SHAREHOLDINGS**

AS AT 19 MAY 2023

| | | |
|---|---|---|
| Issued and paid-up share capital | : | S$116,723,556.3446 |
| Number of issued shares | : | 619,052,398 |
| Class of shares | : | Ordinary shares |
| Voting rights on a poll | : | One vote per share |
| Number and percentage of treasury shares | : | Nil |
| Number and percentage of subsidiary holdings | : | Nil |

### SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on the information available to the Company as at 19 May 2023, approximately 59.81% of the total number of issued ordinary shares of the Company was held by the public as defined in the Catalist Rules. Accordingly, Rule 723 of the Catalist Rules has been complied with.

### DISTRIBUTION OF HOLDERS OF SHARES BY SIZE OF SHAREHOLDINGS AS AT 19 MAY 2023

| Size of shareholdings | No. of shareholders | % | No. of shares | % |
|---|---|---|---|---|
| 1 – 99 | 4 | 0.18 | 157 | 0.00 |
| 100 – 1,000 | 65 | 3.02 | 40,915 | 0.01 |
| 1,001 – 10,000 | 474 | 22.02 | 3,415,500 | 0.55 |
| 10,001 – 1,000,000 | 1,549 | 71.95 | 155,278,967 | 25.08 |
| 1,000,001 and above | 61 | 2.83 | 460,316,859 | 74.36 |
| **TOTAL** | **2,153** | **100.00** | **619,052,398** | **100.00** |

### TWENTY LARGEST HOLDERS OF SHARES AS AT 19 MAY 2023

| No. | Name of Shareholder | No. of Shares | % of Shares |
|---|---|---|---|
| 1 | DBS NOMINEES PTE LTD | 118,430,791 | 19.13 |
| 2 | CITIBANK NOMINEES SINGAPORE PTE LTD | 85,641,062 | 13.83 |
| 3 | COOP INTERNATIONAL PTE LTD | 41,330,500 | 6.68 |
| 4 | MAYBANK SECURITIES PTE. LTD. | 26,598,200 | 4.30 |
| 5 | TIMOTHY COOK DRAPER & MELISSA PARKER DRAPER | 18,390,100 | 2.97 |
| 6 | PHILLIP SECURITIES PTE LTD | 12,924,724 | 2.09 |
| 7 | DBS VICKERS SECURITIES (SINGAPORE) PTE LTD | 10,806,500 | 1.75 |
| 8 | IFAST FINANCIAL PTE LTD | 8,543,900 | 1.38 |
| 9 | LI JIANSHENG | 7,598,100 | 1.23 |
| 10 | OCBC SECURITIES PRIVATE LTD | 7,141,300 | 1.15 |
| 11 | YEO KHEE SENG BENNY | 6,748,000 | 1.09 |
| 12 | RAFFLES NOMINEES (PTE) LIMITED | 6,028,100 | 0.97 |
| 13 | SIMON HOO KIA WEI | 5,955,242 | 0.96 |
| 14 | LIAU YEN SAN JONATHAN | 5,325,962 | 0.86 |
| 15 | UOB KAY HIAN PTE LTD | 4,699,400 | 0.76 |
| 16 | KUIK THIAM HUAT | 4,358,900 | 0.70 |
| 17 | CHOW CIT FONG | 4,000,000 | 0.65 |
| 18 | KUIK CHIM MUI | 3,999,128 | 0.65 |
| 19 | ANDREW TREVATT | 3,646,100 | 0.59 |
| 20 | NG MUI EE | 3,426,093 | 0.55 |
| | **TOTAL** | **385,592,102** | **62.29%** |

# STATISTICS OF SHAREHOLDINGS

AS AT 19 MAY 2023

## SUBSTANTIAL SHAREHOLDERS AS AT 19 MAY 2023

| No. | Name | No. of shares in which substantial Shareholders have direct interest | % | No. of shares in which substantial Shareholders are deemed to have interest | % |
|---|---|---|---|---|---|
| 1 | Chen Johnson | 77,055,100 | 12.45 | – | – |
| 2 | Coop International Pte. Ltd. | 41,330,500 | 6.68 | – | – |
| 3 | Bonvests Holdings Limited(1) | – | – | 41,330,500 | 6.68 |
| 4 | Amereus Group Pte. Ltd. | 39,771,600 | 6.42 | – | – |
| 5 | Maxim Vorobyev(2) | – | – | 39,771,600 | 6.42 |
| 6 | Chen Chung Ni Johnny(3) | 31,059,800 | 5.02 | – | – |

(1) Bonvests Holdings Limited holds the entire issued and paid-up share capital of Coop International Pte. Ltd. Accordingly, Bonvests Holdings Limited is deemed interested in the shares held by Coop International Pte. Ltd. by virtue of section 4 of the Securities and Futures Act.

(2) Maxim Vorobyev holds the entire issued and paid-up share capital of Amereus Group Pte. Ltd. Accordingly, Maxim Vorobyev is deemed interested in the shares held by Amereus Group Pte. Ltd. by virtue of Section 4 of the Securities and Futures Act.

(3) Chen Chung Ni Johnny is the father of Johnson Chen.

# NOTICE OF
# ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the "**AGM**") of Clearbridge Health Limited (the "**Company**") will be held by way of electronic means on Wednesday, 28 June 2023 at 10.00 a.m. for the following purposes:

**Ordinary Business**

1. To receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2022 ("**FY2022**"), the directors' statement and the auditor's report thereon.

**(Resolution 1)**

2. To approve the payment of directors' fees of S$165,000 for the financial year ending 31 December 2023 ("**FY2023**"), payable quarterly in arrears.
(See Explanatory Note 1)

**(Resolution 2)**

3. To re-elect Mr Mark Benedict Ryan who is retiring pursuant to Regulation 98 of the Company's constitution (the "**Constitution**") as a director of the Company ("**Director**") and who being eligible, offers himself for re-election.
(See Explanatory Note 2)

**(Resolution 3)**

4. To note the retirement of Mr Tan Soon Liang (Chen Shunliang), who is retiring pursuant to Regulation 98 of the Constitution, and who will not be seeking re-election and will retire as a Director at the conclusion of the AGM.
(See Explanatory Note 3)

5. To appoint Messrs CLA Global TS Public Accounting Corporation ("**CLA Global TS**") as auditors ("**Auditors**") of the Company in place of retiring Auditors, Messrs Ernst & Young LLP ("**EY**"), to hold the office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.
(See Explanatory Note 4)

**(Resolution 4)**

6. To transact any other ordinary business which may be properly transacted at the AGM.

**Special Business**

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications:

7. Authority to allot and issue shares

"THAT pursuant to Section 161 of the Companies Act 1967 (the "**Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and the Constitution, the Directors be and hereby authorised to:

I. (a) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(b) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures, or other instruments convertible into Shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

# NOTICE OF
# ANNUAL GENERAL MEETING

II. (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(a) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company ("**Shareholders**") shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (a) above, the percentage of the issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:

   (i) new Shares arising from the conversion or exercise of any convertible securities;

   (ii) new Shares arising from exercising of share options or vesting of share awards, provided that such share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

   (iii) any subsequent bonus issue, consolidation or subdivision of Shares;

   Adjustments in accordance with Rule 806(3)(a) or Rule 806(3)(b) of the Catalist Rules are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Act and the Constitution for the time being; and

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier."

(See Explanatory Note 5)

**(Resolution 5)**

8. Authority to grant awards and to allot and issue Shares pursuant to the Clearbridge Health Performance Share Plan

# NOTICE OF
# ANNUAL GENERAL MEETING

"THAT pursuant to Section 161 of the Act, authority be and is hereby given to the Directors to:

I. offer and grant awards ("**Awards**") from time to time in accordance with the provisions of the Clearbridge Health Performance Share Plan (the "**PSP**"); and

II. allot and issue from time to time such number of new Shares as may be required to be issued pursuant to the vesting of Awards granted under the PSP,

provided always that the aggregate number of Shares issued and issuable pursuant to the Awards granted under the PSP, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all Awards granted thereunder; and (ii) all other Shares issued and issuable and/or transferred or transferable in respect of all share options granted or share awards granted under any other share incentive schemes or share plans adopted by the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time; and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.
(See Explanatory Note 6) **(Resolution 6)**

By Order of the Board

Cheok Hui Yee
Company Secretary
Singapore
13 June 2023

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**EXPLANATORY NOTES:**

(1) Resolution 2 in item 2 above, if passed, will facilitate the payment of Directors' fees of S$165,000 for FY2023 on a quarterly basis in arrears. The amount of Directors' fees is computed based on the anticipated number of board and board committee meetings for FY2023, including the attendance and positions held by all of the non-executive directors of the Company ("**Non-Executive Directors**") in various board committees, and assuming that all Non-Executive Directors holding office at the conclusion of the AGM will hold office for the full financial year. In the event the amount of Directors' fees proposed is insufficient, for example in the event of unscheduled board meetings and/or enlarged board sizes, approval will be sought at the next AGM for such additional fees before payments are made to the Directors to meet the shortfall.

(2) In relation to Resolution 3 in item 3 above, Mr Mark Benedict Ryan will, upon re-election as a Director, remain as an independent director ("**Independent Director**"), chairman of the Audit Committee, and a member of the Remuneration Committee. The board of directors ("**Board**") considers him to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Detailed information on Mr Mark Benedict Ryan can be found in the Company's annual report for FY2022 ("**FY2022 Annual Report**").

Details on Mr Mark Benedict Ryan

Date of Appointment: 20 November 2017

Date of last re-appointment (if applicable): 29 June 2020

Age: 57

Country of principal residence: Australia

The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process): The re-election of Mr Mark Benedict Ryan as Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration Mr Mark Benedict Ryan's qualifications, expertise, experience and overall contribution since he was appointed as a Director.

Whether appointment is executive, and if so, the area of responsibility: Non-executive

Job Title: Independent Director, chairman of Audit Committee, and a member of Remuneration Committee

Professional qualifications: Please refer to the "Board of Directors" section in the FY2022 Annual Report

Working experience and occupation(s) during the past 10 years: Please refer to the "Board of Directors" section in the FY2022 Annual Report

Other Principal Commitments, including Directorships: Please refer to the "Board of Directors" section in the FY2022 Annual Report

Shareholding interest in the listed issuer and its subsidiaries: Deemed interest in 2,097,600 Shares

Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries: None

Conflict of interest (including any competing business): None

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer
☑ Yes ☐ No

Items (a) to (k) of Appendix 7F of the Catalist Rules: There is no change to the declaration, which was disclosed in the Company's offer document dated 11 December 2017.

(3) Mr Tan Soon Liang (Chen Shunliang) will retire as an Independent Director of the Company at the conclusion of the AGM and concurrently relinquish his position as the chairman of the Nominating Committee and a member of the Audit Committee of the Company.

(4) The Resolution 4 proposed in item 5 above is to approve the appointment of CLA Global TS as Auditors of the Company for the financial year ending 31 December 2023 in place of the retiring Auditors, EY (the "**Proposed Appointment of Auditors**"), and to authorise the Directors to fix their remuneration. Please refer to the appendix to this Notice of AGM dated 13 June 2023 which sets out, among others, information on the specific reasons for the Proposed Appointment of Auditors (the "**Appendix**").

In accordance with Rule 712(3) of the Catalist Rules:

(a) the outgoing Auditors, EY, has confirmed in its professional clearance letter that they are not aware of any professional reasons why CLA Global TS should not accept appointment as Auditors of the Company;

(b) the Company confirms that there were no disagreements with the outgoing auditors, EY, on accounting treatments within the last twelve (12) months;

# NOTICE OF
# ANNUAL GENERAL MEETING

(c) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of Shareholders;

(d) the specific reasons for the Proposed Appointment of Auditors are as set out in paragraph 2.1 of the Appendix; and

(e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in connection with the appointment of CLA Global TS as incoming auditors.

(5) The Resolution 5 in item 7 above, if passed, will empower the Directors to allot and issue Shares, make or grant Instruments and to issue Shares pursuant to such Instruments, without seeking any further approval from Shareholders but within the limitations imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company, from the date of the AGM until the conclusion of the next AGM, or the date by which the next AGM is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued is not to exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of passing of this Resolution (subject to the adjustments stipulated in item 7(II)(b) above), of which the aggregate number of Shares issued other than on a pro-rata basis to all Shareholders is not to exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution (subject to the adjustments stipulated in item 7(II)(b) above).

(6) The Resolution 6 in item 8 above, if passed, will empower the Directors to offer and grant Awards under the PSP, and to allot and issue Shares pursuant to the vesting of Awards granted under the PSP, provided that the aggregate number of Shares issued and issuable pursuant to the PSP, when added to (i) the number of Shares issued and issuable and/or transferred or transferable in respect of all Awards granted thereunder; and (ii) all other Shares issued and issuable and/or transferred or transferable in respect of all share options granted or share awards granted under any other share incentive schemes or share plans adopted by the Company, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

**NOTES:**

1. The AGM is being convened, and will be held, wholly by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will not be sent to members. Instead, this Notice of AGM will be published on the Company's website at the URL https://clearbridgehealth.com/about-us/corporate-information/investor-relations/#annual-reports, and on SGXNet at the URL https://www.sgx.com/securities/company-announcements. **Members will not be able to attend the AGM in person.**

2. Alternative arrangements relating to:

   (a) attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast ("**Live Webcast**") or "live" audio-only stream ("**Live Audio Stream**");

   (b) submission of questions to the Company in advance of, or "live" at the AGM, and addressing of substantial and relevant questions in advance of, or "live" at, the AGM; and

   (c) voting at the AGM (i) "live" by the Shareholder or his/her/its duly appointed proxy(ies) (other than the chairman of the AGM) via electronic means; or (ii) by appointing the chairman of the AGM as proxy to vote on the Shareholder's behalf at the AGM,

   are set out in this Notice of AGM. The FY2022 Annual Report, this Notice of AGM, the Appendix and proxy form may be accessed on the Company's website at the URL https://clearbridgehealth.com/about-us/corporate-information/investor-relations/#annual-reports and on SGXNet at the URL https://www.sgx.com/securities/company-announcements.

   **Participation in the AGM via Electronic Means**

3. Shareholders and investors holding Shares through Supplementary Retirement Scheme ("**SRS**", and such investors, "**SRS Investors**") who wish to attend the AGM, will be able to watch or listen to the proceedings of the AGM through a Live Webcast via mobile phone, tablet or laptop/computer or through a Live Audio Stream via telephone. In order to do so, they must pre-register at the pre-registration website at the URL https://conveneagm.sg/clearbridge2023 ("**AGM Website**") by **10.00 a.m. on 25 June 2023** ("**Registration Cut-Off Date**"). Upon successful verification, an email containing the login instructions and password as well as the link to access the Live Webcast and a toll-free telephone number to access the Live Audio Stream of the proceedings of the AGM (the "**Confirmation Email**") will be sent to authenticated Shareholders, SRS Investors and proxies by **27 June 2023, 10.00 a.m.** Shareholders and SRS Investors who have pre-registered by the Registration Cut-Off Date but who have not received the Confirmation Email, should contact the Company's webcast vendor, ConveneAGM at support@conveneagm.com.

   Investors holding Shares through relevant intermediaries (as defined in Section 181 of the Act) (other than SRS Investors) will **not** be able to pre-register on the AGM Website and should contact their respective relevant intermediaries through which they hold such Shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

   **Submission of questions in advance of the AGM**

4. Shareholders (including SRS Investors) or, where applicable, their appointed proxies will be able to ask questions "live" at the AGM by submitting text-based questions through the "live" chat function upon joining the Live Webcast (and not the Live Audio Stream). The Company will endeavour to respond to questions as far as reasonably practicable during the AGM.

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5. Shareholders and SRS Investors may submit any questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM within 7 calendar days from the Notice of AGM, i.e. no later than **5.00 p.m. on 20 June 2023**:

   (a) via email to the Company at ShareholderQueries@clearbridgehealth.com; or

   (b) via post to the Company's Share Registrar, Tricor Barbinder Share Registration Service at 80 Robinson Road, #11-02, Singapore 068898.

   Shareholders and SRS investors who submit questions via email or by post must provide their full name, identification number, contact number, email address, the number of shares held and the manner in which the shares are held (e.g., via CDP or SRS) for authentication.

6. The Company will endeavour to address all substantial and relevant questions received from the Shareholders and investors via the Company's website at the URL https://www.clearbridgehealth.com and SGXNet at the URL https://www.sgx.com/securities/company-announcements, at least 48 hours prior to the Registration Cut-off Date for the lodgement of the proxy forms, i.e. by **22 June 2023**. Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

7. Any relevant and substantial questions received after 20 June 2023 shall be addressed during the AGM. The Company will publish the minutes of the AGM, including substantial and relevant queries from Shareholders addressed during the AGM, if any, on the SGX website and/or the Company's website within one (1) month after the date of the AGM.

8. Investors (other than SRS Investors) will not be able to submit questions relating to the business of the AGM via the methods set out above. Instead, they should approach their relevant intermediaries as soon as possible in order for their relevant intermediaries to make the necessary arrangements for them to submit questions in advance of the AGM.

   **Voting by Shareholders**

9. Shareholders and investors will be able to vote "live" on the resolution to be tabled for approval at the AGM. For the avoidance of doubt, "live" voting is not permissible by the Live Audio Stream.

10. A Shareholder who wishes to exercise his/her/its voting rights at the AGM may:

    (a) (where the Shareholder is an individual) attend and vote "live" via electronic means at AGM;

    (b) (where the Shareholder is an individual or a corporate) appoint a proxy(ies) (other than the chairman of the AGM) to attend and vote "live" via electronic means at the AGM on his/her/its behalf; or

    (c) (where the Shareholder is an individual or a corporate) appoint the chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.

11. SRS Investors holding shares through SRS Operators:

    (a) may vote "live" via electronic means at the AGM if they are appointed as proxies by their respective SRS Operators, and should contact their respective SRS Operators if they have any queries regarding their appointment as proxies; or

    (b) may appoint the chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective SRS Operators to submit their votes by **5.00 p.m. on 16 June 2023**.

12. Where a Shareholder or investor appoints the chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which appointment of the chairman of the AGM as proxy for that resolution will be treated as invalid.

    **Submission of Proxy Form**

13. A Shareholder who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such Shareholder's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.

14. A Shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such Shareholder's proxy form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

15. The proxy needs not be a member of the Company.

16. The proxy form is not valid for use by investors (including SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors (including SRS Investors) should instead contact their relevant intermediaries as soon as possible to specify their voting instructions. SRS Investors who wish to appoint the chairman of the AGM as proxy should approach their respective SRS Operators to submit their voting instruction by **5.00 p.m. on 16 June 2023**, being seven (7) working days before the AGM and the SRS Operators will submit the proxy form on their behalf.

# NOTICE OF
# ANNUAL GENERAL MEETING

The relevant intermediaries shall complete the proxy form submission in respect of the investors, and provide to the Company a consolidated list of investors ("**Attendees**"), together with the following information: (i) Name of Attendee; (ii) NRIC number/passport number/company registration number; (iii) email address; and (iv) the interests held in the Company by each Attendee for registration by email to ProxyFormSubmission@clearbridgehealth.com no later than the Registration Cut-off Date being **25 June 2023 at 10.00 a.m.**

17. The proxy form must be submitted to the Company in the following manner:

    (a) if submitted electronically, must be submitted via email to ProxyFormSubmission@clearbridgehealth.com (e.g. enclosing a clear scanned completed and signed proxy form); or

    (b) if submitted by post, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Service at 80 Robinson Road, #11-02, Singapore 068898,

    in either case, no later than **25 June 2023 at 10.00 a.m.**, being seventy-two (72) hours before the time appointed for holding the AGM.

    A member who wishes to submit a proxy form must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above, where relevant.

    **Members are strongly encouraged to submit completed and signed proxy forms electronically via email.**

18. The proxy form appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Act as an alternative to sealing) or under the hand of an attorney or an officer of the corporation duly authorised.

19. Where the proxy form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

20. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time of the AGM.

**PERSONAL DATA PRIVACY**

By (a) submitting a proxy form appointing the proxy (proxies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, (b) submitting any questions prior to the AGM, or (c) submitting the pre-registration form in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxy(ies) appointed for the AGM (including any adjournment thereof); processing the pre-registration forms for purposes of granting access to members to the Live Webcast or Live Audio Stream and providing viewers with any technical assistance, when necessary; addressing substantial and relevant questions from members received in advance of the AGM; the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), recordings and transmitting images and/or voice recording when broadcasting the AGM proceedings through webcast, and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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 Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. 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.

# APPENDIX

**APPENDIX DATED 13 JUNE 2023**

**THIS APPENDIX (AS DEFINED HEREIN) IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

This Appendix is circulated to the shareholders of Clearbridge Health Limited (the "**Company**") together with the Company's annual report for the financial year ended 31 December 2022 (the "**Annual Report**"). Its purpose is to provide shareholders of the Company with information relating to the Proposed Appointment of Auditors (as defined herein) to be tabled at the AGM (as defined herein) to be held on 28 June 2023 at 10.00 a.m. by way of electronic means.

The ordinary resolution proposed to be passed in respect of the above matter is set out in the Notice of AGM (as defined herein) enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company, you should immediately inform the purchaser or transferee, or the bank, stockbroker or agent through whom you effected the sale or transfer, that this Appendix, together with the Notice of AGM and the attached proxy form is available on the SGX website at the URL https://www.sgx.com/securities/company-announcements and the Company's website at the URL http://www.clearbridgehealth.com.

This Appendix 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 Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. This Appendix has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Appendix, including the accuracy, completeness, or correctness of any of the statements or opinions made, or reports contained in this Appendix.

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.

Clearbridge Health

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

**APPENDIX IN RELATION TO THE PROPOSED APPOINTMENT OF MESSRS CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION AS AUDITORS IN PLACE OF THE RETIRING MESSRS ERNST & YOUNG LLP**

# APPENDIX

**CONTENTS**

# APPENDIX

## DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

| | | |
|---|---|---|
| "**ACRA**" | : | The Accounting and Corporate Regulatory Authority of Singapore |
| "**Act**" or "**Companies Act**" | : | The Companies Act 1967 of Singapore, as amended or modified from time to time |
| "**AGM**" | : | The annual general meeting of the Company to be held on 28 June 2023 at 10.00 a.m. by way of electronic means |
| "**Annual Report**" | : | The annual report of the Company for FY2022 |
| "**Appendix**" | : | This appendix to the Notice of AGM dated 13 June 2023 in relation to the Proposed Appointment of Auditors |
| "**Audit Committee**" | : | The audit committee of the Company as at the date of this Appendix or from time to time, as the case may be |
| "**Board**" | : | The board of Directors of the Company as at the date of this Appendix or from time to time, as the case may be |
| "**Catalist**" | : | The Catalist Board of the SGX-ST |
| "**Catalist Rules**" | : | SGX-ST Listing Manual Section B: Rules of Catalist, as amended, varied or supplemented from time to time |
| "**CDP**" | : | The Central Depository (Pte) Limited |
| "**CLA Global**" | : | CLA Global Limited |
| "**CLA Global TS**" | : | Messrs CLA Global TS Public Accounting Corporation |
| "**Company**" | : | Clearbridge Health Limited |
| "**Director**" | : | A director of the Company as at the date of this Appendix or from time to time, as the case may be |
| "**EQCR**" | : | Engagement Quality Control Reviewer |
| "**EY**" | : | Messrs Ernst & Young LLP |
| "**FY2022**" | : | The financial year ended 31 December 2022 |
| "**Group**" | : | The Company and its subsidiaries |
| "**Independent Director**" | : | An independent director of the Company |

# APPENDIX

| | | |
|---|---|---|
| "**Latest Practicable Date**" | : | 12 June 2023, being the latest practicable date prior to the date of issue of this Appendix |
| "**Notice of AGM**" | : | The notice of AGM dated 13 June 2023 accompanying the Annual Report |
| "**PRC**" | : | People's Republic of China |
| "**Proposed Appointment of Auditors**" | | The proposed appointment of CLA Global TS as auditors in place of the retiring auditors, EY |
| "**Securities and Futures Act**" | : | The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time |
| "**SGX-ST**" | : | Singapore Exchange Securities Trading Limited |
| "**Shareholder**" or "**Shareholders**" | : | The registered holders of the Shares (other than the CDP) and in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register |
| "**Shares**" | : | Issued and paid-up ordinary shares in the capital of the Company |
| "**subsidiaries**" | : | Shall bear the meaning ascribed in Section 5 of the Companies Act and "subsidiary" shall be construed accordingly |
| "**Substantial Shareholder**" | : | A person who has an interest of not less than 5.0% of the total issued voting Shares |
| "**UK**" | : | United Kingdom |
| "**%**" | : | Per centum or percentage |

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to each of them respectively in Section 81SF of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

Any word defined under the Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Act, the Securities and Futures Act, the Catalist Rules or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws and regulations (including the Catalist Rules) are as at the Latest Practicable Date.

Any reference to a time of a day in this Appendix is a reference to Singapore time unless otherwise stated.

# APPENDIX

**LETTER TO SHAREHOLDERS**

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

**Board of Directors**
Chen Johnson (Non-Executive Non-Independent Chairman)
Yee Pinh Jeremy (Executive Director and Chief Executive Officer)
Andrew John Lord (Lead Independent Director)
Mark Benedict Ryan (Independent Director)
Tan Soon Liang (Chen Shunliang) (Independent Director)
Mah How Soon (Ma Haoshun) (Independent Director)

**Registered Office**
37 Jalan Pemimpin
#08-05 Mapex
Singapore 577177

13 June 2023

Dear Sirs,

## 1. INTRODUCTION

The Company has issued the Notice of AGM on 13 June 2023 for the forthcoming AGM to be held on 28 June 2023 at 10.00 a.m. by way of electronic means. Resolution 4 proposed in item 5 in the Notice of AGM is an ordinary resolution for the Proposed Appointment of Auditors.

The purpose of this Appendix is to provide Shareholders with information relating to and explaining the rationale for the Proposed Appointment of Auditors, and to seek Shareholders' approval for the ordinary resolution in relation to the Proposed Appointment of Auditors at the forthcoming AGM.

This Appendix has been prepared solely for the purpose set out herein and may not be relied on by any persons (other than the Shareholders) nor for any other purpose.

## 2. THE PROPOSED APPOINTMENT OF AUDITORS

### 2.1 RATIONALE FOR THE PROPOSED APPOINTMENT OF AUDITORS

The Company's existing auditors, EY, have been auditors of the Company since the financial year ended 31 December 2017. EY were re-appointed at the last annual general meeting of the Company held on 26 April 2022 to hold office until the conclusion of the forthcoming AGM. The Company has, to date, no concerns with EY on the discharge of their audit responsibility and there was no change in audit scope during FY2022.

EY have notified the Board that they do not wish to seek re-appointment as the independent auditors of the Company at the forthcoming AGM. Accordingly, EY will cease to be the independent auditors of the Company following the conclusion of the forthcoming AGM. The Board notes the disclaimer of opinion ("**Disclaimer of Opinion**") as set out in EY's independent auditor's report dated 9 June 2023 in relation to the consolidated financial statements of the Group and the Company for FY2022. Please refer to the Company's announcement dated 9 June 2023 for further details in relation to the Disclaimer of Opinion.

# APPENDIX

The Board confirms that (i) there were no disagreements with EY on accounting treatment within the last 12 months, and (ii) the Company is not aware of any circumstances connected with EY not seeking re-appointment as the independent auditors of the Company that should be brought to the attention of the Shareholders and which has not been disclosed in this Appendix.

In addition to the above, as a matter of good governance, the Audit Committee is of the view that it would be appropriate to periodically rotate audit firms to enable the Company to benefit from fresh perspectives and views of another professional accounting firm, thereby enhancing the value of the audit. In addition, the Proposed Appointment of Auditors will enable the Company to better control the rise in the overall cost of auditing services. The Board concurs with this view and believes that it is timely to consider a change of auditors of the Company for the audit for the financial year ending 31 December 2023.

The Audit Committee and the Board, in assessing the suitability of CLA Global TS have considered factors such as the adequacy of resources and experience of CLA Global TS to handle the audit, the audit engagement partner to be assigned to the audit, their other audit engagements, the size and complexity of the Group and the number and the experience of supervisory and professional staff assigned to the audit. The Audit Committee also took into consideration the Audit Quality Indicators Disclosure Framework issued by ACRA in assessing the suitability of CLA Global TS.

Following the review, the Audit Committee and the Board are of the opinion that CLA Global TS will be able to meet the audit requirements of the Company, and Rules 712 and 715 of the Catalist Rules will be complied with.

CLA Global TS had, on 12 June 2023, given their written consent to be appointed as auditors of the Company, subject to the approval of Shareholders at the forthcoming AGM.

The appointment of CLA Global TS would be effective upon obtaining the approval of Shareholders at the forthcoming AGM for the Proposed Appointment of Auditors. If approved, CLA Global TS will hold office until the conclusion of the next annual general meeting of the Company.

The Board wishes to express their appreciation for the services rendered by EY.

### 2.2 INFORMATION ON CLA GLOBAL TS AND THE ENGAGEMENT PARTNER

CLA Global TS was established in 1993 by two experienced-chartered accountants, Henry Tan and Sitoh Yih Pin. CLA Global TS is a certified public accounting corporation registered with ACRA and has 21 directors and approximately 260 professional staff offering auditing, accounting, advisory and taxation services. CLA Global TS has offices in Singapore, Malaysia and Shanghai, PRC, and is amongst the top 10 largest accounting firms in Singapore. Over the years, CLA Global TS has served public-listed companies, small-medium enterprises, multi-national corporations, and non-profit organisations in various sectors such as oil and gas, construction, property development, marine and shipping, electronics, hospitality, healthcare, retail, food and beverages, trading, manufacturing and charities. CLA Global TS is currently the independent auditors to more than 40 Singapore listed companies.

CLA Global TS is an independent network member of CLA Global, a leading global network of independent accounting and consulting firms. CLA Global TS is the member firm for Singapore, Southeast Asia and PRC, and it is CLA Global’s key leading firm in Asia.

CLA Global was founded on 1 July 2022 by CliftonLarsonAllen LLP and Evelyn Partners. The organisation offers one of the largest financial outsourcing services and private client and wealth advisory platforms of any global accounting organisation. Currently, it serves more than 10,000 global clients in more than 100 countries. Member firms provide services to clients of all sizes, with a particular emphasis on fast-growing, innovative, and dynamic middle market cross-border businesses.

# APPENDIX

CLA Global TS is associated with Evelyn Partners (formerly Tilney Smith & Williamson), a leading integrated wealth management and professional services group with over 1,000 employees in the UK with its headquarters in London. As part of the top 10 largest firms of accountants in the UK, it has presence in 26 towns and cities across Britain, Ireland and the Channel Islands. Its services include investment management, accountancy, tax, corporate and financial advisory.

Ms Meriana Ang will be the audit engagement partner assigned to the audit of the Company and its subsidiaries. Ms Meriana Ang is a member of the Institute of Singapore Chartered Accountants and a public accountant registered with ACRA. She has more than 15 years of experience in providing audit services to a variety of clients, including various companies listed on the SGX-ST. Her experience in listed companies covers various industries and includes oil and gas, construction, property development, marine and shipping, electronics, hospitality, healthcare, retail, food and beverages, trading, manufacturing and charities.

Ms Meriana Ang is currently the engagement partner of several Singapore listed companies with operations in various geographical locations. In particular, both CLA Global TS and Ms Meriana Ang have experience in auditing companies in the healthcare industry. In recent years, Ms Meriana Ang has also acted as the Reporting Accounting for corporate transactions, such as major acquisitions and reverse takeovers of companies listed on the SGX-ST.

Ms Meriana Ang will be supported by another experienced audit partner acting as the EQCR director, to ensure that the engagement team is provided additional objective viewpoints on the audit and an audit team of 5 professionals, comprising managers, senior associates and associates. Apart from EQCRs allocated to all listed company and large public-interest entity clients, detailed quality reviews are performed by a central review team on these audits.

For more information about CLA Global TS, please visit their website at https://www.cla-ts.com/.

## 2.3 COMPLIANCE WITH RULE 712 OF THE CATALIST RULES

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

(a) EY have confirmed by way of a letter dated 12 June 2023 ("**Professional Clearance Letter**") that they are not aware of any professional reasons why CLA Global TS should not accept the appointment as auditors of the Company;

(b) the Company confirms that there were no disagreements with EY on accounting treatments within the last 12 months up to the date of this Appendix;

(c) the Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of Auditors that should be brought to the attention of the Shareholders and which has not been disclosed in this Appendix;

(d) the Company confirms that the specific reasons for the Proposed Appointment of Auditors are disclosed in this Appendix. The Proposed Appointment of Auditors is due to EY declining to stand for re-appointment; and

(e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of CLA Global TS as auditors of the Company.

# APPENDIX

## 2.4 COMPLIANCE WITH RULE 715 OF THE CATALIST RULES

Upon obtaining the approval of Shareholders at the forthcoming AGM for the Proposed Appointment of Auditors, CLA Global TS will be appointed as the auditors of the Company as well as its Singapore-incorporated subsidiaries. The Company has no significant associated companies.

Further, in compliance with Rule 715(2) of the Catalist Rules, the Company will engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies.

## 2.5 RECOMMENDATION OF THE AUDIT COMMITTEE

The Audit Committee has reviewed the Proposed Appointment of Auditors, and recommended the Proposed Appointment of Auditors after taking into account the suitability and independence of CLA Global TS to meet the audit requirements of the Group and compliance with the requirements of the Catalist Rules.

## 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The interests of the Directors and the Substantial Shareholders as at the Latest Practicable Date, based on information as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders' Shareholdings maintained under the provisions of the Companies Act, are as follows:

| | **Number of Shares** | | | |
|---|---|---|---|---|
| | **Direct Interest** | **%** | **Deemed Interest** | **%** |
| **Directors** | | | | |
| Chen Johnson | 77,055,100 | 12.45 | – | – |
| Yee Pinh Jeremy[(1)] | 12,903,975 | 2.08 | 14,578,200 | 2.36 |
| Andrew John Lord | – | – | – | – |
| Mark Benedict Ryan[(2)] | – | – | 2,097,600 | 0.34 |
| Tan Soon Liang (Chen Shunliang) | – | – | – | – |
| Mah How Soon (Ma Haoshun) | – | – | – | – |
| **Substantial Shareholders (other than Directors)** | | | | |
| Coop International Pte. Ltd. | 41,330,500 | 6.68 | – | – |
| Bonvests Holdings Limited[(3)] | – | – | 41,330,500 | 6.68 |
| Amereus Group Pte. Ltd. | 39,771,600 | 6.42 | – | – |
| Maxim Vorobyev[(4)] | – | – | 39,771,600 | 6.42 |
| Chen Chung Ni Johnny[(5)] | 31,059,800 | 5.02 | – | – |

**Notes:**

(1) Yee Pinh Jeremy and his spouse, Leong Wee Lee (Liang Huili), collectively hold 100.0% of the issued and paid-up share capital of Tri3 Capital Pte. Ltd. Accordingly, Yee Pinh Jeremy is deemed to be interested in the Shares held by Tri3 Capital Pte. Ltd. by virtue of section 4 of the Securities and Futures Act.

(2) Mark Benedict Ryan and his spouse, Janine Theresa Hanlon, are the beneficiaries of the Mark Ryan & Janine Hanlon. Accordingly, Mark Benedict Ryan is deemed to be interested in the Shares held by the Mark Ryan & Janine Hanlon by virtue of Section 4 of the Securities and Futures Act.

# APPENDIX

(3) Bonvests Holdings Limited holds the entire issued and paid-up share capital of Coop International Pte. Ltd. Accordingly, Bonvests Holdings Limited is deemed interested in the Shares held by Coop International Pte. Ltd. by virtue of section 4 of the Securities and Futures Act.

(4) Maxim Vorobyev holds the entire issued and paid-up share capital of Amereus Group Pte. Ltd. Accordingly, Maxim Vorobyev is deemed interested in the Shares held by Amereus Group Pte. Ltd. by virtue of Section 4 of the Securities and Futures Act.

(5) Chen Chung Ni Johnny is the father of Chen Johnson.

Save as disclosed in this Appendix, none of the Directors or their associates or, as far as the Company is aware, Substantial Shareholders or their associates, has any interest, direct or indirect, in the Proposed Appointment of Auditors.

## 4. DIRECTORS' RECOMMENDATIONS

Having considered the rationale and benefits of the Proposed Appointment of Auditors and the Audit Committee's recommendations, the Directors are of the opinion that the Proposed Appointment of Auditors is in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution in relation to the Proposed Appointment of Auditors at the forthcoming AGM.

## 5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Appointment of Auditors, the Company, its subsidiaries and its securities, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix 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 Appendix in its proper form and context.

## 6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 37 Jalan Pemimpin, #08-05 Mapex, Singapore 577177, during normal business hours from the date of this Appendix up to and including the date of the forthcoming AGM:

(a) the constitution of the Company;

(b) the Annual Report;

(c) the Professional Clearance Letter; and

(d) the letter of consent to act as auditors of the Company from CLA Global TS dated 12 June 2023.

Yours faithfully,
For and on behalf of the Board of Directors of
**CLEARBRIDGE HEALTH LIMITED**

Chen Johnson
Non-Executive Non-Independent Chairman
13 June 2023

## CLEARBRIDGE HEALTH LIMITED

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

## ANNUAL GENERAL MEETING PROXY FORM

**Important:**

1. The annual general meeting ("**AGM**") is being convened, and will be held, wholly by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM dated 13 June 2023 ("**Notice of AGM**") and this proxy form will not be sent to members. Instead, the Notice of AGM and this proxy form will be published on the Company's website at the URL https://clearbridgehealth.com/about-us/corporate-information/investor-relations/#annual-reports and on SGXNet at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to (a) attendance at the AGM by way of electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream); (b) submission of questions to the Company in advance of, or "live" at, the AGM, addressing of substantial and relevant questions in advance of, or "live" at, the AGM; and (c) voting at the AGM (i) "live" by the shareholder or his/her/its duly appointed proxy(ies) (other than the chairman of the AGM) via electronic means; or (ii) by appointing the chairman of the AGM as proxy to vote on the shareholder's behalf at the AGM, are set out in the Notice of AGM and the accompanying Company's announcement dated 13 June 2023.
3. The AGM will be held by way of electronic means and members will not be able to attend the AGM in person. A member (whether individual or corporate) may appoint other person(s) or the chairman of the AGM as his/her/its proxy(ies) to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
4. This proxy form is not valid for use by investors holding shares in the Company through relevant intermediaries ("**Investors**") (including investors holding shares through Supplementary Retirement Scheme ("**SRS Investors**") and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors (including SRS Investors) should instead contact their relevant intermediaries as soon as possible to specify their voting instructions. SRS Investors who wish to appoint the chairman of the AGM as proxy should approach their respective SRS Operators to submit their voting instruction by **5.00 p.m. on 16 June 2023**, being seven (7) working days before the AGM.

*I/We, ______________________ (Name) ______________________ (NRIC No./Passport No./Company Registration No.)

of ______________________________________________ (Address)

being *a member/members of Clearbridge Health Limited (the "**Company**"), hereby appoint:

| Name | Address | Email Address^ | NRIC/Passport No. | Proportion of shareholdings | |
|---|---|---|---|---|---|
| | | | | No. of Shares | % |
| | | | | | |

and/or(delete as appropriate)

| Name | Address | Email Address^ | NRIC/Passport No. | Proportion of shareholdings | |
|---|---|---|---|---|---|
| | | | | No. of Shares | % |
| | | | | | |

or failing him/them*, the chairman of the AGM, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means on Wednesday, 28 June 2023 at 10.00 a.m. (Singapore Time) and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against, or abstain from voting on the ordinary resolutions to be proposed at the AGM indicated hereunder.

| No. | RESOLUTIONS RELATING TO: | No. of Votes For** | No. of Votes Against** | No of Votes Abstained** |
|---|---|---|---|---|
| **ORDINARY BUSINESS** | | | | |
| 1. | To receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2022, the directors' statement and the auditor's report thereon | | | |
| 2. | To approve the payment of directors' fees of S$165,000 for the financial year ending 31 December 2023, payable quarterly in arrears | | | |
| 3. | To re-elect Mr Mark Benedict Ryan as a director of the Company | | | |
| 4. | To appoint Messrs CLA Global TS Public Accounting Corporation as Auditors of the Company in place of retiring Auditors, Messrs Ernst & Young LLP | | | |
| **SPECIAL BUSINESS** | | | | |
| 5. | To authorise the Directors to allot and issue shares in the capital of the Company | | | |
| 6. | To authorise the Directors to grant awards and to allot and issue shares pursuant to the Clearbridge Health Performance Share Plan | | | |

***Notes:***
*^ Compulsory for registration purposes. Only valid email address provided in the submitted proxy form will receive a confirmation email from the Company.*
** Delete where applicable*
*** Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or to "Abstain" the relevant resolution, please mark "X" in the relevant box provided. Alternatively, please indicate the number of votes "For", "Against" or to "Abstain" each resolution. If you mark "X" in the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution. Where the chairman of the AGM is appointed as proxy and in the absence of specific directions in respect of a resolution, the appointment of the chairman of the AGM as your proxy for that resolution will be treated as invalid.*

Dated this _____ day of ______________ 2023

| Total No. of Shares in | No. of Shares |
|---|---|
| CDP Register | |
| Register of Members | |

______________________________
Signature of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF.**

**NOTES:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you only have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the proxy form shall be deemed to relate to all the shares held by you.

2. A shareholder who is not a relevant intermediary (as defined in Section 181 of the Companies Act 1967 (the "Act")) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.

3. A shareholder who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such shareholder's proxy form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

4. The proxy needs not be a member of the Company.

5. Where a member (whether individual or corporate) appoints the chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which, the appointment of proxy(ies) for that resolution will be treated as invalid.

6. The proxy form must be submitted to the Company in the following manner:

   (a) if submitted electronically, must be submitted via email to ProxyFormSubmission@clearbridgehealth.com (e.g. enclosing a clear scanned completed and signed proxy form); or

   (b) if submitted by post, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Service at 80 Robinson Road, #11-02, Singapore 068898

   in either case, **no later than 25 June 2023 at 10.00 a.m.**, being seventy-two (72) hours before the time appointed for holding the AGM.

   A member who wishes to submit a proxy form must **first download, complete and sign the proxy form**, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above, where relevant.

   **Members are strongly encouraged to submit completed and signed proxy forms electronically via email.**

7. The proxy form appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its common seal (or by the signatures of authorised persons in the manner as set out under the Act as an alternative to sealing) or under the hand of an attorney or an officer of the corporation duly authorised.

8. Where the proxy form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the proxy form, failing which the proxy form may be treated as invalid.

9. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Act.

10. The proxy form is not valid for use by Investors (including SRS Investors) and shall be ineffective for all intents and purposes if used or purported to be used by them. Investors (including SRS Investors) should instead contact their relevant intermediaries as soon as possible to specify their voting instructions. SRS Investors who wish to appoint the chairman of the AGM as proxy should approach their respective SRS Operators to submit their voting instruction by 5.00 p.m. on 16 June 2023, being seven (7) working days before the AGM. For the avoidance of doubt, SRS Investors will not be able to appoint a proxy(ies) (other than the chairman of the AGM) to vote "live" at the AGM on their behalf.

11. Completion and return of the proxy form shall not preclude a member from attending, speaking and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the "live" AGM, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the proxy form, to the "live" AGM.

**GENERAL:**

The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**PERSONAL DATA PRIVACY:**

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

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