

## **Appendix 1**

### **Traffic Accident**

In March 2018, Dr. Sebastian Chua was involved in a motor accident involving a collision with another car. An investigation by the Traffic Police Department was carried out into the matter and in May 2018, Dr. Sebastian Chua received a letter of warning from the Traffic Police Department to remind him to refrain from similar conduct. To the best of his knowledge, there was no further action taken against him by the Traffic Police Department.

### **IRAS review**

Between June 2018 and September 2018, as part of IRAS's compliance review programme, Sebastian Chua MH Pte Ltd and S Chua Pte Ltd (the "SC Companies"), together with Sebastian Chua Pte Ltd, (collectively with the SC Companies, the "Relevant SC Companies") were selected for review of their Years of Assessment 2014 to 2017, and IRAS had consequently raised protective assessments under Section 74(1) of the Income Tax Act (Chapter 134 of Singapore) (the "ITA") in the name of the Relevant SC Companies and Dr. Sebastian Chua for the Year of Assessment 2014. Dr. Sebastian Chua provides, or had in the past provided, his medical services through the Relevant SC Companies for which fees were paid to the Relevant SC Companies. IRAS had raised questions on whether the Relevant SC Companies were set up for bona fide commercial reasons under Section 33 of the ITA and Dr. Sebastian Chua responded to IRAS in January 2019 to object to the protective assessments raised on the basis that there were *bona fide* commercial bases and reasons for setting up the Relevant SC Companies, such as risk containment and management of his anaesthesiology business, and as part of an exit strategy.

As at the date of this declaration, Dr. Sebastian Chua understands that the income derived by the Relevant SC Companies will be deemed as individual income earned through his personal efforts and accordingly, there will be tax adjustments to counteract any tax advantage under such past arrangements with the Relevant SC Companies. As at the date of this declaration, Dr. Sebastian Chua also understands that IRAS has finalised the income tax assessment and a payment plan with Dr. Sebastian Chua and there is nothing to suggest that Dr. Sebastian Chua or the SC Companies may be exposed to any penalties or sanctions by IRAS arising from this matter. Furthermore, pursuant to the terms of the SC SPA, Dr. Sebastian Chua has undertaken to keep the SC Companies harmless, fully and effectively indemnified against, *inter alia*, all costs and potential tax liabilities that the SC Companies may suffer arising from the aforementioned IRAS review. The said indemnity does not have any specified quantum limit, and there are no provisions for the termination of the said indemnity. In connection with IRAS's compliance review programme, IRAS had also determined that the income derived from the Relevant SC Companies were derived from medical services rendered by Dr. Sebastian Chua and therefore invoked Section 47 of the GST Act to treat Dr. Sebastian Chua and the Relevant SC Companies as a single taxable person. As such, given that the income of Dr. Sebastian Chua and the Relevant SC Companies exceeded the compulsory GST registration threshold of S\$1.0 million in the accounting year ended 31 December 2013, IRAS determined that Dr. Sebastian Chua was liable to register for GST in 2013. Upon the acquisition of the SC Companies by Livingstone Health Ltd. and the commencement of Dr. Sebastian Chua's employment with Livingstone Health Ltd. in 2018, IRAS determined that Dr. Sebastian Chua and the Relevant SC Companies ceased to be liable for GST registration from 1 October 2018.

Accordingly, IRAS determined that Dr. Sebastian Chua was accountable for GST in connection with the revenue of the Relevant SC Companies for the period between 1 October 2014 to 1 October 2018.

As at the date of this declaration, Dr. Sebastian Chua has made full payment of all GST as assessed by IRAS and there is nothing to suggest that Dr. Sebastian Chua or the SC Companies may be exposed to any penalties or sanctions by IRAS arising from this matter.