CLEARBRIDGE HEALTH LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201001436C)

QUALIFIED OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Pursuant to Rule 704(4) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the board of directors (the "**Board**") of Clearbridge Health Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's independent auditor, CLA Global TS Public Accounting Corporation ("**CLA Global TS**"), has included a qualified opinion (the "**Qualified Opinion**") in its independent auditor's report dated 9 April 2024 (the "**Independent Auditor's Report**") in relation to the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 ("**FY2023**") (the "**Audited Financial Statements**").

The basis for the Qualified Opinion arose from a disclaimer of opinion expressed by the former independent auditor of the Company on the audited consolidated financial statements of the Group for the financial year ended 31 December 2022 (as announced by the Company on 9 June 2023). Please refer to the Independent Auditor's Report, a copy of which is attached as an Appendix to this announcement, for further details on the basis for the Qualified Opinion.

Shareholders of the Company ("**Shareholders**") are advised to read this announcement in conjunction with the Independent Auditor's Report and the Audited Financial Statements that will form part of the annual report of the Company for FY2023 (which will be released separately on SGXNet in due course) in their entirety.

The Board wishes to highlight that, in the Independent Auditor's Report, CLA Global TS opined that except for the possible effects of the matter described in the "Basis of Qualified Opinion" section in its Independent Auditor's Report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Further, the Board is of the view that sufficient information has been disclosed for the trading of the Company's securities to continue in an orderly manner and the Board is not aware of any material information that requires disclosure but remains undisclosed as of the date of this announcement.

The Board is of the view that Rule 1303(3) of the Catalist Rules does not apply to the Company's present situation as the Group and the Company are able to continue operating as a going concern, and the Company is able to demonstrate to the SGX-ST and the Shareholders that it is able to do so. Accordingly, the Board is of the view that no suspension of trading of the Company's shares on the SGX-ST pursuant to Rule 1303(3) of the Catalist Rules is required as there is no other material information that Shareholders should be aware of.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they are in doubt about the actions that they should take.

BY ORDER OF THE BOARD

Yee Pinh Jeremy
Executive Director and Chief Executive Officer
9 April 2024

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) 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 and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Clearbridge Healthcare Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the changes in equity of the Company for the financial year ended, and notes to the financial statements, including a summary of material accounting policies information.

In our opinion, except for the possible effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for Qualified Opinion

As described in the *Other Matter* section of our report, the financial statements of the Group and the Company for the financial year ended 31 December 2022 ("FY2022") were audited by another auditor (the "predecessor auditor") who expressed a disclaimer opinion on those financial statements. During the financial year ended 31 December 2023, management has taken steps to address those matters as disclosed in Note 2 to the financial statements. Our opinion on the current financial year's financial statements is qualified on the following matters:

Opening balances and comparative figures

As disclosed in Note 39 to the financial statements, the Group entered into a transaction during FY2022 to dispose its interest in certain subsidiaries in the Healthcare System Segment (collectively, the "Disposed Group"). The Group recorded a gain on disposal of S$2,320,000 for FY2022, and the sale consideration was satisfied entirely by the issuance of convertible exchangeable bonds by Lunadorii Inc. (the "Purchaser") as disclosed in Note 32, and they were not redeemed, converted, or exchanged as at 9 June 2023.

Due to limited information made available to the predecessor auditor, they had not been able to obtain all necessary information in respect of the matters discussed below in connection with the disposal transaction.

The predecessor auditor's basis for disclaimer is summarised below.

(i) Disposal of Disposed Group

As disclosed in Note 39, the Group recorded a gain on disposal of S$2,320,000. This gain was recognised on the basis that the Group had 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.

Report on the Audit of the Financial Statements (continued)

Basis for Qualified Opinion (continued)

Opening balances and comparative figures (continued)

(i) Disposal of Disposed Group (continued)

In determining the net assets of the Disposed Group at the date of disposal, the Group was 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, based on their management accounts.

Due to the unavailability of relevant financial information of the Disposed Group, the predecessor auditor was unable to assess the relevant financial impacts of not consolidating the results of the Disposed Group until the date of disposal. Additionally, the predecessor auditor was unable to verify the accuracy of the financial information of TMJ and IGM used by the Group for consolidation purposes as they were unable to carry out any audit procedures due to lack of information available to them. As a result, the predecessor auditor was unable to determine if the net assets of the Disposal Group as at the date of disposal was appropriately stated. This in turn might have an impact on the computation of the gain on disposal and accuracy of the disclosure within Note 39.

As further disclosed in Note 39, there was an on-going legal action between the Group and a minority shareholder of an entity within the Disposed Group prior to the disposal. Management represented that any potential liability arising from this litigation would not be attributable to the Group as the relevant entities ceased to be subsidiaries of the Group. However, due to insufficient information available to the predecessor auditor, they were unable to evaluate this representation. If any adjustment was found to be necessary in respect of this matter, it might 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 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 includes the disposed entities). This valuation is highly subjective as the convertible exchangeable bonds was a complex instrument (includes embedded derivative) and its value was sensitive to the forecast of their future cash flows and other significant inputs such as discount rate, long term growth rate, probability of default events and liquidity events (Note 34).

The predecessor auditor was not 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 a lack of other reliable or publicly available information about the Purchaser, the predecessor auditor was also unable to assess the reasonableness of the fair value using other reliable valuation methods. Consequently, the predecessor auditor was unable to determine the reasonableness of the fair value of the convertible exchangeable bonds of S$10,625,000 at inception. This in turn had an impact on the computation of the gain on disposal.

The Group had also represented that the fair value of the convertible exchangeable bonds as at 31 December 2022 continued to approximate S$10,625,000 as ascertained at inception. Due to lack of information available to the predecessor auditor to support this assumption, the predecessor auditor was unable to ascertain the reasonableness of this basis.

Report on the Audit of the Financial Statements (continued)

Basis for Qualified Opinion (continued)

Opening balances and comparative figures (continued)

(ii) Fair valuation of convertible exchangeable bonds (continued

As a result, the predecessor auditor was unable to determine if the fair value of the convertible exchangeable bonds as at 31 December 2022 was fairly 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 amounted to S$12,054,000 as at 31 December 2022. No expected credit loss was recognised against these loans as at 31 December 2022.

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

In summary, the predecessor auditor was unable to obtain all necessary information to complete their 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 the predecessor auditor been able to complete the necessary audit procedures, other matters might have come to their attention that may require further adjustments to the financial statements in respect of this transaction.

Accordingly, the predecessor auditor was 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.

During the financial year ended 31 December 2023, the Group recognised fair value losses of S$9,690,000 on the convertible exchangeable bonds and expected credit losses of S$11,880,000 on loans due from certain disposed entities. These amounts were determined based on management's assessment of the fair value of the bonds and recoverability of the loans as at 31 December 2023.

We were unable to carry out any alternative audit procedures to obtain sufficient appropriate audit evidence to determine whether adjustments or disclosures, if any, are required to be made to the opening balances of the aforementioned convertible exchangeable bonds and loans due from certain disposed entities as well as the opening accumulated losses of the Group. Since the opening balances affect the current financial year's fair value losses on the convertible exchangeable bonds and expected credit losses on loans due from certain disposed entities as mentioned in the preceding paragraph, we were unable to determine whether adjustments to the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the financial year ended 31 December 2023 might be necessary. Consequently, our opinion on the current financial year's financial statements of the Group is also modified because of the possible effects of these matters on the comparability of the current financial year's figures and the corresponding figures.

Report on the Audit of the Financial Statements (continued)

Basis for Qualified Opinion (continued)

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion section*, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment assessment of goodwill
See accounting policies in Note 3.4(b)
See critical accounting estimates, assumptions and judgement in Note 4.2(b)
Refer to Note 17 to the financial statements

Area of focus

The Group recognises goodwill from acquisition of businesses in the prior financial years and allocated these assets to the respective cash-generating units ("CGUs") at the respective acquisition dates.

These CGUs are tested for impairment annually. Management applies the value-in-use (discounted cash flows) method to determine the recoverable amount of each CGU. Any shortfall of the recoverable amounts against the carrying amounts is recognised as impairment loss.

During the financial year ended 31 December 2023, the Group recognised impairment loss on goodwill for the Medical Clinics/centers Segment of S$10,371,000 which resulted in the write-down of the carrying amount of goodwill from S$21,296,000 to S$10,925,000. As at 31 December 2023, the carrying amount of goodwill of S$10,925,000 represents 46% of the Group's total assets and 71% of the Group's non-current assets on the consolidated statement of financial position.

Due to the magnitude of the amount recognised in the financial statements, level of management judgement involved, and sensitivity of assumptions used in the cash flow projections as part of impairment testing, we have considered this matter as a key audit matter.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Impairment assessment of goodwill (continued)
See accounting policies in Note 3.4(b)
See critical accounting estimates, assumptions and judgement in Note 4.2(b)
Refer to Note 17 to the financial statements

How our audit addressed the matter

Our procedures included, amongst others, understanding management's impairment assessment process. This involved delving into their methodology in identifying CGUs to which goodwill have been allocated, the determining the carrying amount of each CGU, and preparing the budget used for which the value-in-use calculation is based on. We assessed the determination of the CGUs based on our understanding of the nature of the Group's businesses and how management monitors the Group's operations and makes decisions about continuing or disposing of the Group's assets and operations.

We held discussions with management to understand the basis of the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the CGU. These estimates include those relating to forecasted revenue growth rates, operating expenses, profit margins and discount rates.

We challenged management's estimates applied in the value-in-use model based on our knowledge of the CGU's operations, and compared them against actual results, historical forecasts and performance, market data and industry trend. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers and/or business partners and review relevant supporting documents and information to collaborate certain key assumption used by management in deriving the recoverable amount. We involved our internal valuation specialists to assist in our assessment.

We reviewed management's sensitivity analysis on the possible changes to the key assumptions such as growth rate and discount rate, and assessed the impact on the recoverable amount. We tested the parameters used in determining the discount rate applied and re-performed the calculations.

We also reviewed the adequacy of the disclosures made in relation to the impairment assessment of goodwill in the financial statements.

Valuation of financial instruments
See accounting policies in Note 3.12(a) and 3.12(b)
See critical accounting estimates, assumptions and judgement in Note 4.2(a)
Refer to Note 13, Note 32 and Note 34 to the financial statements

Area of focus

As at 31 December 2023, the Group has financial assets measured at fair value through profit or loss, comprising convertible exchangeable bonds and derivative financial instruments with carrying amounts of S$935,000 and $41,000, respectively and financial assets classified at fair value through other comprehensive income (i.e. investment in unquoted shares) of S$813,000. While the Company has convertible exchangeable bonds classified as financial assets at fair value through profit or loss and derivative financial instruments with carrying amounts of S$734,000 and S$41,000, respectively as at 31 December 2023.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Valuation of financial instruments (continued)
See accounting policies in Note 3.12(a) and 3.12(b)
See critical accounting estimates, assumptions and judgement in Note 4.2(a)
Refer to Note 13, Note 32 and Note 34 to the financial statements

Area of focus (continued)

The convertible exchangeable bonds of the Group and the Company (the "Bonds") were issued by Lunadorii Inc. (the "Purchaser") as consideration for the disposal of the Group's interest in certain subsidiaries in the Healthcare Systems Segment (collectively, the "Disposed Group") which was completed on 7 October 2022.

Management has assumed that the Bonds would be converted into the Purchaser's shares upon maturity and that the equity value of the Purchaser determined based on discounted cash flows would be adversely affected taking into consideration the factors disclosed in Note 4.2(a).

Determining the fair value of these instruments is inherently subjective as they comprise unquoted equity instruments and derivatives for which fair value necessitate the use of valuation models. The valuation models use various unobservable inputs, resulting in high estimation uncertainty. The utilisation of different valuation models and assumptions could yield significantly different estimates of fair value. Given that the valuation of these instruments involves the application of unobservable inputs such as projected stock price volatility, projected cash flows, long-term growth rate and discount rates, amongst others, there is greater estimation uncertainty in the determination of these values. As such, the valuation of the financial instruments is considered to be a key audit matter.

Management relies on its internal valuation expert, and where necessary engages an external valuation specialist to assist in determining the fair value of the financial instruments.

How our audit addressed the matter

Our audit procedures included, amongst others, evaluating the reasonableness of the key estimates and key assumptions adopted by the management and valuer.

We considered the independence, objectivity and the relevant experience of the external valuation specialist.

In addition, we involved our internal valuation specialist to assist us in testing the appropriateness of the valuation methodologies, and certain key assumptions used by the management and external valuation specialist and also management such as projected stock price volatility, projected cash flows, long-term growth rate and discount rates.

We also considered the adequacy of the disclosures required with regard to the nature and valuation of the financial instruments in Note 34 to the financial statements.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Valuation of loans receivable due from non-related parties
See accounting policies in Note 3.13
See critical accounting estimates, assumption and judgement in Note 4.2(d)
Refer to Note 2 and Note 33(b)(i) to the financial statements

Area of focus

As at 31 December 2023, the Group's loans receivable due from non-related parties of S$12,184,000 consist of loans receivable due from the disposed entities, SAM Laboratory Pte. Ltd. ("SAM Labs") and Clearbridge Medical Asia Pte. Ltd. ("CBMA") of S$11,880,000 and the Purchaser of S$304,000. During the financial year ended 31 December 2023, the Group recognised expected credit loss allowance of S$11,880,000 against the loans receivable due from SAM Labs and CBMA which were provided to SAM Labs and CBMA as funding for the working capital of SAM Labs, CMBA and their respective subsidiaries prior to the disposal.

At the end of the current financial year, management assesses 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, as well as default or significant delay in payments, constitute objective evidence of expected credit loss.

Management has assessed that there is significant increase in credit risk for the loans receivable from SAM Labs and CBMA, and has provided expected credit loss allowance on the full amount of the loans receivable after taking into consideration the factors disclosed in Note 4.2(d).

Due to the magnitude of the amount recognised in the financial statements and the level of management judgement involved in estimating the expected credit losses, we have considered this matter as a key audit matter.

How our audit addressed the matter

We obtained understanding and evaluated the Group's impairment policy for loans receivable in accordance with the requirements of SFRS(I) 9 *Financial Instruments*.

We enquired management for their assessment of collectability of loans receivable and reviewed management's assessment of expected credit loss using the general approach, including management's assessment of any increase in credit risk.

We reviewed and considered the adequacy of disclosures made in the financial statements in respect of the credit risk of loans receivable.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Going concern assumption
Refer to Note 3.1 to the financial statements

Area of focus

The Group reported a net loss before income tax of S$34,367,000 and net cash used in operating activities of S$3,574,000 for the financial year ended 31 December 2023. This was pertaining to a decrease in revenue from the distribution of Labnovation's COVID-19 ART Test Kits in Hong Kong and Philippines, as well as a decrease in revenue from the medical clinics/centres in Singapore and the Philippines for the provision of general medical, dental and clinical services along with the distribution of medical and pharmaceutical products.

As at 31 December 2023, the Group's cash and bank balances amounting to S$3,671,000 decreased by S$2,384,000 from 31 December 2022 mainly due to cash outflows from operating and financing activities of S$3,574,000 and S$1,878,000 respectively which were partially offset by cash generated from investing activities of S$3,074,000. As at 31 December 2023, the Group's current liabilities of S$4,912,000 comprise mainly trade and other payables of S$2,701,000 and borrowings including lease liabilities of S$2,037,000.

Management's going concern assessments are set out in Note 3.1 to the financial statements.

Management's assessment of the Group's ability to generate sufficient operating cash flows on a timely basis and availability of sufficient funds for its operations are important considerations for the going concern assumption. As such, these are significant aspects of our audit and we determined this is a key audit matter.

How our audit addressed the matter

Obtained and evaluated the cash flows forecasts prepared by management as approved by the Board of Directors, for the next twelve months from the date of the financial statements and assessed the reasonableness of the key assumptions used by checking against the Group's business plan and historical performance.

We discussed with management to obtain an understanding on the business plans and financing requirements and obtained written representations from management and those charged with governance, regarding their plans for future actions and the feasibility of these plans.

Reviewed minutes of board meetings and relevant committee meetings for any discussion of financial difficulties and future plans, including those up to the date of this report.

Reviewed events after the financial year end to identify factors relevant, if any, to the going concern assumption as a basis for the preparation of the financial statements.

Reviewed the adequacy and appropriateness of the management's disclosure in the financial statements on the going concern assumption.

Report on the Audit of the Financial Statements (continued)

Other Matter

The financial statements of the Group and the Company for the financial year ended 31 December 2022 were audited by another auditor who expressed a disclaimer of opinion on those financial statements on 9 June 2023. The basis for disclaimer of opinion and the steps taken by management to address some of those matters during the current financial year are disclosed in Note 2 to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the Directors' statement and other sections of the annual report, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on the Audit of the Financial Statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report to the Members of
Clearbridge Healthcare Limited
(continued)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Meriana Ang Mei Ling.

CLA Global TS Public Accounting Corporation
Public Accountants and Chartered Accountants
Singapore

9 April 2024