Appendix 1

Single Submission Form

Common Document for Submission to Regulatory, Listing, and Registration Authorities, and Market Institutions for the Issuance of Bonds and Notes under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF)

ASEAN+3 Bond Market Forum (ABMF) Initiative

Version 54, 5 April 2023 (adjusted)

Prepared by
ABMF Sub-Forum 1
The AMBIF Documentation Recommendation Board (ABRD)
and
Related authorities in the region

Important Explanations

For related parties:

- This Single Submission Form (SSF) is designed to facilitate an ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF) bond and note issuance application to regulatory, listing, and registration authorities in each participating market. As such, this Form is prepared for the benefit of issuer(s) aiming to issue bonds and notes to professional investors in ASEAN+3.
- This Form contains a common set of information to be submitted when applying for AMBIF bond and note issuance for each participating market; however, this does not impact the ability of the regulatory, listing, and registration authorities to request additional information, if deemed necessary, for review and approval.
- This Form is a standard submission document (template) for AMBIF bond and note issuance(s) that is readily available for the markets defined in this SSF's Chapter I, Section 3: Targeted Professional Investor Markets in ASEAN+3 Economies. As of the end of December 2020, the professional bond markets of Cambodia; Hong Kong, China; Japan; Malaysia; the Philippines; Singapore; and Thailand comprised the Targeted Professional Investor Markets in ASEAN+3.
- This Form is basically recognized by most of the regulatory, listing, and registration authorities in each participating market; however, this does not exclude the possibility of using another form or document when applying for an AMBIF bond or note issuance where the relevant authorities so admit or require.

For issuers who would like to submit this Form:

- The SSF can be used either as disclosure for bonds and notes issued under a program or shelf-registration, or for a discrete stand-alone AMBIF bond or note issuance.
- When used in conjunction with a note issuance program, this Form may be used separately for issuance approval of the program in a first instance, and individual drawdowns under the program in every instance thereafter. Please choose the type of submission accordingly.
- All the necessary disclosure information as specified by regulatory, listing, and registration authorities should be submitted together with this Form, as may be required by the applicable regulations and guidelines of the relevant jurisdictions. This means that such information may not be provided only by way of referring to a particular filing place or website.
- In order to facilitate a shorter time to market for the issuer, this Form may be submitted to all relevant regulatory authorities and market institutions at the same time.
- Before the submission of this Form, the AMBIF Implementation Guidelines for each participating markets should be referred to accordingly.

About terminology in this Form:

- The term "notes" is used in the SSF to describe debt instruments to be issued in a general manner to professional investors in participating ASEAN+3 markets. The other terms below correspond to the expressions commonly used in the context of bond and note issuance in international debt capital markets and are typically familiar to regular issuers, professional investors, and their service providers.
- For the purpose of the SSF, notes is meant to include various forms of debt instruments—such as bills, notes, and bonds—without any prejudice toward any of the definitions of individual terms as may exist in current practices, laws, and regulations of participating ASEAN+3 markets.

- The term “note issuance program” is intended to describe a program under which multiple issuances of notes are intended with a maximum outstanding amount and common disclosure of the issuer information. The term “note issuance program” is also meant to cover any equivalent debt instrument issuance forms, including but not limited to medium-term note programs and debt issuance programs commonly used in mature debt capital markets.

Introduction to AMBIF and AMBIF Elements

- AMBIF is a policy initiative under the Asian Bond Markets Initiative (ABMI) to help facilitate intra-regional transactions through standardized bond and note issuance and investment processes. By doing so, it will facilitate the process of recycling savings within the region in a practical and efficient manner. This can be expected to contribute to the region's economic growth and stability.
- An AMBIF Market is defined as a professional bond market or market segment for AMBIF bond and note issuance; an AMBIF Market may be constituted as a result of professional investor concepts (e.g., Qualified Buyer), professional market concepts (e.g., Private Placement to Accredited Investors), or because of exemptions from public offering regulations (e.g., Excluded Offers, Targeted Offers to Qualified Investors and similar regimes).
- AMBIF Investors are investors eligible for buying and trading bonds or notes issued under AMBIF.

The AMBIF Elements (AMBIF Core Components) are described below.

AMBIF Elements (AMBIF Core Components)	**Brief Description**
Domestic Settlement	Bonds and notes are settled at a national CSD in ASEAN+3 markets.
Harmonized Documents for Submission (Single Submission Form)	A common approach is of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information based on an ADRB recommendation needs to be included. ⓐ
Registration or profile listing at ASEAN+3 (Place of continuous disclosure)	Information on bonds, notes, and issuers needs to be disclosed continuously in ASEAN+3 markets. Registration or a listing authority function is required to ensure continuous and quality disclosure.
Currency	The denomination of an issue is generally expected to be in the domestic currency of each ASEAN+3 market.
Scope of Issuer	Resident of ASEAN+3
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations, or market practice, in each ASEAN+3 market ⓑ

ADRB = AMBIF Documentation Recommendation Board; AMBIF = ASEAN+3 Multi-Currency Bond Issuance Framework; ASEAN+3 = Association of Southeast Asian Nations plus the People's Republic of China, Japan, and the Republic of Korea; CSD = central securities depository.

ⓐ For more on ADRB, please refer to AMBIF SSF Frequently Asked Questions No. 38 and 39.
ⓑ The following are characteristics of AMBIF Investors:
• Investors targeted under AMBIF are professional investors in ASEAN+3, as they may currently be defined in accordance with applicable laws and regulations in each jurisdiction or market practice.
• There is no intention to normalize professional investor concepts across markets at this stage, since it is the ASEAN+3 Bond Market Forum's (ABMF) policy to avoid changes to existing legislation as a result of defining and implementing AMBIF.
• Professional investors may also include foreign institutional investors if they are so defined in the laws and regulations as professional, or if market practice already shows evidence of foreign institutional investment activities.
Source: ABMF SF1.

Single Submission Form

Contents

I. General Information for Single Submission Form

Common Document for Submission to Regulatory, Listing, and Registration Authorities, and Market Institutions for Issuance of Notes under the ASEAN+3 Multi-Currency Bond Issuance Framework (AMBIF) to be submitted by Issuer(s) to Regulatory, Listing, and Registration Authorities, and Market Institutions for Regulatory Process(es) as applicable:

Date of Submission: **19 November 2024**

Issuer's Name: **Singapore Medical Group Limited**

Issuer's Address: **1004 Toa Payoh North, #06-03/07, Singapore 318995**

Issuer's Representative's Signature:______________________________

Issuer's Representative's Name: Beng Teck Liang

Issuer's Representative's Title and Status: Director

1. Authorities and market institutions applied to for an approval and profile listing or registration in each market

Targeted Market	Regulatory, Listing, or Registration Authority, and Market Institution		Purpose of Submission	Tick
Cambodia	1-1.	Securities and Exchange Regulator of Cambodia (SERC)	Approval	
	1-2.	National Bank of Cambodia (NBC)	Approval	
	1-3	Cambodia Securities Exchange (CSX)	Submission for Listing	
People's Republic of China (CIBM)	2-C1.	People's Bank of China (PBOC)	Approval	
	2-C2.	National Association of Financial Market Institutional Investors (NAFMII)	Submission for Registration	
People's Republic of China (Exchange)	2-E1.	Shanghai Stock Exchange (SSE)	Submission for Examination for Issuance and Review for Listing/Enrolment	
		Shenzhen Stock Exchange (SZSE)		
	2-E2.	Shanghai Stock Exchange (SSE)	Submission for Listing/Enrolment	
		Shenzhen Stock Exchange (SZSE)		
	2-E3.	Securities Association of China (SAC)	Submission for Post-Issuance Reporting	

Hong Kong, China	3-1.	Hong Kong Exchanges and Clearing Limited (HKEx)	Submission for Listing	
	3-2.	Hong Kong Monetary Authority (HKMA)—Central Moneymarkets Unit (CMU)	Approval	
Indonesia	4-1.	Indonesian Financial Services Agency (OJK)	Approval	
	4-2.	PT Kustodian Sentral Efek Indonesia (KSEI)	Approval	
Japan	5.	Tokyo Stock Exchange (TSE)—TOKYO PRO-BOND Market	Submission for Listing	
Republic of Korea	6-1.	Korea Exchange (KRX)	Submission for Listing	
	6-2.	Korea Financial Investment Association (KOFIA)	Submission for Registration	
Lao People's Democratic Republic	7-1.	Securities and Exchange Commission Office (SCC)	Approval	
	7-2.	Bank of Lao PDR	Approval	
Malaysia	8-1.	Securities Commission Malaysia	Lodgement of Documents and Information under the Lodge and Launch Framework	
	8-2.	Bank Negara Malaysia (BNM)	Request for Approval (for Purposes of Foreign Exchange Administration)	
Philippines	10-1.	Securities and Exchange Commission of the Philippines (PH SEC)	Submission of Notice of Exemption	
	10-2.	Bangko Sentral ng Pilipinas (BSP)	Request for Approval	
	10-3.	Philippine Dealing & Exchange Corp. (PDEx)	Enrolment for Listing cum Trading	

	10-4.	Philippine Depository & Trust Corp. (PDTC)	Approval	

Singapore	11-1.	Singapore Exchange Securities Trading Limited (SGX)	Submission of Application for Listing	√
	11-2.	Central Depository Pte Ltd.(CDP)	Approval	√

Thailand	12-1.	The Securities and Exchange Commission, Thailand (Thai SEC)	Filing for Approval	
	12-2.	Public Debt Management Office (PDMO) of the Ministry of Finance	Request for Approval	
	12-3.	Thai Bond Market Association (ThaiBMA)	Submission for Registration	
	12-4.	Bank of Thailand (BoT) *(only if issuer is a financial institution and the use of proceeds is for capital requirements)*	Request for Approval	
	12-5.	Thailand Securities Depository (TSD)	Approval	

Viet Nam	13-1.	Ministry of Finance (MOF)	Notification	
	13-2.	State Bank of Vietnam (SBV)	Approval	
	13-3.	Hanoi Stock Exchange (HNX)	Submission of Application for Profile Listing	

2. **Issuer's Domicile:**

Issuer's Domicile (Home Jurisdiction)	No.*	Resident in
		Singapore

* Enumeration in case of multiple issuer domiciles

3. **Issuer's Parent Company's Jurisdiction:**

Issuer's Parent Company's Jurisdiction	

4. **Type of Submission:**

		Tick
Type-P	Note Issuance Program:	
Type-S	Shelf-Registration:	

	(regulatory system of collective registration of the total amount of the note issuances that can be executed within a certain period of time)	
Type-A	Stand-Alone Issuance:	√
Type-D	Drawdown Issuance from the Note Issuance Program or Shelf-Registration:	

5. Distinction of the Form:

		Tick
N.	New:	√
R.	Renewal (details are described below):	
A.	Amendment (details are described below):	

6. Targeted Professional Investor Markets in ASEAN+3:

No.	Targeted Professional Investor Market*		Tick
1.	**Cambodia: Targeted Offers to Qualified Investors**		
2-1.	People's Republic of China: Inter-Bank Bond Market (CIBM)		
	● Targeted Placements (PP) of Debt Financing Instruments to Specified Institutional Investors* (*: Institutional Investors who are designated by the issuer and the lead underwriter)		
	● Targeted Placements (PP) of Debt Financing Instruments to Specialized Institutional Investors** (**: Institutional Investors selected by NAFMII; a list of 120 institutions, to be reviewed periodically)		
2-2.	People's Republic of China: Exchange Bond Market		
	● Offering to Qualified Investors	Qualified Investors	
		Qualified Institutional Investors	
	● Non-public placement to Qualified Investors (Private Placement)		
3.	**Hong Kong, China: Professional Investors Only Market**		
4.	Indonesia: (Offering to Professional Investor)		
	Non-Public Offering (Private Placement)		
5.	**Japan: TOKYO PRO-BOND Market (Professional Investor Market)**		
6.	Republic of Korea: QIB Market		
7.	(Lao People's Democratic Republic: PP Market)		
8.	**Malaysia: Excluded Offers – Sophisticated Investors Market**		

9.		
10.	**Philippines: Qualified Buyers' Market**	
11.	**Singapore: Wholesale Market (Institutional Investors Market)**	√
12.	**Thailand: PP-II Regime**	
13.	Viet Nam: PP (Institutional Investors) Market	

AI = Accredited Investors, PP = Private Placement, PP-II = Private Placement to Institutional Investors.
* Markets that were not yet active at end-April 2019 are in parentheses. Those markets that had defined professional bond markets suitable for AMBIF at end-April 2019 are in **boldface type**.

7. Denominated Currency of the Notes:

No.	Denominated Currency of the Notes (ISO 4217 Code)		Tick
1.	KHR (Cambodia)		
	USD (Cambodia)		
2.	CNY	CNH: (HKMA-CMU settled)	
		CNH: (other than HKMA-CMU settled:)	
3.	HKD		
4.	IDR		
5.	JPY		
6.	KRW		
7.	LAK		
8.	MYR		
10.	PHP		
11.	SGD		√
12.	THB		
13.	VND		
14.	USD		

8. Clearing and Settlement:

No.	Denominated Currency of the Notes	Name of Central Depository	Name of Depository System	Distinction of DVP, Non-DVP, or N.A.
1	SGD	The Central Depository (Pte) Limited	The Central Depository (Pte) Limited	Non-DVP

9. Place of Disclosure:

No.	Name of the Place of Disclosure
1	Singapore Exchange Securities Trading Limited (the "**SGX-ST**") The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Offering Circular as attached hereto in Section VI (the "**Offering Circular**"). Approval in-principle from, admission to the Official List of, and listing and quotation of the Bonds on, the SGX-ST are not to be taken as an indication of the merits of the Issuer the Guarantor (as defined herein), their respective subsidiaries (if any), associated companies or the Bonds.
Detailed explanation of the profile listing or registration, if necessary: NA	

10. Other Important Matters:

No.	Jurisdiction (Market)	Important Matter
1.	Cambodia	
2-1.	People's Republic of China - CIBM	
2-2.	People's Republic of China – Exchange Market	
3.	Hong Kong, China	See Part IV, Section 2, point 11 (Selling Restrictions at Issuance) of this form.
4.	Indonesia	
5.	Japan	
6.	Republic of	

	Korea	
7.	Lao People's Democratic Republic	
8.	Malaysia	
10.	Philippines	
11.	Singapore	See Part IV, Section 2, point 11 (Selling Restrictions at Issuance) of this form.
12.	Thailand	
13.	Viet Nam	
14.	Other (if any)	The United States, the European Economic Area and the United Kingdom. See Part IV, Section 2, point 11 (Selling Restrictions at Issuance) of this form.

II. Issuer Information

(If two or more issuers intend to jointly establish a note issuance program, describe information for each of the issuers.)

Method of describing Issuer Information* *(An issuer can choose one method of describing as set forth below.)*		Tick
A.	Fully describe Issuer Information	√
B.	Specify the documents and places where AMBIF Investors are able to access the documents and designate them as Documents Incorporated by Reference	
C.	A combination of A and B above	

* An issuer can also choose not to designate Financial Information of the issuer as Documents Incorporated by Reference provided the issuer discloses its financial information in English in the Home Jurisdiction. For example, in case the issuer has continuously disclosed English annual reports that contain consolidated financial statements with independent auditor reports, the issuer may state such facts below and describe how AMBIF Investors can access such annual reports (e.g., via a website).

1. Information on the Issuer:

1.	Name of Issuer:	Singapore Medical Group Limited
2.	Name and Title of Representative:	Beng Teck Liang, Director
3.	Address (Registered or Business Address):	1004 Toa Payoh North, #06-03/07, Singapore 318995
4.	Liaison Contact Person:	Beng Teck Liang
5.	Telephone and e-Mail:	96338160 teckliang.beng@smg.sg
6.	Business Registration No. (if any):	200503187W
7.	Date and Place of Incorporation:	10 March 2005 Singapore
8.	Authorized and Paid-up Capital:	Amount: SGD188,679,219.02 No. of shares: 709,838,319
9.	Trends of Key Financial Data:	See Singapore Medical Group Limited's audited financial statements set forth in the Offering Circular.
10.	Description of Business: *(nature of business of the issuer in the domestic economy, if any)*	See “The Issuer” set forth in the Offering Circular.
11.	Risk Factors: *(including risks related to the*	See “Risk Factors” set forth in the Offering

	issuer's business, operations, and regulatory environment)	Circular.
12.	Board of Directors:	See "Management of The Issuer" set forth in the Offering Circular.
13.	Controlling Shareholders or, in the Case of a Public Company, Names of Major Shareholders:	See Singapore Medical Group Limited's audited financial statements set forth in the Offering Circular.
14.	Status of Affiliates:	NA
15.	Website for Disclosure (if any):	Information about the Bonds will be disclosed on the website of SGX-ST.

2. Financial Information on the Issuer:

1.	Consolidated Financial Statements: (i) Consolidated Balance Sheet (ii) Consolidated Income Statement and Consolidated Comprehensive Income Statement, or Statement of Consolidated Income and Comprehensive Income (iii) Consolidated Statement of Changes in Shareholders' Equity (iv) Consolidated Cash Flow Statement (v) Independent Auditor's Report (vi) Accompanied Notes	Information about the Bonds will be disclosed on the website of SGX-ST. (i) The audited consolidated financial statements of Singapore Medical Group Limited as at and for the year ended 31 December 2022 which have been audited by Ernst & Young LLP, and (ii) the audited consolidated financial statements of Singapore Medical Group Limited as at and for the year ended 31 December 2023 which have been audited by Ernst & Young LLP, are attached to the Offering Circular.
2.	Other Matters	
	● Subsequent Events:	See "The Issuer" set forth in the Offering Circular.
	● Litigations:	See "Legal and Regulatory Proceedings" set forth in the Offering Circular.

* For (i), (ii), and (iii) only

3. Information on the Guarantor or Provider of other Credit Enhancement (if any):

1.	Name:	Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank ("**CGIF**" or the "**Guarantor**")
2.	Address:	Asian Development Bank Building 6 ADB Avenue, Mandaluyong City 1550 Metro Manila, Philippines

3.	Description of Business:	See "Information on the Guarantor" set forth in the Offering Circular.
4.	Guaranty or Support Agreement Details:	See "Description of the CGIF Guarantee" set forth in the Offering Circular.

4. Financial Information on the Guarantor or Provider of Credit Enhancement:

This Offering Circular contains certain financial information relating to CGIF as of and for the years ended 31 December 2022 and 2023, which has been extracted from the audited consolidated financial statements of CGIF as of and for the years ended 31 December 2022 and 2023 (the "**Guarantor Audited Financial Statements**").

The Guarantor Audited Financial Statements were prepared in accordance with International Financial Reporting Standards and have been audited by Deloitte & Touche LLP and are available at the following website page: http://www.cgif-abmi.org/investors/financial-statements and are incorporated by reference in the Offering Circular.

III. Information on the Program or the Shelf-Registration

(Except for Item No.14 below, the component information for Program and Shelf-Registration is exactly the same.)

1.	Issuer:	NA

2-1.	Guarantor (if any):	NA
2-2.	Provider of Credit Enhancement (if any):	NA

3.	Description of the Program or Shelf-Registration: *(Ref. I. 1. Type of Submission [Type-P] or [Type-S])*	NA

4.	Credit Rating(s) for the Program or Shelf-Registration:	NA

5.	Scheduled Issuance Period: *(DD/MM/YY) – (DD/MM/YY)*	NA

6.	Arranger(s) of the Program or Shelf-Registration:	NA
7.	Dealers and/or Underwriters or Equivalent: *(for example, Principal Adviser [MY] or Financial Adviser [TH])*	NA
8.	Bond Trustee or Equivalent (if any): *(Bond Administrator, Commissioned Company or Person, or Bondholder Representative)*	NA

9.	Fiscal Agent:	NA
10.	Paying Agents:	NA
11.	Registrar and Transfer Agent:	NA
12-1.	Other Agent ( ):	NA
12-2.	Other Agent ( ):	NA

13-1.	Legal Adviser(s) to the Issuer(s):	NA
13-2.	Legal Adviser(s) to the Dealer(s):	NA

14-P.	Maximum Outstanding Amount under the Program:*	NA
14-S.	Total Amount of the Notes Issuances under Shelf-Registration:*	NA

15.	Method of Distribution: *(Subject to applicable selling restrictions. For instance, notes may be distributed [only to professional investors] on a syndicated or non-syndicated basis.)*	NA
16.	Issuance in Series: *(Describe if notes will be issued in a series and, if so, the salient points of it and tranches within the series.)*	NA
17.	Forms of Notes: *(book-entry)* *(bearer)* *(registered)*	NA

18.	Currencies: *(Describe currencies in which notes under the program may be denominated.)*	NA

19.	Status of the Notes:* *(subordinated)* *(preferred)* *(unsubordinated)*	NA

20.	Type of Notes: *(fixed-rate notes)* *(floating-rate notes)* *(zero-coupon notes)*	1. 2. 3.	NA NA NA

21.	Listing, Registration, or Filing Place(s): *(See I.-6.Place of Disclosure.)*	NA

22.	Use of Proceeds:	NA

23.	Governing Law(s) and Jurisdiction(s) of the Notes:**	NA

24.	Taxation and Tax Status: *(Prospective purchasers of the notes are advised to consult their own tax advisors on taxation in ASEAN+3 or taxation as may be applicable in other relevant countries or economies.)*	NA

<table>
<tr><td rowspan="6">25.</td><td colspan="2">Selling Restrictions at Issuance:
(Notes shall not be sold, offered for sale, or distributed to nonprofessional investors in ASEAN+3.)</td></tr>
<tr><td>1.</td><td>NA</td></tr>
<tr><td>2.</td><td>NA</td></tr>
<tr><td colspan="2">Selling Restrictions Thereafter:
(Notes shall not be sold, offered for sale, or distributed to nonprofessional investors in ASEAN+3)</td></tr>
<tr><td>1.</td><td>NA</td></tr>
<tr><td>2.</td><td>NA</td></tr>
</table>

26.	Outstanding Debt from Previous Issues of Bonds and Notes : *(for example, in case of THB-denominated bonds and notes)*	NA

** Under the current prescriptions for AMBIF, subordinated notes, index-linked notes, dual currency notes, and other structured notes are not considered by ABMF for inclusion as AMBIF issuances.*
*** Governing law and jurisdiction, with respect to the Terms and Conditions of the Notes, will be those agreed among the contract parties, subject to applicable laws and regulations.*

IV. Information on the Notes

1. Summary of the Terms and Conditions of the Notes or Final Terms of Individual Issuance of Bonds/Notes:

(This section may be used for describing the information of individual issuance of bonds/notes for Type-D submissions.)

1.	Issuer(s):	Singapore Medical Group Limited
2.	2-1.Guarantor (if any):	Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank
	2-2.Provider of Support Agreement (if any):	NA
3.	Name of the Notes:	S$90,000,000 3.54 per cent. Senior Unsecured Guaranteed Bonds due 2029 Unconditionally and Irrevocably Guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank
4.	Aggregate Amount of the Notes (Issue Amount):	S$90,000,000
5.	Form of Notes:	The Bonds are issued in registered form.
6.	Status of the Notes:	See Condition 1(b) of "Terms and Conditions of the Bonds" set forth in the Offering Circular
7.	Denomination of the Notes: (i) minimum tradable amount (ii) multiple tradable amount	The Bonds are denominated in Singapore dollars, with a denomination of S$250,000 each
8.	Issue Price:	100%
9.	Offer Price:	100%
10.	Date of Issue:	20 November 2024
11.	Date of Maturities: *(timing of amortization plan ([if any])*	Maturity Date: 20 November 2029 See Condition 7 of "Terms and Conditions of the Bonds" set forth in the Offering Circular
12.	Early Redemption: *(with call option, with put option, with call and put exercise dates [if any])*	The terms of the Bonds contain early redemption provisions. See Conditions 7(b), 7(c) and 7(d) of "Terms and Conditions of the Bonds" set forth in the Offering Circular

13.	Type of Notes: *(fixed-rate notes)* *(floating-rate notes)* *(zero-coupon notes)*	The Bonds will bear interest at a fixed rate
14.	Interest or Coupon Rate:	See Conditions 6(a) of "Terms and Conditions of the Bonds" set forth in the Offering Circular
15.	Interest or Coupon Payment Method: *(record date rule, interest payment frequency, interest calculation frequency, first interest payment date, and timing of interest payment)*	See Condition 6(c) of "Terms and Conditions of the Bonds" set forth in the Offering Circular
16.	Negative Pledge:	The terms of the Bonds contain a negative pledge provision. See Condition 4 of "Terms and Conditions of the Bonds" set forth in the Offering Circular
17.	Cross Default:	The terms of the Bonds contain a cross-acceleration provision See Condition 10(a)(iii) of "Terms and Conditions of the Bonds" set forth in the Offering Circular
18.	Governing Law and Jurisdiction*:	The Bonds (other than Condition 18(b) of the Terms and Conditions of the Bonds), the Trust Deed (other than clause 34.2 of the Trust Deed), the Agency Agreement (other than clause 24.2 of the Agency Agreement), the CGIF Guarantee and any non-contractual obligations arising out of or in connection therewith will be governed by, and will be construed in accordance with English law Any disputes arising under the Bonds and the CGIF Guarantee are subject to arbitration under the Arbitration Rules of the Singapore International Arbitration Centre
19.	Special Withholding Tax Applied to Financial Institutions including FATCA (if any):	NA

** Governing law and jurisdiction, with respect to the Terms and Conditions of the Notes, will be those agreed among the contract parties, subject to applicable laws and regulations.*

2. Other Information of the Notes:

1.	Dealers and/or Underwriters or Equivalent: *(for example, Principal Advisor [MY] or Financial Advisor [TH])*	DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited
2.	Trustee or Equivalent (if any): *(Bond Administrator, Commissioned Company or Person, Bondholders Representative)*	The Bank of New York Mellon, Singapore Branch
3.	Fiscal Agent:	NA
4.	Paying Agents:	The Bank of New York Mellon, Singapore Branch
5.	Registrar and Transfer Agent:	The Bank of New York Mellon, Singapore Branch
6-1.	Other Agent: ( ):	NA
6-2.	Other Agent: ( ):	NA
6-3.	Other Agent: ( ):	NA
7.	Listing, Registration, or Filing Place(s) of the Notes: *(See I.-6.Place of Disclosure.)*	The Bonds are expected to be listed on the SGX-ST
8.	Settlement Place(s) of each Denominated Currency Notes: *(See I.-5.Clearing and Settlement.)*	1. Singapore dollars — The Central Depository (Pte) Limited
9.	Use of Proceeds:	
	1. Amount of Proceeds from Sale of Notes:	See “Use of Proceeds” set forth in the Offering Circular
	2. Use of Proceeds [and Timing of Disbursement]: *(may include rationale or justification)*	See “Use of Proceeds” set forth in the Offering Circular
10.	Risk Factors relating to the Notes:	See “Risk Factors” set forth in the Offering Circular
11.	Selling Restrictions at Issuance: *(Notes shall not be sold, offered for sale, or distributed to nonprofessional investors in ASEAN+3.)*	
	1. See “Subscription and Sale – Selling Restrictions” set forth in the Offering Circular	

	2.	
	Selling Restrictions Thereafter: *(Notes shall not be sold, offered for sale, or distributed to nonprofessional investors in ASEAN+3.)*	
	1.	See "Subscription and Sale – Selling Restrictions" set forth in the Offering Circular
	2.	

12.	Credit Rating for the Notes:	The Bonds are expected to be rated AA by S&P. A security rating is not a recommendation to purchase, hold or sell the Bonds inasmuch as such rating does not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgement, circumstances so warrant See "Risk Factors – Risks Relating to the Bonds – Credit ratings may not reflect all risks and the ratings assigned to the Bonds may be lowered or withdrawn in the future" set forth in the Offering Circular

13-1.	Legal Adviser(s) to the Issuer(s):	Ashurst ADTLaw
13-2.	Legal Adviser(s) to the Dealer(s):	Clifford Chance Pte. Ltd.
13-3	Legal Adviser(s) to the Guarantor:	Latham & Watkins LLP

14.	Method of Distribution: *(Subject to applicable selling restrictions. For example, notes may be distributed [only to professional investors] on a syndicated or non-syndicated basis, and also in case of THB-denominated bonds and notes.)*	Subject to selling restrictions on a syndicated basis

15.	Outstanding Debt from Previous Issues of Bonds and Notes : *(for example, in case of THB-denominated bonds and notes)*	NA

16.	Cross Currency Swap Information: *(for example, in case of issuance by nonresident, including intermediaries, if possible, and currencies, as and where necessary)*	NA

17.	Timing of Bond Issuance: *[for example, in case of Baht Bond issued by non-Thai resident [Public Debt Management Office authorized period])*	20 November 2024

18.	Other: *("final terms" for drawdown)*	NA

V. Terms and Conditions of the Notes

(This section is used for describing in detail the Terms and Conditions of the Notes for Program, Shelf-Registration, and Stand-Alone Notes.)

VI. Attachments

(if any)

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the "**Offering Circular**") received by e-mail or otherwise received as a result of electronic communication, and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer (as defined in this Offering Circular) as a result of such access. You acknowledge that the access to the Offering Circular is intended for use by you only and you agree you will not forward or otherwise provide access to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED, SOLD, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. **THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.**

YOU ACKNOWLEDGE THAT THE ATTACHED OFFERING CIRCULAR AND THE INFORMATION CONTAINED THEREIN ARE STRICTLY CONFIDENTIAL AND INTENDED FOR YOU ONLY. THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS AND REGULATIONS OF OTHER JURISDICTIONS.

Confirmation of Your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must be purchasing the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act. This Offering Circular is being sent at your request and by accepting the email and accessing the attached Offering Circular, you will be deemed to have represented to DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited (each a "**Lead Manager and Bookrunner**", and together, the "**Lead Managers and Bookrunners**"), that: (i) you and any person you represent are not located in the United States or a U.S. Person, as defined in Regulation S under the Securities Act; (ii) the electronic mail address that you gave the Lead Managers and Bookrunners and to which this e-mail has been delivered is not located in the United States, and (iii) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission. By accepting this e-mail and accessing this Offering Circular, if you are an investor in Singapore, you (A) represent and warrant that you are either (i) an institutional investor (as defined under Section 4A of the Securities and Futures Act 2001 of Singapore, as amended or modified from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) an accredited investor (as defined under Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (B) to the extent that you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Section 274 or 275 of the SFA and agree to be bound by the limitations and restrictions described therein. Any reference to the "**SFA**" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

This Offering Circular has been sent to you in electronic form. You are reminded that documents or information transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Guarantor, the Lead Managers and Bookrunners, the Trustee, the Agents (each as defined in this Offering Circular) or any person who controls any of them, or is a director, officer, employee, agent, representative or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any differences between the Offering Circular distributed to you in electronic form and the hard copy version available to you on request from the Lead Managers and Bookrunners.

Restrictions: This Offering Circular is being furnished in connection with an offering of securities exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the subscription for or purchase of the securities described therein.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the Issuer, the Guarantor, the Lead Managers and Bookrunners, the Trustee or the Agents (each as defined in the attached Offering Circular) to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Lead Managers and Bookrunners or any affiliate of the Lead Managers and Bookrunners is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Lead Managers and Bookrunners or such affiliate on the Issuer's behalf in such jurisdiction.

Actions that You May Not Take: If you receive the attached offering circular by e-mail, you should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "**Reply**" function on your e-mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. If you receive the attached offering circular by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

SINGAPORE MEDICAL GROUP LIMITED

(incorporated with limited liability in The Republic of Singapore with corporation registration no. UEN 200503187W)

S$90,000,000
3.54 PER CENT. SENIOR UNSECURED GUARANTEED BONDS DUE 2029
UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY

CREDIT GUARANTEE AND INVESTMENT FACILITY, A TRUST FUND OF THE ASIAN DEVELOPMENT BANK

Issue Price: 100 per cent.

The S$90,000,000 aggregate principal amount of 3.54 per cent. Senior Unsecured Guaranteed Bonds due 2029 (the "**Bonds**") to be issued by Singapore Medical Group Limited (the "**Issuer**") will mature on 20 November 2029. The payment obligations of the Issuer in respect of the Bonds and the Trust Deed (both as defined in "*Terms and Conditions of the Bonds*" (the "**Conditions**")) will be unconditionally and irrevocably guaranteed by Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank ("**CGIF**" or the "**Guarantor**", and such guarantee, the "**CGIF Guarantee**") to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee.

The Bonds will bear interest on their outstanding principal amount from time to time (as determined in accordance with Condition 7 (*Redemption and Purchase*) from (and including) 20 November 2024 (the "**Issue Date**") at the rate of 3.54 per cent. per annum, payable semi-annually in arrear on 20 May and 20 November, in each year, commencing on 20 May 2025, subject as provided in Condition 8 (*Payments*). Unless previously redeemed or purchased and cancelled as provided in the Conditions, the Issuer will redeem the Bonds on the Maturity Date.

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*) of the Conditions) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future. The payment obligations of the Issuer under the Bonds and the Trust Deed are unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee. Such obligations of the Guarantor under the CGIF Guarantee are direct, unconditional and general obligations of the Guarantor and rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law. The ability of the Trustee (as defined in the Conditions) or any Bondholder (as defined in the Conditions) to accelerate under the Bonds is limited pursuant to the terms of the Trust Deed. For a description of this and certain other restrictions of the CGIF Guarantee, see "*Description of the CGIF Guarantee*" *and "Risks relating to the Guarantor and the CGIF Guarantee"*.

The Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders, the Guarantor, the Trustee and the Paying Agent in accordance with the Conditions (which notice shall be irrevocable) at their principal amount, together with interest accrued but unpaid to the date fixed for redemption, in the event of certain tax changes if, immediately before giving such notice, the Issuer satisfies certain conditions as described in Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*) of the Conditions.

In addition, at any time following the occurrence of a CGIF Acceleration (as defined in the Conditions), the Guarantor may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days' notice the Issuer, the Trustee and the Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so the Guarantor may, give notice to the Bondholders, the Trustee and the Paying Agent in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable).

For a description of these and certain further restrictions on offers, sales and resales of the Bonds and the CGIF Guarantee and the distribution of this Offering Circular, see "*Subscription and Sale*".

The Bonds are expected to be rated AA by S&P Global Ratings Singapore Pte. Ltd. ("**S&P**"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in the Bonds involves risks. Investors should be aware that there are various other risks relating to the Bonds, the Issuer and its subsidiaries, and their respective businesses and their respective jurisdictions of operations which investors should familiarise themselves with before making an investment in the Bonds. For a description of certain risks to be considered in connection with an investment in the Bonds, see "*Risk Factors*" beginning on page 21.

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Bonds are offered by the Issuer pursuant to exemptions provided under Sections 274 and 275 of the SFA. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA. Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The Bonds will be issued in registered form and in the denomination of S$250,000 each. The Bonds will initially be represented by a global certificate in registered form (the "**Global Certificate**"), which will be deposited with The Central Depository (Pte) Limited (the "**CDP**") on or about the Issue Date. The transfer of Bonds will be effected in accordance with the rules and procedures for the time being of CDP.

Application will be made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular. Approval in-principle from, admission to the Official List of, and listing and quotation of the Bonds on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor, their respective subsidiaries (if any), associated companies or the Bonds. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded on the SGX-ST in a minimum board lot size of S$250,000. There is currently no market for the Bonds.

The Bonds and the CGIF Guarantee have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. The Bonds and the CGIF Guarantee may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds and the CGIF Guarantee are being offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**"). For a description of these and certain further restrictions on offers, sales and transfers of the Bonds and the CGIF Guarantee and distribution of this Offering Circular, see "*Subscription and Sale*".

Lead Managers and Bookrunners

DBS Bank Ltd. **OCBC**

The date of this Offering Circular is 11 November 2024

IMPORTANT NOTICE

The Issuer confirms that (i) this Offering Circular (other than the section entitled "*Information on the Guarantor*" and any other information relating to the Guarantor) contains as of its date of issue all information with respect to it and the Group (taken as a whole) and to the Bonds which was (in the context of the issue, offering and sale of the Bonds) material; (ii) all the information in this Offering Circular (other than the section entitled "*Information on the Guarantor*" and any other information relating to the Guarantor) was true and accurate in all material respects and was not misleading in any material respect; (iii) any opinions, predictions or intentions expressed in the Offering Circular (in each case, other than the section entitled "*Information on the Guarantor*" and any other information relating to the Guarantor) were as of such date honestly and reasonably held or made; and (iv) there are no other facts (other than in respect of the Guarantor and any other information relating to the Guarantor) the omission of which would, in the context of the issue and offering of the Bonds, make any such information or expression of information, predictions or intentions (if any) misleading in any material respect.

The Guarantor confirms that: (i) as of its date of issue, the information in relation to the Guarantor contained in the section entitled "*Information on the Guarantor*" of this Offering Circular and any other information relating to the Guarantor in this Offering Circular is true and accurate in all material respects and is not misleading in any material respect; (ii) the section entitled "*Information on the Guarantor*" of this Offering Circular and any other information relating to the Guarantor in this Offering Circular does not omit to state any material fact necessary to make such information relating to the Guarantor (in the context of the giving of the CGIF Guarantee) not misleading in any material respect; and (iii) all proper enquiries were made by the Guarantor to ascertain or verify the foregoing.

This Offering Circular has been prepared by the Issuer and the Guarantor solely for use in connection with the issuance and offering of the Bonds described herein. The Issuer, the Guarantor, and the Lead Managers and Bookrunners reserve the right, for any reason, to reject any offer to subscribe for the Bonds, in whole or in part.

The distribution of this Offering Circular and the offering, sale or delivery of the Bonds in certain jurisdictions may be restricted by law. Persons who distribute, publish or acquire this Offering Circular are required by the Issuer, the Guarantor, the Lead Managers and Bookrunners, the Trustee and the Agents (as defined in the Terms and Conditions) to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations. No action is being taken to permit a public offering of the Bonds or the possession or distribution of this Offering Circular or any offering or publicity material relating to the Bonds in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and the distribution of this Offering Circular, see "*Subscription and Sale*".

This Offering Circular does not constitute or form part of an offer of, or an invitation to subscribe for or purchase, any of the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer, invitation to subscribe or purchase, or solicitation is not authorised or would be unlawful. By purchasing the Bonds, investors represent and agree to all of those provisions contained in that section of this Offering Circular. Nothing contained in this Offering Circular is, or shall be relied upon as a promise or representation, whether as to the past or the future.

No person has been authorised to give any information or to make any representation concerning the Issuer, the Guarantor, the Bonds or the CGIF Guarantee other than those included in this Offering Circular in connection with the issuance, offering or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, the Lead Managers and Bookrunners, the Trustee or the Agents or any of their respective affiliates. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication or constitute any representation that there has been no change in the affairs of the Issuer or any of its subsidiaries or associated companies or that there has been no adverse change in the financial position of the Issuer or any of its subsidiaries or associated companies since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or create an implication that any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Information in respect of the Guarantor contained in this Offering Circular has been provided by the Guarantor and has not been verified by the Issuer and the Issuer does not take any responsibility, express or implied, for any information contained in the section entitled "*Information on the Guarantor*" and any other information in respect of the Guarantor in this Offering Circular. The Issuer has not taken any steps to verify the accuracy of any of the information contained in the section entitled "*Information on the Guarantor*" and any other information in respect of the Guarantor in this Offering Circular, and no representation or warranty, express or implied, is made by the Issuer as to the accuracy or completeness of the information contained in that section.

Information in respect of the Issuer contained in this Offering Circular has been provided by the Issuer and has not been verified by the Guarantor. None of the Guarantor, its management nor its employees take any responsibility, express or implied, for any information contained in this Offering Circular, other than the information contained in the section entitled "*Information on the Guarantor*" and any other information in respect of the Guarantor in this Offering Circular. In addition, none of the foregoing parties has taken any steps to verify the accuracy of any of the information included in this Offering Circular, other than the information contained in the section entitled "*Information on the Guarantor*", and no representation or warranty, express or implied, is made by any such parties as to the accuracy or completeness of the information contained in this Offering Circular other than the section entitled "*Information on the Guarantor*" and any other information in respect of the Guarantor in this Offering Circular.

None of the Lead Managers and Bookrunners, the Guarantor, the Trustee and the Agents (each as defined in the Conditions) or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offering Circular. None of the Lead Managers and Bookrunners, the Trustee and the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers has independently verified any of such information and assumes no responsibility for its accuracy or completeness. Each person receiving this Offering Circular acknowledges that such person has not relied on the Lead Managers and Bookrunners, the Guarantor, the Trustee and the Agents or any of their respective affiliates, directors, employees, agents or advisers in connection with its investigation of the accuracy of such information or its investment decision. Neither this Offering Circular nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation, or (b) should be considered as a recommendation by the Issuer, the Guarantor, the Lead Managers and Bookrunners, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers that any recipient of this document, or any other information supplied in connection with the offering of the Bonds, should purchase the Bonds. Each person contemplating making an investment in the Bonds must make its own investigation and analysis of the Issuer's and the Guarantor's or their respective subsidiaries' and associated companies' (if any) creditworthiness and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. No person should construe the contents of this Offering Circular as legal, business or tax advice and each person should be aware that it may be required to bear the financial risks of any investment in the Bonds for an indefinite period of time. Each person should consult its own counsel, accountant and other advisers as to legal, tax, business, financial and related aspects of an investment in the Bonds. To the fullest extent permitted by law, none of the Lead Managers and Bookrunners, the Guarantor, the Trustee and the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers accepts any responsibility for the contents of or any omission from this Offering Circular or for any statement made or purported to be made by it or on its behalf with respect to the Issuer or the offering and issuance of the Bonds for so long as the Bonds remain outstanding nor undertake to advise any investor or potential investor of the Bonds of any information coming to the attention of any of the Sole Lead Manager, the Guarantor, the Trustee, the Agents or their respective affiliates, officers, representatives, directors, employees, agents, or advisers. Each of the Lead Managers and Bookrunners, the Guarantor, the Trustee and the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers accordingly disclaims any and all liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular.

This Offering Circular does not constitute or form part of an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Lead Managers and Bookrunners, the Trustee or the Agents or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers to subscribe for or purchase, any Bonds in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation.

None of the Issuer, the Guarantor, the Lead Managers and Bookrunners nor or any of their respective affiliates, officers, representatives, directors, employees, agents or advisers makes any representation to any investor regarding the legality of an investment by such investor under applicable laws. Investors should not consider any information in this Offering Circular to be legal, business and tax advice regarding an investment in the Bonds. See the section entitled "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Issuer, the Guarantor and the Lead Managers and Bookrunners are relying on the exemption from registration under the Securities Act provided by Regulation S for offers and sales of securities made outside the United States. The Bonds and the CGIF Guarantee have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may be offered or sold only in transactions that are exempt from or not subject to, the registration requirements of the Securities Act and any other applicable laws.

Any purchase, subscription or acquisition of the Bonds is in all respects conditional on the satisfaction of certain conditions set out in the Subscription Agreement (as defined in the section entitled "*Subscription and Sale*") and the issue of the Bonds by the Issuer pursuant to the Subscription Agreement. Any offer, invitation to offer or agreement made in connection with the purchase, subscription or acquisition of the Bonds or pursuant to this Offering Circular shall (without any liability or responsibility on the part of the Issuer, the Guarantor, the Lead Managers and Bookrunners, the Trustee or the Agents) lapse and cease to have any effect if (for any other reason whatsoever) the Bonds are not issued by the Issuer pursuant to the Subscription Agreement.

Each purchaser of the Bonds must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Bonds or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Bonds under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales and none of the Issuer, the Guarantor nor the Lead Managers and Bookrunners shall have any responsibility therefor.

The Lead Managers and Bookrunners and any of their respective affiliates may purchase the Bonds for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to the Bonds and/or other securities of the Issuer or the Guarantor or their respective subsidiaries or associates at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). Furthermore, investors in the Bonds may include entities affiliated with the Issuer or the Guarantor.

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult his or her adviser.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/2219 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the United Kingdom (the "**UK**") has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

IN CONNECTION WITH THE ISSUE OF THE BONDS, THE LEAD MANAGERS AND BOOKRUNNERS APPOINTED AND ACTING IN ITS CAPACITY AS A STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) MAY OVER ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. ANY STABILISATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

CERTAIN DEFINED TERMS AND CONVENTIONS

All references to the "**Issuer**" or the "**Company**" are references to Singapore Medical Group Limited and all references to the "**Group**" are to the Issuer and its subsidiaries.

All references to the "**United States**" or "**U.S.**" are to the United States of America. All references to "**Singapore**" are to the Republic of Singapore.

Unless otherwise indicated or required by the context, all references in this Offering Circular to "**U.S. dollars**", "**USD**", or "**US$**" are to United States dollars, the lawful currency of the United States' "**Singapore dollars**" or "**S$**" and "**Singapore cents**" are to Singapore dollars and Singapore cents, the lawful currency of Singapore.

All references to the "**Agency Agreement**", "**Agent(s)**", "**CGIF Acceleration**", "**Registrar**", "**Trust Deed**" and "**Trustee**" are to such capitalised terms as defined in the Conditions.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains the consolidated financial information of the Group as at and for the years ended 31 December 2022 and 2023, which have been derived from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2022 and 2023 (the "**Audited Financial Statements**"), which were prepared in accordance with prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and have been audited by Ernst & Young LLP ("**EY**"), as stated in their audit reports appearing elsewhere in this Offering Circular.

This Offering Circular also contains the unaudited pro forma consolidated financial information of the Group based on the financial statements of the Group for the financial year ended 31 December 2023, adjusted to give pro forma effect to the Issuer's acquisition of the CSA Group (as defined below) (the "**Unaudited Pro Forma Financial Information**"). The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and based on certain assumptions and after making certain adjustments to show what the consolidated statements of comprehensive income and consolidated statements of changes in equity and cash flow of the Group as at and for the year ended 31 December 2023 would have been if the acquisition by the Issuer of CHA Healthcare Singapore Pte. Ltd.'s entire shareholding interest in CHA SMG (Australia) Pte. Ltd. (the "**CHA Acquisition**"), had occurred on 1 January 2023, and what the consolidated statements of financial position of the Group as of 31 December 2023 would have been.

The Unaudited Pro Forma Financial Information reflects the estimates, assumptions and judgments made by the Issuer. These estimates, assumptions and judgments affect the reported amounts of assets and liabilities as of the dates presented as well as revenue and expenses reported for the periods presented. As a result, the Unaudited Pro Forma Financial Information is not necessarily indicative of what the Group's actual results of operations, financial position and cash flow would have been on or as of such dates nor does it purport to project the Group's results of operations, financial position or cash flows for any future period or date. The Unaudited Pro Forma Financial Information does not include all of the information required for financial statements under SFRS and should therefore be read in conjunction with the historical consolidated financial statements of the Group included in this Offering Circular. Further, the Unaudited Pro Forma Financial Information was not prepared in connection with an offering registered with the United States Securities and Exchange Commission (the "**SEC**") under the Securities Act and consequently does not comply with the SEC's rules on presentation of pro forma financial statements.

This Offering Circular also contains certain financial information relating to the Guarantor as of and for the years ended 31 December 2022 and 2023, which has been extracted from the audited consolidated financial statements of the Guarantor as of and for the years ended 31 December 2022 and 2023 (the "**Guarantor Audited Financial Statements**"). The Guarantor Audited Financial Statements were prepared in accordance with International Financial Reporting Standards ("**IFRS**") and have been audited by Deloitte & Touche LLP and are available at the following website page: http://www.cgif-abmi.org/investors/financial-statements and are incorporated by reference in this Offering Circular.

In making an investment decision, investors must rely upon their own independent examination of the Issuer and the Guarantor and the terms of this offering. Unless specified or the context otherwise requires, all financial information in this Offering Circular is presented on a consolidated basis.

ROUNDING

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, figures shown as totals of columns or rows of numbers in certain tables may not be an arithmetic aggregation of the figures which precede them and actual numbers may differ from those figures contained in such tables due to rounding. References to information in billions of units are to the equivalent of a thousand million units.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

This Offering Circular includes words such as "believe", "planned", "expect", "intend", "should", "seek", "would", "could", "forecast", "estimate", "will" and "anticipate" and similar expressions that constitute "forward-looking statements" as that term is defined under U.S. federal securities laws.

Such statements are subject to certain risks and uncertainties because they relate to and depend on events and circumstances that may or may not occur. The Issuer cautions potential investors that forward-looking statements are not guarantees of future performance and that the actual financial condition, results of operations and cash flows, and prospects of the Issuer may differ materially from those made in or suggested by the forward- looking statements included in this Offering Circular. In addition, even if the financial condition, results of operations and cash flows and prospects of the Issuer are consistent with such statements, those results or developments may not be indicative of results or prospects in subsequent periods. Actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors, many of which are beyond the control of the Issuer, including:

- changes in general political, social and economic conditions;
- changes in the healthcare industry;
- demographic changes;
- changes in competitive conditions;
- those other risks identified in the section entitled "*Risk Factors*" of this Offering Circular.

The occurrence of one or more of these factors, among others, could cause the Issuer's actual results to vary materially from those estimated, anticipated or projected. Although the Issuer believes that its management's expectations as reflected in such forward-looking statements are reasonable based on information currently available to the Issuer, it cannot be assured that such expectations will be realised. Accordingly, prospective purchasers are cautioned to not place undue reliance on such forward-looking statements and to carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Issuer operates. Such forward-looking statements speak only as of their dates, and the Issuer undertakes no obligation to publicly revise any of them, whether as a result of new information, future events or otherwise, subject to compliance with all applicable laws, including the rules of the SGX-ST. The Issuer, the Guarantor and the Lead Managers and Bookrunners do not represent or warrant that the actual future results, performance or achievements of the Issuer and/or the Group will be as disclosed in those statements. The Issuer urges potential investors to read this Offering Circular, including the sections entitled "*Risk Factors*" and "*The Issuer*" for a more complete discussion of the factors that could affect the Issuer's performance.

Neither the delivery of this Offering Circular (or any part thereof) nor the issue, offering, purchase or sale of any Bonds by the Issuer shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the business, financial condition, prospects, results of operations or general affairs of the Issuer or the Group or any statement of fact or information contained in this Offering Circular since the date of this Offering Circular or the date on which this Offering Circular has been most recently amended or supplemented.

Further, the Issuer, the Guarantor and the Lead Managers and Bookrunners disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Offering Circular or to reflect any change in events, conditions or circumstances on which any such statements are based.

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SUMMARY OF THE OFFERING

The following is a general summary of the terms of the Bonds and the CGIF Guarantee and it is qualified in its entirety by reference to, and should be read in conjunction, with the general summary section entitled "Terms and Conditions of the Bonds" and the Trust Deed. The Trust Deed prevails to the extent of any inconsistency with the general summary set forth in this section. Terms used in this summary and not otherwise defined have the meanings given to such terms in "Terms and Conditions of the Bonds".

Issuer	Singapore Medical Group Limited
Legal Entity Identifier	9845001H3FA4B4B66F47
Guarantor	Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank.
Bonds Offered	S$90,000,000 in aggregate principal amount of 3.54 per cent. Senior Unsecured Guaranteed Bonds due 2029.
Issue	The Bonds are proposed to be issued under the ASEAN+3 Multi-Currency Bond Issuance Framework ("**AMBIF**"). AMBIF is a policy initiative under the Asian Bond Markets Initiative ("**ABMI**") that seeks to facilitate intra-regional bond and note issuances by streamlining market practices, documentation and disclosure information requirements common among ASEAN+3 (as defined herein) domestic bond markets. Through the AMBIF, issuers are able to expand into ASEAN+3 markets outside their country of domicile, and investors are able to actively participate in the region's various investment opportunities. Since ABMI established the ASEAN+3 Bond Market Forum in 2010, 15 entities have issued debt under the AMBIF format. The Bonds serve as the benchmark for issuers that may seek to tap ASEAN+3 markets in the future as a means of diversifying funding and expanding regional capital markets presence.
Issue Price	100.00 per cent.
Issue Date	20 November 2024
Maturity Date	20 November 2029
Interest	The Bonds will bear interest on their outstanding principal amount from time to time (as determined in accordance with Condition 7 (*Redemption and Purchase*) from (and including the Issue Date at the rate of 3.54 per cent. per annum, payable semi-annually in arrear on 20 May and 20 November, in each year, commencing 20 May 2025, subject as provided in Condition 8 (*Payments*). The first interest payment will be made on 20 May 2025.

Status of the Bonds	The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.
Status of the CGIF Guarantee.......	The payment obligations of the Issuer under the Bonds and the Trust Deed will be unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with and subject to, the terms of the CGIF Guarantee. Such obligations of the Guarantor under the CGIF Guarantee are direct, unconditional and general obligations of the Guarantor and rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any). The CGIF Guarantee does not cover any relevant amounts of principal or accrued but unpaid interest that become payable by the Issuer on an accelerated basis, including, without limitation, the exercise by it of an early redemption or purchase of the Bonds (whether in full or in part) by the Issuer or the Subsidiaries prior to the Maturity Date, including as a result of the Issuer's redemption for tax reasons (Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*) of the Conditions) or at its option (Condition 7(c) (Redemption and Purchase – Redemption at the Option of the Issuer) of the Conditions). In order to mitigate any risk of the Issuer not paying the relevant amount of principal and/or accrued but unpaid interest arising out of or in connection with the Issuer exercising any of its rights of early redemption, the Issuer, in exercising its rights for redemption for tax reasons, is required to, not less than one Business Day[1] prior to the publication of any notice of redemption in relation to redemption for tax reasons under Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*) of the Conditions or at its option under Condition 7(c) (Redemption and Purchase – Redemption at the Option of the Issuer) of the Conditions, transfer to a Singapore dollar account as advised by the Paying Agent or Escrow Agent, as applicable, for distribution to the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds at their principal amount together with any interest accrued but unpaid to the relevant date fixed for redemption. The CGIF Guarantee also does not cover any relevant amounts of principal or accrued but unpaid interest that are payable under any Bonds purchased by the Issuer or any of its Subsidiaries.

[1] "**Business Day**" with reference to the CGIF Guarantee means a day (other than a Saturday or Sunday) on which banks are open for general business in Manila of the Philippines, New York City, New York, U.S.A. and Singapore.

Limitation on the Guarantor's Liabilities	Notwithstanding any other provisions of the CGIF Guarantee, the Trust Deed and the Agency Agreement, the Conditions or any other document related to the issuance of the Bonds, the recourse of the Bondholders and Trustee on its behalf against CGIF under the CGIF Guarantee and any other documents related to the Bonds is limited solely to the CGIF Assets (as defined in the Conditions) and the Trustee and the Bondholders have no recourse to any assets of Asian Development Bank or any other contributors to CGIF. Any obligation under the CGIF Guarantee of CGIF does not constitute an obligation of Asian Development Bank or any other contributors to CGIF. For further information on the terms of the CGIF Guarantee, see "*Description of the CGIF Guarantee*" and *Appendix A: Form of CGIF Guarantee.*
Use of Proceeds	The net proceeds from the issue of the Bonds will be used by the Group for general corporate purposes, including the refinancing of existing loans (including loans made by the Lead Managers and Bookrunners), strategic expansions, capital expenditure and other investments of the Group in Singapore. See "*Use of Proceeds*".
Negative Pledge.............................	The terms of the Bonds contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*) of the Conditions.
Redemption at Maturity	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at 100.00 per cent. of their principal amount on the relevant Maturity Date, subject as provided in Condition 8 (*Payments*) of the Terms and Conditions of the Bonds.
Redemption for tax reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders, the Guarantor, the Trustee and the Paying Agent in accordance with the Conditions (which notice shall be irrevocable) at their principal amount, together with interest accrued but unpaid to the date fixed for redemption, in the event of certain tax changes if, immediately before giving such notice, the Issuer satisfies certain conditions as described in Condition 7(b) (*Redemption and Purchase – Redemption for tax reasons*) of the Conditions.

Redemption at the option of the Issuer	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) provided that the Issuer has appointed a Calculation Agent prior to giving such notice, and provided further that: (a) in the case of a redemption of any Bonds on any business day that is prior to 20 September 2029 (the "**Make Whole Call Date**"), such Bonds will be redeemed at the Make Whole Amount (as defined in the Conditions) per Calculation Amount; and (b) in the case of a redemption of any Bonds on any Business Day from (and including 20 September 2029, i.e. a date falling 2 months prior to maturity date), such Bonds will be redeemed at a price equal to 100 per cent. of their principal amount, in each case, together with accrued and unpaid interest on the Bonds so redeemed to (but excluding) the applicable date fixed for redemption.
Redemption in the event of a CGIF Acceleration	At any time following the occurrence of a CGIF Acceleration (as defined herein and in the Conditions), the Guarantor may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days' notice to the Issuer, the Trustee and the Paying Agent require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so the Guarantor may, give notice to the Bondholders, the Trustee and the Paying Agent in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable).
Events of Default........................	The terms of the Bonds contain certain events of default provisions as further described in Condition 10 (*Events of Default*) of the Conditions.
Selling Restrictions....................	The Bonds and the CGIF Guarantee will not be registered under the Securities Act or under any state securities laws of the United States or of any other jurisdiction, and will be subject to customary restrictions on transfer and resale. See "*Subscription and Sale*".
Form and Denomination of the Bonds	The Bonds will be issued in registered form and in the denomination of S$250,000 each. The Bonds will be represented by the Global Certificate, which will be deposited with CDP on or about the Issue Date. The transfer of Bonds will be effected in accordance with the rules and procedures for the time being of CDP.

Clearing and Settlement	Clearance of the Bonds will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. For a description of certain factors relating to clearance and settlement, see "*Clearing and Settlement*".
Trustee	The Bank of New York Mellon, Singapore Branch.
Paying Agent, Transfer Agent and Registrar	The Bank of New York Mellon, Singapore Branch.
ISIN Code	To be obtained.
Common Code	To be obtained.
Listing	Application will be made to the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded on the SGX-ST in a minimum board lot size of S$250,000.
Governing Law	The Bonds (other than Condition 18(b)), the Trust Deed (other than clause 34.2 of the Trust Deed), the Agency Agreement (other than clause 24.2 of the Agency Agreement), the CGIF Guarantee and any non-contractual obligations arising out of or in connection therewith will be governed by, and will be construed in accordance with English law. Any disputes arising under the Bonds and the CGIF Guarantee are subject to arbitration under the Arbitration Rules of the Singapore International Arbitration Centre (the "**SIAC Arbitration Rules**").
Ratings	The Bonds are expected to be rated AA by S&P. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. No guarantee is made that such ratings will not be adversely revised or withdrawn either before or after delivery of the Bonds. See "*Risk Factors – Risks Relating to the Bonds*".
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Bonds, see "*Risk Factors*".

SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following tables set out selected consolidated financial information of the Issuer as at and for the periods indicated.

The summary audited consolidated financial information of the Issuer as at and for each of the years ended 31 December 2022 and 2023 have been extracted from, and should be read in conjunction with, the Audited Financial Statements that have been audited by EY and the related notes thereto (though prospective investors should note that they have not been specifically prepared for inclusion in this Offering Circular). Such Audited Financial Statements have been prepared in accordance with SFRS(I).

Consolidated statement of comprehensive income

	Audited	
	FY2022	**FY2023**
	S$'000	**S$'000**
Revenue	113,232	122,859
Cost of sales	(67,083)	(75,127)
Gross profit	46,149	47,732
Finance income	29	20
Other income	165	220
Other gain/(loss)	55	(300)
Distribution and selling expenses	(3,976)	(4,972)
Administrative expenses	(27,166)	(29,079)
Finance expenses	(515)	(883)
Share of results of joint ventures and associates	1,738	881
Profit before tax	16,479	13,619
Income tax expense	(2,543)	(1,884)
Profit for the year	13,936	11,735
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation differences	(683)	(189)
Other comprehensive income for the year, net of tax	(683)	(189)
Total comprehensive income for the year	13,253	11,546
Profit attributable to:		
Owners of the Company	13,481	10,735
Non-controlling interests	455	1,000
	13,936	11,735
Total comprehensive income attributable to:		
Owners of the Company	12,798	10,546
Non-controlling interests	455	1,000
	13,253	11,546

Consolidated statement of financial position

	Audited	
	FY2022 S$'000	FY2023 S$'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,006	19,240
Intangible assets	123,494	129,174
Right-of-use assets	9,896	13,255
Investment in joint ventures	3,121	3,295
Investment in associates	18,741	17,913
Due from related companies	–	8,841
Other receivables	1,607	1,606
Deferred tax assets	783	709
	166,648	194,033
Current assets		
Inventories	2,621	3,555
Trade receivables	7,575	8,045
Prepayments	1,379	2,188
Other receivables	775	1,463
Due from related companies	–	86,587
Cash and bank balances	31,761	27,130
	44,111	128,968
Total assets	210,759	323,001
EQUITY AND LIABILITIES		
Current liabilities		
Trade payables	2,752	3,007
Other payables and accruals	12,784	21,279
Contract liabilities	3,061	5,227
Deferred purchase consideration	–	2,624
Lease liabilities	5,093	6,098
Loans and borrowings	834	86,509
Income tax payable	2,368	1,367
	26,892	126,111

	Audited	
	FY2022	FY2023
	S$'000	S$'000
Non-current liabilities		
Other payables and accruals	408	408
Lease liabilities	5,255	8,017
Loans and borrowings	1,354	–
Deferred tax liabilities	721	1,294
	7,738	9,719
Total liabilities	34,630	135,830
Net assets	176,129	187,171
Equity attributable to owners of the Company		
Share capital	121,028	121,028
Treasury shares	(50)	(50)
Retained earnings	56,747	67,385
Foreign currency translation reserve	(1,306)	(1,495)
	176,419	186,868
Non-controlling interests	(290)	303
Total equity	176,129	187,171
Total equity and liabilities	210,759	323,001

Review of results of operations

FY2023 compared with FY2022

The Group's revenue increased by 8.5% from S$113.2 million in FY2022 to S$122.9 million in FY2023. The increase was mainly due to: (i) the return of medical tourism following the lifting of travel restrictions on 1 April 2022; (ii) higher demand in paediatrics services as Singapore moved towards pre-COVID-19 normalcy; (iii) the organic growth of the existing clinics; and (iv) contributions from the clinics/subsidiaries acquired in August 2023 and new clinics set up in the fourth quarter of 2022.

Distribution and selling expenses increased by 25.1% from S$4.0 million in FY2022 to S$5.0 million in FY2023 and was mainly driven by (i) increase in revenue; (ii) increase in marketing spend for Aesthetics, Women's Health and Eye businesses; and (iii) increase in medical facilitator administration fees with the increase in foreign patients.

Administrative expenses increased by 7.0% from S$27.2 million in FY2022 to S$29.1 million in FY2023 and the increase was attributable to: (i) increase in staff costs as a result of higher staff headcount from new clinics opened and acquired in the fourth quarter of 2022 and in 2023 and remuneration payout aligned to market trend, (ii) increase in professional fees mainly arising from fees incurred relating to: (a) the general offer for and the subsequent delisting of the Company in January 2023; and (b) the acquisition of the aforementioned clinics/subsidiaries. The increase was partially offset by a decrease in depreciation charged for the financial year.

Income tax expense decreased by 25.9% from S$2.5 million in FY2022 to S$1.9 million in FY2023 mainly due to the decrease in profits and provision of tax rebates by the government as announced in the 2024 budget, partially offset by the recognition of additional deferred tax liabilities as the Group claimed accelerated capital allowances for new additions to property, plant and equipment in FY2023.

As a result of the above, the Group recorded net profit attributable to owners of the company of S$10.7 million for FY2023 compared to S$13.5 million in FY2022.

Review of statement of financial position

As at 31 December 2022 compared to as at 31 December 2023

Non-current assets increased by 16.4% from S$166.6 million as at 31 December 2022 to S$194.0 million as at 31 December 2023, which was mainly attributable to: (i) the purchase of a medical suite at Novena Medical Center, the purchase a new MRI machine and various imaging equipment such as CT and X-ray machines to replace end-of-life equipment for the imaging centres at Novena and Paragon; (ii) the goodwill arising from the acquisition of new clinics in 2023 and other intangible asset additions; (iii) the recognition of additional right-of-use assets upon renewal of existing leases and new leases obtained for clinic/office premises; and (iv) subscription of new shares in a joint venture.

Current assets increased by 192.4% from S$44.1 million as at 31 December 2022 to S$129.0 million as at 31 December 2023, which was mainly attributable to: (i) an increase in inventories due to new clinics added; and (ii) the transfer of bank loans from the immediate holding company, and the interest expense paid by the Company on these loans, which was partially offset by a decrease in prepayments due to the capitalisation of the deposit placed in the prior financial year for the purchase of the medical suite at Novena Medical Center.

Non-current liabilities increased by 25.6% from S$7.7 million as at 31 December 2022 to S$9.7 million as at 31 December 2023, mainly attributable to the recognition of additional lease liabilities upon the renewal of existing leases and new leases obtained for clinic/office premises, partially offset by lease payments made and the full repayment of a bank loan during the financial year.

Current liabilities increased by 369.0% from S$26.9 million as at 31 December 2022 to S$126.1 million as at 31 December 2023, mainly attributable to: (i) an increase in accruals for doctors' variable fees as a result of changes in remuneration structure for certain doctors; (ii) higher provision for staff bonus; (iii) increase in accruals for the purchase of medical equipment and renovation (i.e. mainly for the Imaging segment) as the equipment and renovation work have been delivered/performed while the related suppliers' invoices have not been received as at 31 December 2023; (iv) increase in administrative fees payable to third party clinics; (v) deferred liabilities on the acquisition of new clinics; HSC Cancer Centre Pte. Ltd. and Vidaskin Group; and (vi) bank loans (corresponding liabilities to the amount due from immediate holding Company) being transferred to the Company by its immediate holding Company.

The Group was in a net asset position of S$187.2 million and has positive working capital of S$2.9 million as at 31 December 2023.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following tables present the unaudited pro forma consolidated financial information of the Group based on the financial statements of the Group for the financial year ended 31 December 2023, adjusted to give pro forma effect to the Issuer's acquisition of CHA SMG (Australia) Pte. Ltd. ("**CHA SMG Aus**") and its subsidiaries (together, the "**CSA Group**") and should be read in conjunction with the Issuer's consolidated financial statements for the financial year ended 31 December 2023 and the notes thereto.

See the section entitled "*The Issuer – History*" for more details on the CHA Acquisition.

The unaudited pro forma consolidated financial information has been prepared based on certain assumptions and after making certain adjustments to show consolidated statements of comprehensive income and consolidated statements of changes in equity and cash flow of the Group for the year ended 31 December 2023 if the CHA Acquisition had occurred on 1 January 2023, and what the consolidated statements of financial position of the Group would have been on 31 December 2023. See Note 4 of the Group's unaudited pro forma consolidated financial information below for the key adjustments and assumptions made for the preparation of the summary unaudited pro forma consolidated financial information.

The unaudited pro forma consolidated financial information has been prepared and presented on the basis set forth in Note 3 of the unaudited pro forma consolidated financial information below.

The unaudited pro forma consolidated financial information is presented for illustrative purposes only and neither purports to represent what the actual consolidated statement of comprehensive income or cash flow statement of the Group would have been had the CHA Acquisition occurred on 1 January 2023 or what the actual consolidated balance sheet of the Issuer would have been, nor purports to project the Group's results of operations, financial position or cash flows for any future period or date.

Further, the unaudited pro forma consolidated financial information of the Issuer was not prepared in connection with an offering registered with the SEC under the Securities Act and consequently does not comply with the SEC's rules on presentation of pro forma financial statements.

See "*Presentation of Financial Information*".

Unaudited Pro Forma Consolidated Income Statement for the year ended 31 December 2023

	Historical information Group S$'000	Historical information CSA Group[(2)] S$'000	Pro forma adjustments S$'000	Unaudited pro forma financial information S$'000
Revenue	122,859	66,518	–	189,377
Cost of sales	(75,127)	(37,555)	–	(112,682)
Gross profit	47,732	28,963	–	76,695
Other income	240	577	(10)[(3a)]	807
Other (loss)/gain	(300)	–	13,182[(3b)]	12,882
Selling and distribution expenses	(4,972)	(1,630)	–	(6,602)
Administrative expenses	(29,079)	(17,298)	–	(46,377)
Finance expenses	(883)	(2,782)	(2)[(3c)]	(3,667)
Share of results of joint ventures and associates	881	–	(575)[(3d)]	306
Profit before tax	13,619	7,830	12,595	34,044
Income tax expense	(1,884)	(2,564)	–	(4,448)
Profit after tax	11,735	5,266	12,595	29,596
Profit attributable to:				
Owners of the Company	10,735	3,140	12,595	26,470
Non-controlling interests	1,000	2,126	–	3,126
	11,735	5,266	12,595	29,596
EBITDA[(4)]	24,203	16,908	(587)	40,524

Notes:

(1) Before the CHA Acquisition, the immediate holding company of the CSA Group was CHA Healthcare Singapore Pte. Ltd. Following the CHA Acquisition and as of the date of this Offering Circular, the immediate holding company of the CSA Group is the Issuer.

(2) The CSA Group Historical Financial Information was derived from the CSA Group combined statement of earnings.

The combined statement of earnings for the CSA Group was denominated in Singapore dollars while the individual statement of earnings for CHA SMG Aus and its subsidiaries was denominated in Singapore dollars and Australian dollars respectively. The relevant currency of the subsidiaries of the CSA Group Historical Financial Information have been translated from Australian dollars to Singapore dollars using an average exchange rate of A$1 to S$0.8902.

(3) Profit attributable to shareholders of the Group for the year ended 31 December 2023 accounted for S$26.5 million of the proforma profit. To this, apart from consolidating the CSA Group's performance with the Group amounting to S$3.1 million, there were pro forma adjustments as follows:

(a) other income reduction of S$10,000 (attributable to interest income derived from the interest-bearing loan provided by the Group to the CSA Group);

(b) other gain addition of S$13.2 million (attributable to gain recognised on remeasuring previously held equity interest by the Group of 20% in the CSA Group, to fair value on business combination);

(c) finance expenses reduction of S$2,000 (attributable to unrealised foreign exchange losses arising from the interest-bearing loan provided by the Group to the CSA Group, offset by interest expense paid for the same loan by the CSA Group); and

(d) share of results of joint ventures and associates reduction of S$0.6 million (attributable to the reversal of share of results of the CSA Group for the year ended 31 December 2023 recorded by the Group since it is assumed that the acquisition occurred on 1 January 2023).

(4) EBITDA is defined as earnings before interest, tax, depreciation and amortisation, excluding other (loss)/gain.

Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2023

	Historical information		Unaudited	
	Group[1] S$'000	CSA Group[1] S$'000	Pro forma adjustments S$'000	Pro forma financial information S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	19,240	27,481	–	46,721
Intangible assets	129,174	57,814	65,024[2a]	252,012
Right-of-use assets	13,255	33,206	–	46,461
Investment in joint ventures and associates	21,208	–	(9,020)[2b]	12,188
Due from related company	8,841	–	–	8,841
Other receivables	1,606	–	–	1,606
Deferred tax assets	709	1,272	–	1,981
	194,033	119,773	56,004	369,810
Current assets				
Inventories	3,555	849	–	4,404
Trade and other receivables	9,508	2,542	–	12,050
Prepayments	2,188	1,132	–	3,320
Due from related company	86,587	–	–	86,587
Cash and cash equivalents	27,130	11,619	–	38,749
	128,968	16,142	–	145,110
Total assets	323,001	135,915	56,004	514,920

	Historical information		Unaudited	
	Group[1] S$'000	CSA Group[1] S$'000	Pro forma adjustments S$'000	Pro forma financial information S$'000
EQUITY AND LIABILITIES				
Current liabilities				
Trade and other payables	24,286	4,921	(51)[2c]	29,156
Contract liabilities	5,227	990	–	6,217
Deferred purchase consideration	2,624	–	–	2,624
Provisions	–	87	–	87
Lease liabilities	6,098	3,199	–	9,297
Loans and borrowings	86,509	–	–	86,509
Employee benefit liabilities	–	2,192	–	2,192
Income tax payable	1,367	1,113	–	2,480
	126,111	12,502	(51)	138,562
Non-current liabilities				
Provisions	408	1,375	–	1,783
Lease liabilities	8,017	37,946	–	45,963
Loans and borrowings	–	14,045	(463)[2d]	13,582
Employee benefit liabilities	–	372	–	372
Deferred tax liabilities	1,294	–	–	1,294
	9,719	53,738	(463)	62,994
Total liabilities	135,830	66,240	(514)	201,556
Net assets	187,171	69,675	56,518	313,364

	Historical information		Pro forma adjustments	Unaudited pro forma financial information
	Group	CSA Group		
	S$'000	S$'000	S$'000	S$'000
Equity attributable to owners of the Company				
Share capital	121,028	39,585	47,115(2e)	207,728
Treasury shares	(50)	–	–	(50)
Other reserve	–	342	(342)	–
Foreign currency translation reserve	(1,495)	(5,262)	5,262	(1,495)
Retained earnings	67,385	8,687	4,483(2f)	80,555
	186,868	43,352	56,518	286,738
Non-controlling interests	303	26,323	–	26,626
Total equity	187,171	69,675	56,518	313,364
Total equity and liabilities	323,001	135,915	56,004	514,920

Notes:

(1) The Group Historical Financial Information was derived from the Issuer's consolidated statement of financial position and the CSA Group Historical Financial Information was derived from the CSA Group's combined statement of financial position.

The CSA Group's combined statement of financial position was denominated in Singapore dollars while the individual statement of financial position for CHA SMG Aus and its subsidiaries was denominated in Singapore dollars and Australian dollars respectively. The relevant currency of the CSA subsidiaries Financial Information have been translated to Singapore dollars using a closing exchange rate of A$1 to S$0.8979.

(2) Pro forma adjustments relating to the consolidated statement of financial position were as follows:

(a) intangible assets increase of S$65.0 million (attributable to S$65.0 million for goodwill in the preliminary purchase price allocation for the CHA Acquisition);

(b) investment in joint ventures and associates decrease of S$9.0 million (attributable to elimination of the cost of investment of the CSA Group relating to the 20% equity interest held by the Group immediately before the CHA Acquisition);

(c) trade and other payables decrease of S$51,000 (attributable to elimination of inter-company balances between the Group and the CSA Group);

(d) loans and borrowings decrease of S$0.5 million (attributable to elimination of the interest-bearing loan provided by the Group to the CSA Group);

(e) share capital increase of S$47.1 million (attributable to the issuance of the Issuer's shares to TLW Success Ltd. ("**TLW**") where TLW issues its shares amounting to S$86.7 million as consideration for the CHA Acquisition, offset by the elimination of the CSA Group share capital upon consolidation); and

(f) retained earnings increase of S$4.5 million (attributable to the gain recognised on remeasuring previously held equity interest of 20% in the CSA Group by the Group to fair value on business combination, offset by the elimination of the CSA Group retained earnings immediately before the CHA Acquisition upon consolidation).

Notes to the Unaudited Pro Forma Consolidated Financial Information as at and for the year ended 31 December 2023

1. General information

Singapore Medical Group Limited is a public limited company domiciled and incorporated in Singapore. Its immediate and ultimate holding companies are TLW Success Ltd., a company incorporated in Singapore, and CHA Biotech Co., Ltd, a company incorporated in Korea and listed on the Korea Exchange.

The registered office of the Company is located at 1004 Toa Payoh North, #06-03/07, Singapore 318995.

The principal activities of the Company are those relating to the operation of medical clinics, provision of general medical services and investment holdings. The principal activities of the subsidiaries organised into business segments are outline below:

Business segments	**Principal activities**
Aesthetics medicine	Provision of aesthetics and spa services
Diagnostic imaging and screening	Provision of radiology/diagnostic imaging and health screening services
Oncology	Provision of oncology services
Women's and children's health (including IVF)	Provision of obstetrics and gynaecology, paediatrics and assisted reproduction services
Others	Provision of LASIK and general ophthalmological, dentistry, urology, cardiology and physiotherapy services

2. Objective of the preparation of the Unaudited Pro Forma Consolidated Financial Information

The Unaudited Pro Forma Consolidated Financial Information referred to in its explanatory notes consist of the unaudited pro forma consolidated statement of financial position as at 31 December 2023, and the unaudited pro forma consolidated income statement for the year ended 31 December 2023 and other explanatory information (collectively called the "**Unaudited Pro Forma Consolidated Financial Information**").

This Unaudited Pro Forma Consolidated Financial Information has been compiled by management. The Unaudited Pro Forma Consolidated Financial Information reflects the material impact on the financial information from the Group's business acquisition of the CSA Group at 100% ownership interest, as described in Note 3. The Unaudited Pro Forma Consolidated Financial Information also reflects the share consideration paid to complete the CHA Acquisition.

The Unaudited Pro Forma Consolidated Financial Information was prepared solely for illustrative purposes and does not represent the actual consolidated financial position as at 31 December 2023 or the results of the Group's operations for the year ended 31 December 2023 as it has been prepared based on unrealised assumptions. Therefore, this Unaudited Pro Forma Consolidated Financial Information is unsuitable for purposes other than those stated above.

We present only the above information without preparing and presenting the unaudited pro forma consolidated statement of cash flows, the unaudited pro forma consolidated statement of changes in owner's equity and notes to the Unaudited Pro Forma Consolidated Financial Information as required by the Singapore Financial Reporting Standards (International) ("**SFRS(I)**"). The accounting policies used are the same as those used for the Group's annual financial statements, except for the assumptions used in preparation of the Unaudited Pro Forma Consolidated Financial Information as described in Note 4.

3. Basis of preparation

The Unaudited Pro Forma Consolidated Financial Information has been compiled using the following financial information:

(a) the audited consolidated financial statements of Singapore Medical Group Limited and its subsidiaries for the year ended 31 December 2023;

(b) the unaudited combined financial statements of CHA SMG (Australia) Pte. Ltd. and its subsidiaries for the year ended 31 December 2023;

(c) the assumptions related to the CHA Acquisition are based on preliminary purchase price allocation estimates;

(d) the unaudited pro forma consolidated income statement was prepared on the basis that the CSA Group was acquired on 1 January 2023; and

(e) the unaudited pro forma consolidated financial position was prepared on the basis that the CSA Group was acquired on 31 December 2023.

The Issuer's historical consolidated financial statements were prepared following SFRS(I). The CSA Group's historical combined financial statements were prepared following SFRS(I). Where applicable, adjustments have been made to the CSA Group's combined financial information to conform with the Issuer's presented consolidated financial information and align the CSA Group's accounting policies with the Issuer.

The Unaudited Pro Forma Consolidated Financial Information is based on the limited information available for the above-mentioned periods. The Unaudited Pro Forma Consolidated Financial Information also includes adjustments to reflect the share consideration paid to complete the CHA Acquisition, and purchase price allocation adjustments which are preliminary. These adjustments reflect the Group's best estimates based on the information available.

The acquisition will be accounted for as a business combination using the acquisition accounting method in line with SFRS(I) 3 *Business combinations*. Under the accounting standard, assets acquired and liabilities assumed are recorded based on preliminary fair value estimates. The purchase price allocation may result in further adjustments and actual fair values may differ from these preliminary estimates.

Certain pro forma adjustments are based on limited available information and certain assumptions that we believe to be reasonable as at the date of this Offering Circular. The assumptions include assumptions related to the business acquisition based on preliminary purchase price allocation estimates. These adjustments could materially change as the purchase price allocation for the CSA Group and the business acquisition have not been finalised. Accordingly, there can be no assurance that the final purchase price allocation and other relevant assumptions will not differ from the preliminary allocation reflected in the Unaudited Pro Forma Consolidated Financial Information.

Pro forma adjustments reflected in the unaudited pro forma consolidated statements of financial position are based on factually supportable items and directly attributable to the CHA Acquisition, except for the adjustments on preliminary purchase price consideration and allocation as set out in Note 4. Pro forma adjustments reflected in the unaudited pro forma consolidated income statement are based on factually supportable items and directly attributable to the CHA Acquisition, which are expected to have a continuing impact on the consolidated results of operations. The Unaudited Pro Forma Consolidated Financial Information does not reflect the cost of any integration activities or the value of any integration benefits from the CHA Acquisition, including potential synergies or dis-synergies generated in future periods.

The unaudited financial statements of the subsidiaries of the CSA Group were denominated in Australian dollars. The exchange rates used to translate the presentation currency from Australian dollars to Singapore dollars are as follows:

Closing rate	Average rate
A$1: S$0.8979	A$1: S$0.8902

4. Pro forma adjustments related to the business acquisition of the CSA Group

4.1 **Business acquisition**

For the purposes of the Unaudited Pro Forma Consolidated Financial Information, the Group has acquired the remaining 80% equity interest in the CSA Group, which it does not own, for S$86.7 million. The consideration is settled using TLW shares, with the Issuer issuing an equivalent value of its shares to TLW.

The adjustments made to the Unaudited Pro Forma Consolidated Financial Information reflect the Group's best estimates based on the preliminary information available to date and are subject to change once more detailed information is obtained.

4.2 **Preliminary purchase consideration and allocation for the Unaudited Pro Forma Consolidated Financial Information**

As described in Note 3, the unaudited pro forma consolidated income statement was prepared as if the business acquisition had been completed on 1 January 2023 and the unaudited proforma consolidated statement of financial position was prepared as if the business acquisition had been completed on 31 December 2023. The CHA Acquisition will be accounted for as a business combination using the acquisition accounting method to conform with SFRS(I) 3 *Business combinations*.

The preliminary purchase price allocation and fair values recognised on acquisition as at 31 December 2023 are as follows:

	Fair value recognised on acquisition S$'000
Property, plant and equipment	27,481
Intangible assets	57,814
Right-of-use assets	33,206
Deferred tax assets	1,272
Inventories	849
Trade and other receivables	2,542
Prepayments	1,132
Cash and cash equivalents	11,619
	135,915
Trade and other payables	(4,921)
Contract liabilities	(990)
Provisions	(1,462)
Lease liabilities	(41,145)
Loans and borrowings	(14,045)
Employee benefit liabilities	(2,564)
Income tax payable	(1,113)
	(66,240)
Total identifiable net liabilities at fair value	69,675
Non-controlling interest measured at the non-controlling interest's proportionate share of net identifiable assets	(26,323)
Goodwill arising from acquisition	65,024
	108,376

	Fair value recognised on acquisition S$'000
Consideration transferred for the CHA Acquisition	
Equity instruments issued (166,432,292 ordinary shares of TLW)	86,700
Total consideration transferred	86,700
Fair value of equity interest in the CSA Group held by the Issuer immediately before the CHA Acquisition	21,676
	108,376
Effect of the CHA Acquisition on cash flows	
Total consideration for equity interest acquired	86,700
Less: Non-cash consideration	(86,700)
Add: Cash and cash equivalents of subsidiary acquired	11,619
Net cash inflow on CHA Acquisition	11,619

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Potential investors should carefully consider all the information contained in this Offering Circular including the risks described below before making an investment decision. The Group's business, financial condition and results of operations could be materially and adversely affected by any of these risks. The market price of the Bonds could decline due to any of these risks and investors may lose all or part of their investment. The risks described below are not the only ones that may affect the Group or the Bonds. This Offering Circular contains forward-looking statements relating to events that involve risks and uncertainties. The Issuer's actual results may differ materially from those anticipated in forward-looking statements as a result of various factors, including the risks faced by the Group described below and elsewhere in this Offering Circular.

RISKS RELATING TO THE GROUP'S BUSINESS, FINANCIAL CONDITION AND/OR RESULTS OF OPERATIONS

The Group's operations and facilities are primarily located in Singapore, Vietnam, Indonesia and Australia making it vulnerable to regulatory, economic, environmental, and competitive shifts in these countries

The Group operates in a highly regulated industry and its business is subject to extensive laws, regulations, licensing and accreditation requirements in the countries in which it operates. Such laws, regulation, licensing and accreditation requirements are frequently reviewed by government authorities and may be altered due to political decisions by government bodies. Significant changes in the regulatory, economic, environmental, or competitive climate in these countries could have a significant negative impact on the Group's business, financial condition, operating results, and prospects.

The Group's business operations are concentrated in Singapore, Vietnam, Indonesia and Australia. In particular, post the CHA Acquisition, the Group's revenue from Australia will account for approximately 35% of its revenue. See section "*The Issuer – Key Financial Metrics*" for more information. The concentrated dependence on these regions heightens the Group's exposure to potential changes in regulatory, social, political, economic, environmental, and competitive factors within these markets. Any material changes in the regulatory, economic, environmental or competitive conditions in these countries may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is affected by challenges that affect the healthcare industry generally

The Group is impacted by the challenges that affect the healthcare industry generally, which include, among others:

(a) advancements in technology and pharmaceuticals that raise the cost of healthcare delivery or decrease the demand for healthcare services;

(b) demographic changes;

(c) economic and business conditions at local, regional, national, and global levels;

(d) rising standards of healthcare services in neighbouring countries, which might reduce the flow of medical travellers to the Group's clinics and facilities in Singapore;

(e) a rise in terrorism, armed conflicts, or natural and man-made disasters that impact travel security or the global economy, which could lead to a decrease in the number of medical travellers to the Group's clinics;

(f) alterations in the supply distribution chain or other factors that impact the availability or cost of supplies;

(g) tighter regulations on the acquisition of medications and pharmaceutical drugs, which are already subject to stringent control;

(h) more stringent rules for ensuring that sensitive or confidential patient information is protected from unauthorised exposure; and

(i) reputational and potential financial risk to the Group's operations caused by the independent actions of doctors, including the prices they charge patients for their services.

In particular, one of the main challenges is delivering excellent patient care in a competitive market while efficiently controlling costs. Patient volumes, which are influenced by the below factors, would directly impact the Group's revenue and profits:

(a) seasonal cycles of illness;

(b) unemployment levels, which would affect patient spending power;

(c) hiring, retaining, and managing turnover of physicians and other healthcare professionals, such as nurses and radiographers; and

(d) a downturn in the global economy may lead to lower demand for private healthcare services, as patients might prefer subsidised public healthcare or more affordable treatment options.

Any failure by the Group to effectively manage these challenges could result in a material adverse effect on its business, financial condition, results of operations and prospects.

The Group is required to remain in compliance with financial covenants

The Group has entered into facility agreements with various banks and financial institutions to support its business operations. As at 31 December 2023, the Group's current loans and borrowings amounted to S$86,509,000 while the cash and cash equivalents amounted to S$27,130,000 and S$5,383,000 respectively. The Issuer had not met certain financial covenants under a facility agreement, pursuant to which, bank borrowings of S$63,283,000 were reclassified from non-current liabilities to current liabilities (under the SFRS(I)). While the relevant lenders had, on 31 December 2023, granted a waiver in respect of such breach, there can be no assurance that the Group will generate sufficient cash from its operations to service its debt obligations, comply with applicable financial covenants and/or fund other liquidity needs and capital expenditure requirements.

The Group's operations are reliant on securing and renewing necessary approvals, licenses, and permits

The medical sector within the territories where the Group is active is subject to stringent regulations. For the Group to carry out its daily activities, it is essential to secure and maintain the necessary authorisations, including permits and licenses. These include the medical clinic licenses that are granted by the Singapore Ministry of Health, Ministry of Health of Vietnam, Ministry of Health Republic of Indonesia and the Australian Government Department of Health and Aged Care.

Furthermore, the practice of medicine or dentistry is exclusively reserved for individuals who have obtained the necessary licensing. The Group and its healthcare professionals cannot be certain of successfully acquiring, renewing, or maintaining the required authorisations, licenses, and permits, as these processes are subject to the judgment of the pertinent regulatory bodies. There is also no guarantee that any approvals, licenses, or permits will be issued promptly or under conditions that are favourable to the Group or its healthcare providers. Should the Group's healthcare providers be unable to maintain or renew their professional credentials, this could render them unfit to practice, potentially leading to the shutdown of affected clinics if replacements are not found swiftly. Moreover, any delays or failures in securing or renewing the necessary operational licenses or permits for the Group's clinics, or any revocation of such credentials, could lead to penalties or a halt in operations. Such events could have a significant and negative impact on the Group's business, financial condition, operating results and future prospects.

The Group has secured various approvals, licenses and permits that come with specific conditions outlined in these documents or in the applicable legal frameworks that govern their issuance. It is imperative that the Group adheres to these conditions throughout the validity period of the said approvals, licenses, and permits. Non-compliance with these conditions could lead to the competent authorities withdrawing the Group's right to operate under these documents. Should such revocations occur, it could negatively impact the Group's business, financial condition, operating results and and future prospects.

The requirements for securing the necessary authorisations, certifications, and permissions within the healthcare services sector are subject to change and may become more rigorous with the introduction of new policies. It cannot be guaranteed that the Group will quickly adjust to any new or revised laws, regulations, or policies that may be implemented periodically. Non-compliance with these evolving standards, or if these changes interfere with the Group's business activities or result in extra expenses, could significantly and negatively impact the Group's business, financial condition, operating results and future prospects.

Compliance with relevant laws and regulations concerning safety, health, environmental protection may be costly for the Group

The Group is subject to the various laws, regulations and rules within the countries it conducts business. These legislative and regulatory frameworks cover a range of areas:

(a) the manner in which the Group's business operations are carried out;

(b) additions and/or modifications to clinical facilities, as well as the management of such facilities;

(c) changes to the scope and/or types of services provided;

(d) the quality of medical facilities, equipment and services;

(e) the purchase of medications and pharmaceutical drugs, including the acquisition of substantial medical apparatus;

(f) the cost of medical fees and charges;

(g) the privacy, upkeep and protection of health-related data and medical records;

(h) the credentials and expertise of medical and support personnel; and

(i) the release of contaminants into the air and water, the management and disposal of biomedical, radioactive and other hazardous substances and noise pollution.

The laws and regulations concerning safety, health and the environment within the nations where the Group conducts business are rigorous and there is a possibility that these regulations will become even stricter going forward. Should the Group be found non-compliant with these legal standards, it could face penalties, be compelled to cease or suspend its operations or have to shoulder additional operational expenses or capital outlays. Furthermore, should there be any legal actions taken by the public or in the form of class actions related to issues of safety, health, or environmental impact, the Group may face financial or other liabilities, which could have a significant negative impact on the Group's business, financial condition, operating results, and prospects.

Such legislative and regulatory measures could potentially limit the Group's expansion opportunities, especially those laws and regulations associated with the acquisition of medical equipment. Should the Group or its affiliated clinics not adhere to the relevant laws and regulations, the Group might be required to modify its business practices and operational strategies, and may also face substantial fines or sanctions ranging from the revocation of its business licenses to the suspension or cessation of activities. This could have a significant negative impact on the Group's business, financial condition, operating results, and prospects.

Regulation of healthcare costs may adversely affect the Group

In June 2023, the Ministry of Health of Singapore released updated recommended fee benchmarks for professional fees in the private healthcare sector ("**MOH Fee Guidelines**"). The MOH Fee Guidelines covers fees for hospital, surgical procedures as well as charges for surgeons and anaesthetists, and provides a fee scale for various medical services, taking into account the intricacy of the procedures as well as the time, effort, and specialised knowledge required. Although adherence to these guidelines is not mandatory for medical professionals, the Group has chosen to align its pricing structure with the current MOH Fee Guidelines.

If the fee scale in the MOH Fee Guidelines is subsequently revised, the Group may be required to adjust its pricing structure accordingly to reflect the reduced fees and this could potentially lead to a decrease in the Group's revenue and profit margins, which could have a significant negative impact on the Group's business, financial condition, operating results, and prospects.

The Issuer derives a significant portion of its investments and profits from its subsidiaries and associated companies

The Group conducts a substantial portion of its operations through its subsidiaries and associated companies. A substantial portion of the Group's revenue and earnings are attributable to its subsidiaries, joint ventures and associated companies. Consequently, the Group's financial condition (including its ability to satisfy financial covenants under its outstanding facility arrangements) are closely tied to the performance of these subsidiaries, joint ventures and associated companies, as well as their ability to distribute dividends, profits, or provide financial support to the Issuer. The subsidiaries', joint ventures' and associated companies' ability to make such contributions to the Issuer is contingent upon their own financial success, compliance with legal and regulatory requirements and potential restrictions imposed by financing or other contractual agreements. Poor financial performance of the Issuer's subsidiaries, joint ventures or associated companies could have a significant negative impact on the Group's business, financial condition, operating results, and prospects. There is no assurance that the Issuer's subsidiaries, joint ventures and associated companies will be able to generate adequate profits or cash flow to cover the Group's financial commitments.

The success of the Group hinges on the expertise and dedication of its medical staff, including physicians, nurses, and various other health care practitioners

The strategic expansion and success of the Group are heavily reliant on its capacity to recruit and maintain a workforce of seasoned medical practitioners, including doctors, nurses, and various other healthcare professionals.

The competition to recruit doctors is intense. The number of available specialist doctors is constrained due to the extensive training required, which may span 15 years or more, particularly for some medical fields. Broadly, several critical elements influence a doctor's choice of workplace. These include the healthcare facility's standing, the quality of its infrastructure, the diversity of services it provides, the Group's success in drawing a sufficient number of patients, prospects for research and academic involvement, remuneration (which may be governed by regional policies and laws) and the doctor's reputation within the community. Furthermore, medical professionals who are certified in a particular nation might face an extensive requalification process if they wish to practice in a different country. If their credentials are not acknowledged abroad, they may be unable to secure employment in another country because of stringent immigration and foreign employment regulations.

The success of the Group is also contingent upon its capability to locate, engage, and maintain a workforce of other medical staff, including nurses, physiotherapists and radiographers. These professionals are essential for the delivery of services at the Group's medical facilities. On 14 February 2024, the Ministry of Health published salary guidelines for the community care sector, aimed at providing greater transparency about wages in the sector, helping organisations attract and retain talent and to offer competitive salaries and enhance fairness in pay structures and salaries. Measures like these, combined with the limited availability of healthcare professionals, keeps salaries and wages within the healthcare industry competitive. Consequently, this would result in higher expenses for the Group when it comes to hiring and keeping these essential healthcare workers.

The Group competes with other healthcare entities, such as government health institutions and other private healthcare providers, to secure such skilled personnel. The availability of both novice and veteran doctors and nurses is influenced by the healthcare staffing regulations set forth by the pertinent governing bodies. Changes in government policies may result in a shortage of qualified medical and dental professionals and medical center support staff and will likely increase the costs of recruiting and retaining such personnel. Challenges in hiring or retaining doctors or other healthcare professionals across different areas of expertise may affect the Group's ability to uphold its service standards and the Group's range of service offerings. Consequently, this could lead to a reduction in patient volume and significantly impact the Group's business, financial condition, results of operations and prospects.

The Group's newly set-up facilities may experience delays in reaching full operational capacity and may not successfully integrate with its healthcare businesses or achieve the synergies and other benefits the Group expects from such expansion

New projects are characterised by long gestation periods and substantial capital expenditures. The Group may not achieve the operating levels that it expects from new and/or ongoing projects (such as the Lifescan Imaging @ Farrer Park project) and it may not be able to achieve its targeted returns on investments on, or benefits from, these projects. Developing and operating new facilities could also be subject to certain additional risks, including:

(a) difficulties with setting up new operations, including risks related to planning, construction, securing the required approvals, permits and licences, manpower and attracting patients;

(b) difficulties with integrating the assets and operations of new operations and healthcare businesses with the Group's existing operations and healthcare businesses, including integrating internal controls and procedures such as timely financial reporting;

(c) the diversion of management's attention away from the Group's existing operations and healthcare businesses which could affect the performance of such operations and healthcare businesses;

(d) the diversion of doctors and patients from the Group's existing operations and healthcare businesses which could affect the performance of such operations and healthcare businesses, and recruiting and retaining doctors, nurses and other healthcare professionals to such new facilities;

(e) the failure to realise expected profitability or growth, synergies and cost savings; and

(f) unforeseen legal, regulatory, contractual, labour or other issues.

If the Group is unable to manage the growth in its business or is unable to successfully commence operations of, or integrate, newly developed facilities, the Group's reputation and ability to compete effectively could be impaired, which would have a material and adverse effect on its business, financial condition, results of operations and prospects.

Rising operational expenses, particularly those associated with rental rates, along with the potential necessity to move premises if lease renewals cannot be secured, could lead to interruptions in the Group's business activities

The Group operates its clinics and healthcare facilities from rented properties, with lease agreements typically spanning a duration of three to five years. When these leases expire, property owners may increase the rental and other charges relating to the properties, which would lead to higher operational expenses for the Group. Leases may also be terminated or renewed on terms that are not advantageous to the Group.

Failure to renew or early termination of any of the Group's existing leases may also force the Group to relocate the affected operations. Relocations may disrupt the Group's operations and cause the Group to incur relocation expenses. If the Group is unable to secure business premises that in locations that are strategically important to the Group, such as areas with high footfall, the Group's patient volume may decrease, particularly if existing patients switch to other healthcare providers that are more conveniently located. This could have a material adverse impact on the Group's business, financial condition, results of operations and prospects.

The delivery of medical services via clinic facilities involves a substantial investment in capital and is characterised by significant fixed costs

Starting a new healthcare facility or clinic incurs substantial initial and ongoing expenses such as costs arising from obtaining specialised medical equipment, engaging in-house doctors and a variety of medical and administrative personnel. These costs remain relatively constant regardless of the number of patients admitted, as they are tied to the clinics' and healthcare facilities' designed capacity.

Given these substantial fixed costs, any unforeseen events, such as economic recessions and other macroeconomic crises, could lead to lower patient volumes at the Group's healthcare facilities and clinics, thus affecting the Group's business operations, financial status and future prospects.

The Group may, in the future, be linked to, or perceived to be linked to, inquiries by government bodies, claims and lawsuits, including those related to medical malpractice initiated by patients

The Group, as a provider of medical services, is vulnerable to potential legal disputes and regulatory scrutiny related to its healthcare operations. Companies in the healthcare sector regularly undergo audits and, following patient complaints, may face probes by different government bodies as well as lawsuits and claims from such patients. Government inquiries related to the renewal of the Group's licenses may also occur at the national, provincial and municipal levels. Additionally, governmental agencies and their agents, such as the Ministry of Health in Singapore, conduct audits of the Group's healthcare operations.

Violations of any applicable legal or regulatory requirements by the Group may result in fines, a suspension of its business activities or the cancellation of its licenses to operate. Such outcomes could have a significant and negative impact on the Group's reputation as well as its business, financial condition, results of operations and prospects.

Moreover, the Group may be subject to medical malpractice and medical negligence claims. The rise of innovative technologies and new methods of treatment has led to an increase in the number of lawsuits for medical malpractice filed by patients throughout the industry due to the unpredictable treatment outcomes which may result in patient dissatisfaction. These lawsuits are commonly directed at the patient's physician and often attempt to implicate the clinic where the treatment was administered. The Group's reputation could suffer negative consequences through its association with any physician embroiled in a medical malpractice lawsuit. Additionally, the Group's clinics could experience a decline in reputation even if the Group is not a party to the lawsuit, simply due to their connection with the implicated physician. Negative reports on social media could also adversely affect the reputation of the Group and result in lower patient volumes.

An unfavourable judgment and/or negative publicity arising from such judgment or the Group's clinics, could significantly and negatively affect the Group's business operations, financial status and future prospects.

If such liabilities exceed or fall outside the scope of the Group's medical negligence insurance the Group may be responsible for these costs, which could significantly and adversely affect the Group's financial health and business operations.

The success of the Group's operations depends on the recognition and reputation of its brand and various trademarks

The Group depends on its brand name and trademarks for its operations. For additional information on the Group's intellectual property, please see the section entitled "*The Issuer – Intellectual Property*". Should the Group be unable to maintain its well-established brand reputation, the public's recognition of the Group's various brands and trademarks could decline.

Additionally, given the well-established brand name and reputation of the Group, third parties may pass themselves off as the Issuer or any of its subsidiaries and associated companies, which could damage to the brand name and reputation of the Issuer.

Furthermore, any litigation or claims initiated by the Group's clients could potentially tarnish its brand reputation. Consequently, this could lead to suboptimal engagement with the Group's services and potentially result in a significant negative effect on the Group's business performance, financial condition, results of operation and future outlook.

The Group may not be able to complete and manage acquisitions, joint ventures, partnerships and other investments successfully

The Group may undertake further expansions or enhance its portfolio of medical services by undertaking acquisitions, entering into joint ventures, and/or partnerships, among others, and may face additional challenges, including but not limited to:

- Inability to control any entities acquired;
- Retention of retain key staff and existing clients;
- Unforeseen liabilities, including those arising from reputational issues of the Group's joint venture partners, ongoing legal actions, claims, or disputes, and financial issues; and
- Business partners failing to meet their commitments, including but not limited to, not having the necessary expertise or skills anticipated for the tasks they are supposed to perform.

Any of these issues could negatively impact the Group's business, financial condition, operating results, and prospects. Undertaking such investments could also divert management attention from the Group's operations.

The value of the Group's investments could suffer if the expected advantages from these investments fail to materialise, potentially leading to a devaluation of these assets. Should such a devaluation occur, it could significantly harm the Group's financial standing, operational performance and profits.

There is no assurance that the Group's future investments will be successful. Should the Group face challenges in executing its expansion plans or managing the risks related to undertaking such plans, or if unexpected issues, complexities, or postponements arise, the Group may not be able to realise the anticipated benefits from these investments, which could lead to a significant negative impact on the Group's business operations, financial condition, results of operations and prospects.

Lastly, foreign laws and regulations could potentially restrict the Group's ability to effectively carry out takeovers or corporate actions beyond Singapore. There is no assurance that legal and/or regulatory changes will not impose constraints on the Group's prospects for growing its business internationally.

The Group may not be able to successfully compete for patients with other hospitals and healthcare providers within the countries where it conducts its operations

The medical sector in Singapore, Indonesia, Vietnam and Australia are intensely competitive. Numerous other medical facilities, such as hospitals and clinics, offer comparable services to what the Group provides. Should the Group be unable to match the service offerings and pricing of its competitors, this could significantly affect the Group's capacity to maintain and attract both patients and healthcare practitioners.

The Group competes with a variety of healthcare providers including state-run hospitals, private medical facilities, institutions run by non-profit and philanthropic entities as well as solo medical practitioners within the regions it serves. It faces challenges from rivals that may have a more established presence. Competitors, both new and existing, might introduce more cost-effective pricing strategies, expand their network of healthcare facilities, or provide more convenient or superior services and amenities compared to those of the Group from time to time. Additionally, smaller medical establishments and independent clinics that operate with less overhead costs may create competitive pricing challenges for the Group's array of services and compete to hire from the same pool of medical staff and specialists. Should the Group fail to competitively price its services, attract and retain patients, or efficiently manage its costs, there could be a significant negative impact on the Group's business, financial condition, operating results, and prospects.

Constant improvements in technology, along with potential malfunctions and various obstacles associated with healthcare devices and information technology systems could negatively impact the Group's operations and lead to an increase in its expenditure

Medical equipment, instruments and technologies used within the Group's medical facilities and clinics must be regularly maintained. However, the essential components may be unobtainable, or there may be delays in obtaining such components, which could hinder the Group's capacity to deliver necessary healthcare services. The processes of replacing, enhancing, or servicing this equipment can entail substantial expenditures. These medical equipment, instruments and technologies must also be updated from time to time, as technological advancements can render current models outdated or obsolete. Newer models may also have more advanced features, for example, newer diagnostic equipment may be able to generate clearer diagnostic images, diagnose a wider range of medical conditions, and may have been upgraded to maximise patient comfort. As such, to remain competitive, the Group needs to invest in medical equipment.

Apart from medical equipment and instruments, the Group's information technology infrastructure is also essential to its business operations, its internal governance and its management mechanisms, across the countries in which the Group operates. These systems play a pivotal role in overseeing clinical operations, maintaining medical documentation and inventory, the coordination and administration of patient services, the execution of accounting and financial operations, the oversight of internal expenses and to facilitate consultations among medical professionals. Inadequate maintenance or updates to these systems could negatively impact the Group's business operations. Furthermore, the Group's plans to expand its facilities and acquire new clinics necessitate the need to either transition to new information systems or integrate different existing systems. Any disruptions to these information technology systems, whether due to power outages, cyberattacks, or unauthorised interference, could affect the Group's service delivery to patients, operations and administrative systems. These information technology systems must also be regularly updated to ensure the Group can effectively handle its clinical, medical documentation, and inventory management responsibilities in compliance with applicable legal and regulatory standards, as well as to compete with its competitors.

Should there be a breakdown in the Group's information technology infrastructure, and if the Group is unable to execute its contingency strategies efficiently, there would be an interruption in its business activities and such disruptions could significantly impact the Group's business, financial condition, the operating results and prospects. Therefore, the Group must sustain and improve current information technology systems to stay abreast of the constant evolution in data processing technologies. Moreover, the Group depends on its external information technology vendors, such as internet service providers, to ensure ongoing technical assistance and to support its information technology infrastructure, and as such, is vulnerable to weaknesses in the respective systems and platforms of these vendors.

The operations of the Group necessitate the processing, storage and management of its patients' personal data. As such, the Group may be liable if personal data under its care is stolen or misused. In Singapore, licensed medical facilities must maintain accurate and comprehensive medical records and must take precautions to ensure the integrity and currency of these records. They are also required to put in place sufficient protective measures to guard against the medical records being accidentally or illegally altered, lost, destroyed or falling prey to unauthorised access, disclosure, duplication, usage or changes.

Violations of these legal requirements could lead to legal penalties, including fines or jail time for the individual responsible.

There is no assurance that bad actors will not exploit vulnerabilities such as technological malfunctions, human mistakes or weaknesses in the Group's systems, particularly as the Group continues to shift to a paperless working environment. The Group relies on an external cloud server which hosts a patient portal and digital patient records, which are vulnerable to hacking. If the Group's data protection systems and protocols are compromised and patient data is exposed, the Group may be liable for the mismanagement of health and personal records.

The Group could potentially face risks and threats related to cybersecurity, including the possibility of cyber-attacks

The Group faces potential cyber-attacks and cybersecurity threats and risks, including unauthorised system access, phishing attacks and manipulation through social engineering. These security weaknesses could expose the Group to fraud or operational interruptions. In the event that the Group is unable to effectively prevent or mitigate the impact of cyber-attacks, or if it fails to avert incidents that compromise data privacy and lead to security breaches, it could suffer from financial damage, regulatory fines, legal liabilities, damage to its reputation and operational downtime to address the breaches. Such incidents could significantly affect the Group's business, financial condition, operating results, and prospects.

Although the Group has implemented measures to reduce these risks, such as acquiring cybersecurity insurance to offset losses from various cyber incidents and continuously enhancing its cybersecurity measures and protocols, there is no guarantee that these actions will completely cover any potential losses resulting from such incidents.

Inadequate delivery of services is a fundamental risk associated with the operations of the Group's business

The Group is dedicated to ensuring that all clients receive attention and service that align with the most current, research-supported best practices and the Group strives to uphold the highest medical quality, always prioritising the safety of patients. To uphold this dedication to safety, the Group strictly allows only those physicians who have received accreditation from the Singapore Medical Council to engage in medical practice at its Singapore-based clinics and in Australia, the Group only permits specialist doctors registered with the Medical Board of Australia to practice within its clinics.

The Group strives to maintain consistent supervision throughout the organisation. Inadequate surveillance of clinical risks (such as inadequate supervision of junior medical staff and inadequate internal audits on staff to ensure that they follow internal protocols) could result in the Group facing regulatory penalties. Such shortcomings could significantly and negatively affect the Group's business operations, financial stability, performance outcomes and future opportunities.

If the Group does not receive payment on a timely basis, the Group's results of operations could be materially and adversely affected

Individual patients, corporate customers and their healthcare insurers may not make timely payment in full for the services that the Group has rendered. If healthcare insurers and corporate customers change their reimbursement policies and coverage plans in the future, such that services which the Group provided to patients are no longer covered, patients who do not have adequate healthcare insurance may not be able to pay for the services they have received.

While the amount of bad debts written off and allowance for doubtful debts by the Group for financial years ended 31 December 2023 and 31 December 2022 is not material, there is no assurance that patients will not default on their medical bills, which could materially and adversely affect the Group's results of operations and cash flow.

The Group's insurance coverage and indemnities may not cover all damages and losses

The Group requires its doctors to take out their own medical malpractice insurance, and the Group has obtained and maintained various insurance policies for other medical professionals. However, there is no guarantee that the Group's insurance coverage will adequately cover all possible liabilities and risks that may arise from the Group's operations. Losses arising from unforeseen events, such as terrorist attacks and disasters in countries where the Group operates may fall outside the scope of the Group's insurance coverage. There is also no assurance that the Group's insurers will remain solvent and fulfil their contractual commitments to deliver the agreed-upon coverage.

Should the insurance provisions prove to be insufficient, particularly in terms of coverage for claims that surpass the total limits of the policy, the Group could be required to disburse significant sums, which could materially and negatively impact the Group's business, financial condition, operating results and prospects.

Failure to identify potential avenues for growth could have a significant negative impact on the Group's business, financial condition, operating results, and prospects

From time to time, the Group may seek to enhance and expand its network of healthcare facilities, which will require substantial capital investment. The Group may also face challenges in locating appropriate locations for new healthcare ventures or an expansion of its current premises, securing acquisition targets or negotiating favourable terms. The costs associated with development and set-up could exceed the Group's budget, placing a strain on its financial stability and cash flow or could render a project unviable. Additionally, these projects could be impacted by unexpected legal or regulatory hurdles, such as difficulty acquiring the necessary licenses, approvals, or permits needed to operate. Should the Group fail to successfully find and execute opportunities to construct, purchase, or enhance its new and existing healthcare facilities or if it encounters impediments or delays in this process, there could be a significant negative impact on the Group's business, financial condition, operating results and future prospects.

The Group is subject to risks associated with debt financing and interest rate fluctuations

The Group has been, and anticipates it will continue to, support its operations and expansion using a mix of its own cash reserves, as well as through equity and debt financing. As at 31 December 2023, the Group's current loans and borrowings amounted to S$86,509,000. The Group's ability to secure financing and re-financing of its existing debts on favourable terms depends on factors such as the state of the capital markets, economic and geopolitical conditions, the Group's financial condition and creditworthiness, and the general availability of credit. Events in the global financial markets could have a profound and negative impact on both the accessibility and cost of capital.

Some of the Group's existing debt and the Group's future borrowings may carry floating interest rates. As a result, the interest expenses for these debts will vary in response to changes in market interest rates. Fluctuations in borrowing costs, particularly increases in interest rates, could have a material adverse effect on the Group's profitability and ability to meet its financial obligations. This could affect the Group's financial condition and prospects, which in turn could have an adverse impact on the Group's capacity to fulfil its payment obligations to Bondholders.

Moreover, the Group could encounter specific restrictions in relation to any prospective loans that might constrain or significantly and negatively impact its business, as well as its capacity to distribute payments to Bondholders and undertake capital expenditures.

Fluctuations in foreign exchange rates could lead to foreign exchange losses

As the Group operates in Australia, Indonesia and Vietnam, it is exposed to fluctuations in Australian Dollars, Indonesian Rupiah, Vietnamese Dong and United States Dollars. Fluctuations in these foreign currencies can affect financial performance as recorded in the Group's consolidated financial statements. Material adverse effects on the Group's reported financial results could occur if these currency risks are not adequately managed.

The Group may be materially and adversely affected by the spread of diseases or an outbreak of any contagious, infectious or virulent diseases and pandemics/epidemics

The emergence of infectious or deadly illnesses, including past outbreaks like SARS, H5N1 avian influenza, Middle East Respiratory Syndrome, Ebola and COVID-19, poses a significant risk to the business operations of the Group. Should such diseases spread within the Group's medical facilities, of the Group may be required to suspend operations at impacted facilities and quarantine the healthcare staff involved. Furthermore, the spread of such health crises can lead to a negative perception of medical institutions among the public due to the perception that medical facilities are contaminated, resulting in patients deferring their visits to the Group's facilities. These could have a substantial and detrimental impact on the Group's business, financial condition, operating results and prospects. These health events could also trigger intermittent or extended disruptions in markets and supply chains, economic decline, or recession, as well as volatility in both local and global financial markets, all of which could have a profound and negative effect on the economies of the countries in which the Group operates.

In addition, the medical team of the Group, including physicians, nurses, and other health professionals, are at increased risk during health crises such as epidemics or pandemics due to their direct interaction with patients. The Group has implemented various strategies and guidelines to reduce the impact of such health emergencies. Despite these precautions, there is no guarantee that the Group's medical staff and patients will be completely protected from infectious diseases. An outbreak could lead to operational disruptions, including the suspension of operations at affected facilities, which could adversely affect the Group's business, financial condition, operating results and prospects.

Risks Relating To The Bonds

The Bonds may not be a suitable investment for all investors.

The Bonds are complex financial instruments and may be purchased as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Each potential investor in the Bonds must determine the suitability of the Bonds in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular and/or any applicable amendment or supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

- have the ability to understand and evaluate all information and materials with respect to the Issuer and the Group;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds including where principal or interest is paying in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of certain investors may be subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Bonds are legal investments for it; (ii) the Bonds can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

The Bonds are subject to transfer restrictions.

The Bonds and the CGIF Guarantee will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons. They may only be sold outside the United States in offshore transactions in reliance on Regulation S, or, if available, pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and, in each case, in accordance with applicable state securities laws. In addition, subject to the conditions set forth in the Trust Deed, a Bond may be transferred only if the principal amount of Bonds transferred and, where not all of the Bonds held by a Bondholder are being transferred, the principal amount of the balance of Bonds not transferred is at least S$250,000. For a further discussion of the transfer restrictions applicable to the Bonds, see "*Terms and Conditions of the Bonds*" and "*Subscription and Sale*".

There is no existing trading market for the Bonds and, therefore, the Bonds offer limited liquidity.

The Bonds constitute a new issue of securities which may not be widely distributed and for which there is currently no existing market.

No assurance can be given that an active trading market for the Bonds will develop or as to the liquidity or sustainability of any such market, the ability of the holders to sell their Bonds or the price at which the holders will be able to sell their Bonds. If an active trading market for the Bonds does not develop or is not maintained, the market price and liquidity of the Bonds may be adversely affected. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the price at which the Bonds are issued depending on many factors, including:

- prevailing interest rates;

- the Issuer's results of operations and financial condition;
- the market conditions for similar securities; and
- the financial condition and stability of financial and other sectors.

If the Bonds are traded at a discount, investors may not be able to receive a favourable price for their Bonds, and in some circumstances investors may not be able to sell their Bonds at all or at their fair market value. In addition, there may be a limited number of buyers when investors decide to sell their Bonds. This may affect the prices, if any, offered for Bonds or investors' ability to sell their Bonds when desired or at all.

The Lead Managers and Bookrunners are not obliged to make a market in the Bonds and any such market making, if commenced, may be discontinued at any time at the discretion of the Lead Managers and Bookrunners. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, the holders will only be able to resell their Bonds in transactions that have been registered under the Securities Act or in transactions no subject to or exempt from registration under the Securities Act. Accordingly, there can be no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for the Bonds.

Risks associated with third-party opinions and reports issued in connection with the Bonds.

The content on the Issuer's or the Group's website, along with any data that can be obtained via the sites or any other analyses and conclusions related to the Issuer and/or the Group, are not to be considered as part of or a reference within this Offering Circular. They should not be used as a basis for any investment decisions regarding the Bonds. The second party opinion, certificates from agreed-upon procedures, and any future assurance statements or second party opinions, collectively referred to as "Assurance Reports," may not fully capture all the risks associated with the structure, market, and other elements that could influence the Bonds' value. These Assurance Reports should not be seen as advice or recommendations to purchase, sell, or retain any securities and are only relevant as of their original publication date. The Assurance Reports are intended solely for informational use. Neither the Issuer, the Group, the Lead Managers and Bookrunners, nor the issuers of the Assurance Reports bear any responsibility for the content of these reports or for any loss that may result from utilising these reports or the information contained within them.

The liquidity and price of the Bonds following the offering may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the Issuer's revenue, turnover, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, changes in government regulations and resultant changes applicable to the industries in which the Group operates, and changes in general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There can be no assurance that these developments will not occur in the future.

Developments in other markets may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issues in other countries, including Indonesia.

Such developments and global events also cause substantial uncertainty in the international financial markets, including but not limited to, further decreases in global stock exchange indices and increased foreign exchange volatility. Examples of such developments and global events include, for example, the ongoing military conflict between Russia and Ukraine, conflicts in the Middle East such as the armed conflict between Israel and Hamas, rising tensions in the Indo-Pacific region including between North and South Korea and the People's Republic of China (the "**PRC**") and the Republic of China and the uncertainty relating to the ongoing 2024 U.S. election, the outcome of which will have an impact on the future relationship between the PRC and the United States. These global events could all give rise to further disruption, instability and volatility in global markets and industries and could materially and adversely impact macroeconomic conditions, raising global geopolitical tensions and giving rise to further regional instability globally. If developments and global events occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

As a result, the global economy is facing significant uncertainties and the global financial markets are experiencing significant volatilities which may adversely affect the market price of the Bonds. Investors must exercise caution before making any investment decisions.

Bondholders are bound by decisions of defined majorities in respect of any modification and waivers.

The Trust Deed contains provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of Bondholders may be adverse to the interests of the individual Bondholders.

Also, Condition 14 (*Meetings of Bondholders – Modification and Waiver*) provides that the Trustee may, without the consent of Bondholders but with the consent of CGIF, agree (but shall not be obligated): (i) to any modification of the Conditions, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter (as defined in the Conditions)) if such modification will not be materially prejudicial to the interests of Bondholders; and (ii) to any modification of the Bonds, the Conditions, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error or which is necessary to comply with mandatory provisions of law.

In addition, the Trustee may, with the consent of CGIF but without the consent of the Bondholders, authorise or waive any proposed breach or breach of the Bonds, the Conditions, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if the interests of the Bondholders will not be materially prejudiced thereby, **provided that** the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution (as defined in the Conditions) or a request made pursuant to Condition 10 (*Events of Default*) of the Conditions. For the avoidance of doubt, any modification to the Bonds, the Conditions (including in respect of a Reserved Matter), the Trust Deed or the Agency Agreement which requires the consent of the Bondholders shall also require the consent of the Guarantor.

The Trustee's ability to accelerate the Bonds is limited pursuant to the terms of the Trust Deed, and the Trustee may request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction.

Under the terms of the Trust Deed, subject to the limitations on enforcement set out in clause 3.3 (*Acceleration*) of the Trust Deed, the Trustee may at any time after an Event of Default shall have occurred or after the Bonds have become due and payable, at its discretion and without further notice, institute such actions, steps and proceedings against the Issuer or, subject to and in accordance with the terms of the CGIF Guarantee, CGIF, as it may think fit to recover any amounts due in respect of the Bonds which are unpaid or to enforce any of its rights under the Trust Deed or any other Bond Document, but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 25 per cent. of the aggregate principal amount of the outstanding Bonds and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

Under the terms of the Trust Deed, the Trustee has further agreed with CGIF that it shall not take steps to declare any Bond to be or become immediately due and payable while an Event of Default is continuing (an "**Acceleration Step**") except in limited circumstances set out in clause 3.3 (*Acceleration*) of the Trust Deed.

Unless the prior written consent of CGIF is obtained, the circumstances mentioned above are strictly limited to the failure by CGIF to make payment of a Guaranteed Amount in accordance with the CGIF Guarantee such that a Non-Payment Event has occurred and is continuing (a "**Guaranteed Party Acceleration**").

Investors should be aware that pursuant to the terms of the Trust Deed, neither the Trustee nor any Bondholder shall be entitled to take an Acceleration Step against the Issuer or CGIF unless a Guaranteed Party Acceleration has occurred and, in the event that any such Acceleration Step is taken in contravention of the relevant provision in the Trust Deed, CGIF shall not be required to pay any amounts in respect of such Acceleration Step.

Upon the occurrence of a Guaranteed Party Acceleration and if the Guaranteed Amounts are not paid by the Issuer in accordance with the Conditions and this Trust Deed following such Guaranteed Party Acceleration, the Trustee may at its sole discretion and, if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution, shall (subject in each case to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction) deliver in accordance with the Trust Deed a Guaranteed Party Acceleration Notice in respect of the aggregate of the unpaid Guaranteed Amounts and the Guarantor Default Interest Amount (as defined in the CGIF Guarantee) (if any) to be paid by the Guarantor in accordance with the CGIF Guarantee.

In particular, potential investors should be aware that other than in the above limited circumstances, the Trustee is not permitted under the Conditions, the Trust Deed or the CGIF Guarantee to take steps to declare any Bond to be or become immediately due and payable if an Event of Default arising other than in relation to Condition 10(a)(i) (*Non-Payment*) of the Conditions (being Conditions 10(a)(ii) (*Events of Default – Breach of other obligations*) to 10(a)(xii) (*Events of Default – Guarantee not in force*) of the Conditions) has occurred and is continuing, other than with the prior written consent of CGIF. Potential investors should also be aware that under the terms of the CGIF Guarantee, CGIF will pay the Guaranteed Amounts only in relation to a Missed Payment Event in accordance with Condition 10(a)(i) (*Non-payment*) of the Conditions that has occurred and is continuing or a CGIF Acceleration. For more information, "*Risks relating to the Guarantor and the CGIF Guarantee – Other than the Guaranteed Amounts, not all amounts due in respect of the Bonds are guaranteed by CGIF.*", "*Description of the CGIF Guarantee – Guaranteed Party Acceleration*" and "*Description of the CGIF Guarantee – Limited rights of acceleration*".

In certain circumstances, including, without limitation, the circumstances described above, the giving of a Guaranteed Party Acceleration Notice to the Guarantor pursuant to clause 3 (*Acceleration*) of the Trust Deed and taking enforcement steps pursuant to Condition 15 (*Enforcement*) of the Conditions, the Trustee may, at its sole discretion, request holders of the Bonds to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of holders of the Bonds. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the Trust Deed or the Conditions or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law and regulations, it will be for the holders of the Bonds to take such actions directly.

Credit ratings may not reflect all risks and the ratings assigned to the Bonds may be lowered or withdrawn in the future.

Credit ratings may not reflect all risks and any downgrade in ratings may affect the market price of the Bonds.

The Bonds are expected to be rated AA by S&P. The rating represents only the opinion of the rating agency and its assessment of the Issuer's and the Guarantor's ability to perform their obligations under the Conditions and credit risks in determining the likelihood that payments will be made when due under the Bonds. A rating is not a recommendation to buy, sell or hold the Bonds and may be subject to revision, suspension or withdrawal at any time. Further, the ratings may not reflect the potential impact of all risks that may affect the value of the Bonds including those relating to the structure of the Bonds or the CGIF Guarantee, market conditions and the factors discussed in this section. There is no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgement circumstances in the future so warrant. Neither the Issuer nor the Guarantor has any obligation to inform holders of the Bonds of any such revision, downgrade or withdrawal. A suspension, downgrade or withdrawal at any time of the rating assigned to the Bonds may adversely affect the market price of the Bonds.

The Bonds will initially be held in book-entry form, and therefore Bondholders must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

The Bonds will initially only be issued in registered form and held through CDP. Interests in the Global Certificate representing the Bonds will trade in book-entry form only, and Bonds in definitive registered form will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of Bonds for purposes of the Trust Deed. Accordingly, Bondholders must rely on the procedures of CDP, and if a Bondholder is not a participant in CDP, on the procedures of the participant through which such Bondholder owns its interest, to exercise any rights and obligations of a holder of Bonds under the Trust Deed.

Upon the occurrence of an event of default under the Trust Deed, unless and until definitive registered Bonds are issued in respect of all book-entry interests, if a Bondholder owns a book-entry interest, such Bondholder will be restricted to acting through CDP. The procedures to be implemented through CDP may not be adequate to ensure the timely exercise of rights under the Bonds. See "*Terms and Conditions of the Bonds – Condition 3 (Register, Title and Transfers)*".

The Issuer may be unable to redeem the Bonds on the due date for redemption.

On the Maturity Date, the Bonds will be redeemed at their principal amount, or in the case of certain changes in taxation or upon the occurrence of a CGIF Acceleration (as defined herein and in the Conditions), the Issuer may be required to redeem all of the Bonds. On the Maturity Date or if such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. The Issuer's ability to redeem the Bonds on the Maturity Date or in such event may also be dependent on the receipt by the Trustee of the relevant Guaranteed Amounts from the Guarantor. In addition, agreements to which the Issuer is a party at that time may restrict or prohibit such a payment. Failure by the Issuer to pay any amount of principal in respect of the Bonds on the scheduled redemption at maturity or on an early redemption, or repurchase or redeem any tendered Bonds, would constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's other indebtedness.

The Bonds may be redeemed by the Issuer or (as the case may be) the Guarantor prior to maturity.

The Issuer may redeem the Bonds at its option, in whole but not in part, at any time, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer satisfies the Trustee that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay Additional Amounts (as defined in the Conditions), as further described in Condition 7(b) (*Redemption for Tax Reasons*) of the Conditions.

The Issuer may also redeem the Bonds at its option, in whole but not in part, on any business day on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) provided that the Issuer has appointed a Calculation Agent prior to giving such notice, and provided further that: (a) in the case of a redemption of any Bonds on any Business Day that is prior to 20 September 2029 (the "**Make Whole Call Date**"), such Bonds will be redeemed at the Make Whole Amount (as defined in the Conditions) per Calculation Amount; and (b) in the case of a redemption of any Bonds on any business day from (and including 20 September 2029, i.e. a date falling 2 months prior to the maturity date), such Bonds will be redeemed at a price equal to 100 per cent. of their principal amount, in each case, together with accrued and unpaid interest on the Bonds so redeemed to (but excluding) the applicable date fixed for redemption. See Condition 7(c) (*Redemption at the Option of the Issuer*).

At any time following the occurrence of a CGIF Acceleration, the Guarantor may redeem the Bonds at its discretion, in whole but not in part only, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption.

If the Issuer or (as the case may be) the Guarantor redeems the Bonds prior to the Maturity Date, investors may not receive the same economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, the Issuer's ability to redeem the Bonds may reduce the market price of the Bonds.

There are risks associated with the enforceability of arbitral awards.

The Trust Deed (other than clause 34.2 of the Trust Deed), the Agency Agreement (other than clause 24.2 of the Agency Agreement), the CGIF Guarantee and the Bonds (other than Condition 18(b)) are governed by English law and the parties have agreed that disputes arising thereunder are subject to arbitration in Singapore under the SIAC Arbitration Rules.

CGIF is established by the Association of Southeast Asian Nations members, China, Japan, Korea (the "**CGIF Member Countries**") and the Asian Development Bank as a key component of the Asian Bond Markets Initiative. A substantial part of CGIF's assets is located outside of Singapore.

Therefore, even though the Trustee may obtain an arbitral award in Singapore against CGIF in arbitration proceedings (an "**Award**") and the Award may be enforced in Singapore in the same manner as a judgement or order to the same effect, CGIF may not have sufficient assets in Singapore to satisfy the Award.

In this regard, pursuant to Article 2.2 of CGIF's Articles of Agreement, CGIF may only undertake its functions within the CGIF Member Countries and all CGIF Member Countries are parties to the New York Convention. Accordingly, any arbitration award obtained in a state which is party to the New York Convention should be recognised and enforceable in all CGIF Member Countries provided the conditions for enforcement set out in the New York Convention are met and certain conditions and requirements under the applicable laws of the relevant jurisdictions relating to such enforcement are complied with.

Enforcing Bondholders' rights under the Bonds or the CGIF Guarantee across multiple jurisdictions may be difficult.

The Bonds will be issued by the Issuer, which is incorporated under Singapore law, and guaranteed by the CGIF, which is a trust fund established under public international law. The CGIF Guarantee, the Bonds and the Trust Deed are governed by English law and disputes arising thereunder are subject to arbitration in Singapore under the SIAC Arbitration Rules. In the event of a bankruptcy, insolvency or similar event, different proceedings could be initiated in the United Kingdom and Singapore. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of the rights of Bondholders.

Bondholders' rights under the Bonds and the CGIF Guarantee will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that Bondholders will be able to effectively enforce their rights in such complex multiple bankruptcy, insolvency or similar proceedings.

Furthermore, the bankruptcy, insolvency, administrative and other laws of Singapore and England may be materially different from, or be in conflict with, each other and those with which Bondholders may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether the laws of any particular jurisdiction should apply, adversely affect Bondholders, and their ability to enforce their rights under the Bonds and the CGIF Guarantee in the relevant jurisdiction or limit any amounts that Bondholders may receive.

The Bonds are not secured.

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*) of the Bonds) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for any exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future. Accordingly, on a winding-up or insolvency of the Issuer, the Bondholders will not have recourse to any specific assets of the Issuer or its subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Bonds owed to the Bondholders. There can be no assurance that there would be sufficient value in the assets of the Issuer, after meeting all claims ranking ahead of the Bonds, to discharge all outstanding payment and other obligations under the Bonds owed to the Bondholders.

Investment in the Bonds may subject Bondholders to foreign exchange risks.

The Bonds are denominated in, and principal and interest on the Bonds are payable in, Singapore dollars. If investment returns are measured by reference to a currency other than Singapore dollars, an investment in the Bonds will entail foreign exchange-related risks, including possible significant changes in the value of the Singapore dollar relative to the currency by reference to which such returns are measured, due to, among other things, economic, political and other factors over which the Issuer has no control. Depreciation of the Singapore dollar against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to potential investors when the return on the Bonds is translated into the currency by reference to which such investment returns are measured. In addition, there may be tax consequences for potential investors as a result of any foreign exchange gains resulting from any investment in the Bonds.

There may be interest rate risks on an investment in the Bonds.

Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates. As the Bonds will carry a fixed interest rate, the trading price of the Bonds will consequently vary with the fluctuations in interest rates. If the Bondholders propose to sell their Bonds before their maturity, they may receive an offer lower than the amount they have invested.

An investment in the Bonds is subject to inflation risk.

Inflation can lead to a decrease in the actual returns for bond investors. When purchasing bonds, investors typically have a projected real rate of return that takes into account the forecasted levels of inflation. However, should inflation rates rise unexpectedly, the real rate of return on these investments could be adversely affected, diminishing the bondholders' earnings.

Changes in market interest rates may adversely affect the value of the Bonds.

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. It is advisable for each prospective investor to seek guidance from their legal counsel to ascertain the legality of the Bonds as an investment option, the possibility of utilising the Bonds as security for different borrowing arrangements and any other pertinent restrictions related to the acquisition or pledging of the Bonds. Financial institutions are encouraged to confer with their legal advisors or relevant regulatory authorities to understand how the Bonds are treated under any relevant rules pertaining to risk-based capital or other similar regulations.

Bondholders are exposed to risks relating to Singapore taxation.

The Bonds are, pursuant to the Income Tax Act 1947 of Singapore (the "**Income Tax Act**"), intended to be "qualifying debt securities" for the purposes of the Income Tax Act, subject to the fulfilment of certain conditions more particularly described in the section "*Taxation – Singapore Taxation*". However, there is no assurance that such Bonds will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time. Prospective purchasers of the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition of the Bonds. See the section entitled "*Taxation – Singapore Taxation*" for certain Singapore tax consequences.

The ability of the Issuer to make payments in respect of the Bonds may depend on the due performance by other parties to the transaction documents.

The ability of the Issuer to make payments in respect of the Bonds may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Trustee, the Paying Agent and/or the Registrar of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer of its obligations to make payments in respect of the Bonds, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Bondholders.

RISKS RELATING TO THE GUARANTOR AND THE CGIF GUARANTEE

Other than the Guaranteed Amount (as defined below), not all amounts due in respect of the Bonds are guaranteed by CGIF.

Pursuant to the terms of the CGIF Guarantee, CGIF shall unconditionally and irrevocably guarantee to the Trustee, on behalf of the Bondholders, the full and punctual payment of each Guaranteed Amount. For the purposes of the CGIF Guarantee, "**Guaranteed Amount**" means:

- any Principal Amount and any Scheduled Interest which is overdue and unpaid (whether in whole or in part) by the Issuer under the Conditions and the Trust Deed;
- any Additional Accrued Interest; and
- any Trustee Expenses,

(in each case as defined in the CGIF Guarantee).

Subject to the terms of the CGIF Guarantee and the Trust Deed, if a Missed Payment Event has occurred and is continuing, CGIF shall pay the Guaranteed Amount relating to the Missed Payment Event to the Trustee or its order within thirty (30) calendar days of such Missed Payment Event, or in the case of a CGIF Acceleration, within thirty (30) calendar days from the date of the CGIF Acceleration Notice. Potential investors should be aware that CGIF has no obligation under the CGIF Guarantee to pay any amounts as a result of the Bonds being declared immediately due and payable due to any Event of Default arising other than in relation to Condition 10(a)(i) (*Non-Payment*) of the Conditions (being Conditions 10(a)(ii) (*Events of Default – Breach of other obligations*) to 10(a)(xii) (*Events of Default – Guarantee not in force*) of the Conditions). For more information, see also "*Risks relating to the Bonds – The Trustee's ability to accelerate the Bonds is limited pursuant to the terms of the Trust Deed, and the Trustee may request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction.*"

A Guaranteed Amount does not include any increased costs, tax-related indemnity (but for the avoidance of doubt includes any additional amounts required to be paid to the Bondholders due to a tax deduction and the operation of Condition 9 (*Taxation*) of the Conditions, **provided that** the Guaranteed Amount will only include the original amount which would have been due from the Issuer if no tax deduction were required), default interest, fees or any other amounts other than any Principal Amount, any Scheduled Interest, any Additional Accrued Interest and any Trustee Expenses payable by the Issuer to the Trustee or any Bondholders.

The obligations of the Guarantor under the CGIF Guarantee are secondary obligations only.

The CGIF Guarantee is governed by English law. Under English law generally, the liability of a guarantor (in this case, the Guarantor) is ancillary, or secondary, to that of the principal debtor (in this case, the Issuer), in the sense that the principal debtor remains primarily liable to creditors (in this case, the Trustee, on behalf of the Bondholders) and the guarantor's liability depends upon the continued existence and validity of the principal debtor's liability. The Guarantor's liability under the CGIF Guarantee is therefore co-extensive with that of the Issuer. Consequently, and in the absence of agreement to the contrary, a guarantor's liability will normally be extinguished if the principal debtor's obligation is void or unenforceable, has not yet arisen or has been released, or if a defence or right of set-off is available to the principal debtor.

Accordingly, English law guarantees in debt capital markets transactions customarily include provisions:

- aimed at protecting creditors by preserving a guarantor's liability in circumstances where it would otherwise be discharged, for example, in the event of any unenforceability, illegality or, invalidity of any obligation of any person under any of the bond documents (such as a trust deed, agency agreement or guarantee) or any other document or security ("**Protective Provisions**"); and

- to the effect that the guarantor shall be liable as if it were the principal debtor and not merely a surety, and an indemnity, to provide that the guarantor will be liable as a primary obligor in the event that the original guaranteed obligations were to be set aside for any reason ("**Co-Principal Debtor Provisions**").

Potential investors should therefore be aware that while the CGIF Guarantee does provide for certain customary Protective Provisions whereby the Guarantor's liability is preserved (and shall remain in force) notwithstanding any act, omission, event or thing of any kind which, but for the Protective Provisions, would reduce, release or prejudice any of the Guarantor's obligations, neither the CGIF Guarantee nor the Trust Deed provides for any Co-Principal Debtor Provisions. See "*Appendix A: Form of CGIF Guarantee.*"

Accordingly, in the event that the Issuer's obligations under the Bonds, the Trust Deed and/or the Agency Agreement (i.e., the primary obligations which are the subject of the CGIF Guarantee) cease to exist in circumstances that are not contemplated by the Protective Provisions, the Trustee may not be able to make a claim under the CGIF Guarantee for any Guaranteed Amount in the event of a failure by the Issuer to meet its obligations under the Bonds (including, without limitation, a Missed Payment Event).

CGIF's right to accelerate following a CGIF Acceleration.

Prospective investors should be aware that the Bonds may be redeemed in certain circumstances at the election of CGIF. At any time following the occurrence of a CGIF Acceleration, CGIF may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days' notice to the Issuer, the Trustee and the Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so CGIF may, give notice to the Bondholders, the Trustee and the Paying Agent in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable).

A "**CGIF Acceleration**" occurs if:

- an Issuer Event of Default (as defined in the Conditions) has occurred; or

- a Missed Payment Event (as defined in the Conditions) has occurred and is continuing and irrespective of whether or not CGIF has already paid any Guaranteed Amounts in respect of such Missed Payment Event; or

- any term or provision of the Conditions, the Trust Deed or the Agency Agreement has been amended, modified, varied, novated, supplemented, superseded, waived or terminated without the prior written consent of CGIF as required pursuant to the terms of the CGIF Guarantee, Trust Deed or the Agency Agreement, as the case may be; and

CGIF has delivered a CGIF Acceleration Notice (substantially in the form of Schedule 5 (*Form of CGIF Acceleration Notice*) of the Trust Deed) to the Trustee in accordance with the Trust Deed.

The CGIF Acceleration Notice will, among other things, contain a written confirmation that CGIF will pay all unpaid Guaranteed Amounts.

Obligations of CGIF do not constitute an obligation of the Asian Development Bank.

The obligations of CGIF under the CGIF Guarantee do not constitute an obligation of the Asian Development Bank or any other contributors to CGIF. Bondholders recourse to CGIF under the CGIF Guarantee and any Bond Document (as defined in the Trust Deed) or any other document related to the issuance of the Bonds is therefore limited solely to the assets of CGIF, which are all property and assets of CGIF held in trust in accordance with the Articles of Agreement (as defined in the Conditions) and available from time to time to meet the liabilities of CGIF ("**CGIF Assets**") and Bondholders have no recourse to any assets of the Asian Development Bank or any other contributors to CGIF. For the avoidance of doubt, CGIF Assets do not include any assets of the Asian Development Bank or any other contributors to CGIF. Notwithstanding any other provisions under the CGIF Guarantee or any Bond Document (as defined in the Trust Deed), neither the Asian Development Bank nor any other contributors to CGIF or the officers, employees or agents of the Asian Development Bank or any contributor to CGIF shall be subject to any personal liability whatsoever to any third party including the Bondholders and the Trustee in connection with the operation of CGIF or under the CGIF Guarantee or any Bond Document (as defined in the Trust Deed) or any other Guarantee Document (as defined in the CGIF Guarantee). Neither Bondholders nor the Trustee on the Bondholders' behalf may bring any actions against the Asian Development Bank as the trustee of CGIF or as contributor to CGIF or against any other contributors to CGIF or any of their respective officers, employees or agents in connection with the CGIF Guarantee.

TERMS AND CONDITIONS OF THE BONDS

*The following is the text of the Terms and Conditions of the Bonds (the "**Conditions**") which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Bonds. All references to a "**Condition**" are to a condition in the Terms and Conditions of the Bonds.*

The S$90,000,000 in aggregate principal amount of 3.54 per cent. senior unsecured guaranteed bonds due 2029 (the "**Bonds**") of Singapore Medical Group Limited (the "**Issuer**") are constituted by, are subject to, and have the benefit of, a trust deed dated 20 November 2024 (as amended, restated, replaced or supplemented from time to time, the "**Trust Deed**") between the Issuer, Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank, as guarantor ("**CGIF**" or the "**Guarantor**") and The Bank of New York Mellon, Singapore Branch, as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed). The Bonds are issued with the benefit of a deed of covenant dated 20 November 2024 (as amended, restated, replaced or supplemented from time to time, the "**Deed of Covenant**") relating to the Bonds executed by the Issuer, and are the subject of a guarantee agreement dated 20 November 2024 (as amended, restated, replaced or supplemented from time to time, the "**CGIF Guarantee**") between the Guarantor and the Trustee, and an agency agreement dated 20 November 2024 (as amended, restated, replaced or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, The Bank of New York Mellon, Singapore Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Bonds), as paying agent (the "**Paying Agent**", which expression includes any successor paying agent appointed from time to time in connection with the Bonds) and as transfer agent (the "**Transfer Agent**", which expression includes any successor or additional transfer agent(s) appointed from time to time in connection with the Bonds) and the Trustee. References herein to the "**Agents**" (as defined below) are to the Registrar, the Transfer Agent and the Paying Agent and any reference to an "Agent" is to any one of them.

Certain provisions of these terms and conditions (the "**Conditions**") are summaries of the Trust Deed, the CGIF Guarantee, the Deed of Covenant and the Agency Agreement and subject to their detailed provisions. The Bondholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the CGIF Guarantee, the Deed of Covenant and the Agency Agreement applicable to them. Copies of the Trust Deed, the CGIF Guarantee, the Deed of Covenant and the Agency Agreement are available for inspection on or after the Issue Date by Bondholders upon prior written request and satisfactory proof of holding and identity to the satisfaction of the Trustee during normal business hours (being between 9:00 a.m. (Singapore time) to 3:00 p.m. (Singapore time) from Monday to Friday (other than public holidays)) at the Specified Offices of each of the Agents, the initial Specified Office of which is set out below or may be provided by e-mail to the requesting Bondholder, so long as any of the Bonds are outstanding.

1. FORM, DENOMINATION, STATUS AND GUARANTEE

(a) **Form and denomination**: The Bonds are in registered form in the denomination of S$250,000 (an "**Authorised Denomination**").

(b) **Status of the Bonds**: The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future.

(c) **Guarantee of the Bonds**: The payment obligations of the Issuer under the Bonds and the Trust Deed are unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with and subject to the terms of, the CGIF Guarantee. Such obligations of the Guarantor under the CGIF Guarantee are direct, unconditional and general obligations of the Guarantor and rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any).

The CGIF Guarantee does not cover any relevant amounts of principal or accrued but unpaid interest that become payable by the Issuer on an accelerated basis, including, without limitation, the exercise by it of an early redemption option or purchase of the Bonds (whether in full or in part) by the Issuer or the Subsidiaries prior to the Maturity Date, including as a result of the Issuer's redemption for tax reasons (Condition 7(b) (Redemption and Purchase – Redemption for tax reasons)) or at its option (Condition 7(c) Redemption and Purchase – Redemption at the Option of the Issuer). In order to mitigate any risk of the Issuer not paying the relevant amount of principal and/or accrued but unpaid interest arising out of or in connection with the Issuer exercising any of its rights of early redemption, the Issuer, in exercising its rights for redemption for tax reasons, is required to, not less than one business day prior to the publication of any notice of redemption in relation to redemption for tax reasons under Condition 7(b) (Redemption and Purchase – Redemption for tax reasons) or (Condition 7(c) Redemption and Purchase – Redemption at the Option of the Issuer), transfer to a Singapore dollar account as advised by the Paying Agent or Escrow Agent, as applicable, for distribution to the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds at their principal amount together with any interest accrued but unpaid to the relevant date fixed for redemption. The CGIF Guarantee also does not cover any relevant amounts of principal or accrued but unpaid interest that are payable under any Bonds purchased by the Issuer or any of its Subsidiaries.

(d) **Limitation on the Guarantor's Liabilities**: Notwithstanding any other provisions of the CGIF Guarantee, the Trust Deed and the Agency Agreement, these Conditions or any other document related to the issuance of the Bonds, the recourse of the Bondholders and the Trustee on its behalf against CGIF in respect of the CGIF Guarantee is limited solely to the CGIF Assets. By its holding of a Bond, each Bondholder will be deemed to acknowledge and accept that it, and the Trustee on its behalf, only has recourse to the CGIF Assets and neither the Trustee nor any Bondholder has recourse to any assets of the Asian Development Bank or any other contributors to the Guarantor. Any obligation of CGIF under the CGIF Guarantee shall not constitute an obligation of the Asian Development Bank or any other contributors to the Guarantor.

By its holding of a Bond, and notwithstanding any other provisions of the CGIF Guarantee, the Trust Deed and the Agency Agreement, these Conditions or any other document related to the issuance of the Bonds, each Bondholder and the Trustee on the Bondholders' behalf will be deemed to further acknowledge and accept that neither the Asian Development Bank nor any other contributors to the Guarantor or the officers, employees or agents of the Asian Development Bank or any contributor to the Guarantor shall be subject to any personal liability whatsoever to any third party, including each Bondholder, in connection with the operation of the Guarantor or under the CGIF Guarantee and no action may be brought against the Asian Development Bank, as the trustee of the Guarantor or as contributor to the Guarantor, or against any other contributors to the Guarantor or any of their respective officers, employees or agents by any third party including the Bondholders and the Trustee in connection with these Conditions.

2. DEFINITIONS

In these Conditions:

"**Acceleration Step**" has the meaning given to it in the Trust Deed;

"**Articles of Agreement of CGIF**" means the articles of agreement of CGIF originally dated 11 May 2010, as amended on 27 November 2013, 31 May 2016, 23 May 2017, 31 May 2018, 16 May 2019, 1 August 2019 and 28 May 2024 (as may be further amended or supplemented from time to time);

"**Authorised Signatory**" means any person who has been duly authorised to sign documents and to do other acts and things on behalf of the Issuer for purposes of the Bonds, the Conditions, the Agency Agreement, the CGIF Guarantee and the Trust Deed;

"**Bond Documents**" has the meaning given to it in the Trust Deed;

"**Bondholder**" means the person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof);

"**business day**" means any day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in Manila of the Philippines, New York of the U.S.A and Singapore;

"**CGIF Assets**" means all property and assets of CGIF held in trust in accordance with the Articles of Agreement of CGIF and available from time to time to meet the liabilities of CGIF. For the avoidance of doubt, a CGIF Asset does not include any assets of the Asian Development Bank or any other contributors to CGIF;

"**CHA Acquisition**" means the acquisition by the Issuer of the entire shareholding interest in CHA SMG (Australia) Pte. Ltd. in September 2024;

"**Compliance Certificate**" means a certificate in the English language of the Issuer, substantially in the form scheduled to the Trust Deed, signed by any Authorised Signatory certifying that, to the best of the knowledge, information and belief of the Issuer:

(a) there did not exist, as at a date not more than seven days prior to the date of the certificate, and there had not existed since the date as of which the last such certificate was given (or, in the case of the first such certificate, the date of the Trust Deed), any Event of Default or Default or, if such an Event of Default or Default did then exist or had so existed, specifying the same; and

(b) during the period between the date as of which the last such certificate was given (or, in the case of the first such certificate, the date of the Trust Deed) and the date as of which such certificate is given, it has complied with its obligations contained in the Trust Deed and the Bond Documents or, if such is not the case, specifying the circumstances of such non-compliance;

"**Default**" means an event or circumstance which would, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 10 (*Events of Default*) become an Event of Default;

“**EBITDA**” means the sum of (a) profit before tax, (b) finance expenses, (c) depreciation, amortisation, lease/rent expense related to right of use of assets and impairment of assets of members of the Group, less (i) finance income, (ii) other non-recurring income, (iii) any gain(loss) against book value arising on (A) a disposal or (B) revaluation, of any asset and (iv) other non-cash and non-recurring gain(loss) **provided that** the last 12 month EBITDA to be determined on a date which is less than 12 months after the completion of the CHA Acquisition shall be calculated by reference to the EBITDA disclosed in the financial statements and/or compliance certificates for the financial half-year ending immediately after the completion of the CHA Acquisition, annualised on a straight line basis;

“**Extraordinary Resolution**” has the meaning given to it in Schedule 3 of the Trust Deed;

“**Group**” means each of the Issuer and its Subsidiaries;

“**Guarantee**” means, in relation to any indebtedness of the Issuer, any obligation of another Person (other than CGIF) to pay such indebtedness including (without limitation):

(a) any obligation to purchase such indebtedness;

(b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness;

(c) any indemnity against the consequences of a default in the payment of such indebtedness; and

(d) any other agreement to be responsible for such indebtedness;

“**Guaranteed Amount**” has the meaning given to such term in Clause 2.1(a) of the CGIF Guarantee;

“**Guaranteed Party**” has the meaning given to it in the CGIF Guarantee;

“**Guaranteed Party Acceleration Notice**” means a written notice delivered by the Trustee to CGIF pursuant to, and substantially in the form set out in the Trust Deed;

“**Guarantor Default Interest Amount**” means certain default interest payable by the Guarantor in the amount and at the rate as calculated in accordance with the CGIF Guarantee;

“**Interest Period**” means each period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (and excluding) the next succeeding Interest Payment Date;

“**Issuer Event of Default**” means:

(a) the occurrence of any of the events described in Condition 10 (*Events of Default*); or

(b) the failure by the Issuer to pay when due the guarantee fees payable to the Guarantor in relation to the CGIF Guarantee provided by the Guarantor;

"**Material Subsidiaries**" means, at any particular time, any Subsidiary of the Issuer:

(a) whose EBITDA, as shown by the accounts of such Subsidiary, (consolidated in the case of a Subsidiary which itself has Subsidiaries), based upon which the latest annual audited consolidated financial statements of the Group or, as the case may be, the latest semi-annal consolidated financial statements of the Group have been prepared, is at least 7 per cent. of the consolidated EBITDA of the Group as shown by such annual audited consolidated financial statements of the Group or, as the case may be, semi-annual consolidated financial statements of the Group; or

(b) whose total assets, as shown by the accounts of such Subsidiary, (consolidated in the case of a Subsidiary which itself has Subsidiaries), based upon which the latest annual audited consolidated financial statements of the Group or, as the case may be, the latest semi-annal consolidated financial statements of the Group have been prepared, is at least 7 per cent. of the consolidated total assets of the Group as shown by such annual audited consolidated financial statements of the Group or, as the case may be, semi-annual consolidated financial statements of the Group,

provided that if any such Subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or the Issuer (the "transferee") then:

(i) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Material Subsidiary of the Issuer and the transferee (unless it is the Issuer) shall thereupon become a Material Subsidiary of the Issuer; and

(ii) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Material Subsidiary of the Issuer and the transferee (unless it is the Issuer) shall thereupon become a Material Subsidiary of the Issuer;

"**Maturity Date**" means 20 November 2029;

"**Missed Payment Event**" means the non-payment (not taking into account any grace period) of any Guaranteed Amount by the Issuer in accordance with these Conditions and the Trust Deed;

"**Non-Payment Event**" means the occurrence of an Event of Default thirty (30) calendar days after the occurrence of a Missed Payment Event in accordance with Condition 10(a)(i) (*Non-payment*) of these Conditions;

"**Officer's Certificate**" means a certificate signed by an Authorised Signatory;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Relevant Indebtedness**" means any indebtedness which is in the form of or represented by any bond, note, loan stock, certificate or other investment securities which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Taxing Jurisdiction**" means the Republic of Singapore, as applicable, or in each such case, any political subdivision or any authority thereof or therein having power to tax;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Office**" means One Temasek Avenue, #02-01 Millenia Tower, Singapore 039192; and

"**Subsidiary**" has the meaning given to it in the Trust Deed.

3. REGISTER, TITLE AND TRANSFERS

(a) **Register**: The Registrar will maintain a register outside the United Kingdom (the "**Register**") in respect of the Bonds in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Certificate**") will be issued to each Bondholder in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register.

*Upon issue, the Bonds will be evidenced by a global certificate in the aggregate principal amount of the Bonds (the "**Global Certificate**") substantially in the form scheduled to the Trust Deed and deposited with The Central Depository (Pte) Limited ("**CDP**"). Interests in the Global Certificate shall be exchangeable for individual Certificates only in the circumstances set out therein.*

*For so long as the Bonds are listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded on the SGX-ST in a minimum board lot size of S$250,000.*

(b) **Title**: Each Bondholder shall (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Certificate) and no person shall be liable for so treating such Bondholder. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds. No person shall have any right to enforce any term or condition of the Bonds or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

(c) **Transfers**: Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below and the terms of the Agency Agreement, a Bond may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed and executed, at the Specified Office of the Registrar or the Transfer Agent, together with such evidence as the Registrar or (as the case may be) the Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Bond may not be transferred unless the principal amount of Bonds transferred and (where not all the Bonds held by a Bondholder are being transferred) the principal amount of the balance of Bonds not transferred are Authorised Denominations. Where not all the Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules and procedures for the time being of CDP.

(d) **Registration and delivery of Certificates**: Within five (5) business days of the surrender of a Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Bonds transferred to each relevant Bondholder at its Specified Office or (as the case may be) the Specified Office of the Transfer Agent or (at the request and risk of any such relevant Bondholder) by uninsured mail to the address specified for the purpose by such relevant Bondholder. In this paragraph, "**business day**" means a day (other than a Saturday, Sunday or a public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(e) **No charge**: The transfer of a Bond will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but (i) against such payment or indemnity as the Registrar or (as the case may be) the Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer, (ii) upon the Registrar or (as the case may be) the Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application, and (iii) upon the Issuer and/or the Registrar and/or the Transfer Agent being satisfied that the Regulations (as defined in the Agency Agreement) concerning the transfer of Bonds have been complied with.

(f) **Closed periods**: Bondholders may not require transfers to be registered (i) during the period of fifteen (15) days ending on the due date for any payment of principal or interest in respect of the Bonds or (ii) after any such Bond has been called for redemption.

(g) **Regulations concerning transfers and registration**: All transfers of Bonds and entries on the Register are subject to the detailed regulations concerning the transfer of Bonds scheduled to the Agency Agreement. The regulations may be changed by:

(i) the Issuer with the prior written approval of the Trustee and the Registrar; or

(ii) the Registrar with the prior written approval of the Issuer and the Trustee.

A copy of the current regulations will be mailed (free of charge to the Bondholder and at the Issuer's expense) by the Registrar to any Bondholder upon prior written request and satisfactory proof of holding.

For so long as any of the Bonds are represented by the Global Certificate and the Global Certificate is held by CDP, each person who is for the time being shown in the records of CDP as the holder of a particular principal amount of such Bond (in which regard any certificate or other document issued by the CDP as to the principal amount of such Bond standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Trustee, the Registrar and the Agents as the absolute holder of such principal amount of Bonds standing to the credit of its securities accounts for all purposes other than with respect to the payment of principal, interest and any other amounts in respect of the Bonds, for which purpose the registered holder of the Global Certificate shall be treated by the Issuer, the Guarantor, the Trustee, the Registrar and the Agents as the holder of such Bonds in accordance with and subject to the terms of the Global Certificate.

4. NEGATIVE PLEDGE

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall not, and shall procure that none of its Material Subsidiaries shall, create or permit to subsist any Security Interest upon the whole or any part of its present or future property, assets or revenues (including uncalled share capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Bonds equally and rateably therewith or (b) providing such other security for the Bonds (x) that is not materially less beneficial to the interests of the Bondholders, or (y) as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

5. PROVISION OF FINANCIAL STATEMENTS AND REPORTS

So long as any of the Bonds remain outstanding, the Issuer shall:

(a) provide to the Trustee a Compliance Certificate (on which the Trustee may rely as to such compliance) within fourteen (14) days of a written request by the Trustee and at the time of provision of the financial statements under Condition 5(b) below;

(b) provide to the Trustee in the English language as soon as reasonably practicable after the time of their issue, but in any event within 150 calendar days after the end of each financial year of the Issuer, electronic copies of the Issuer's financial statements (on a consolidated basis) in respect of such financial year (including a statement of comprehensive income, statement of financial position and cash flow statement) audited by a member firm of an internationally recognised firm of independent accountants;

(c) provide to the Trustee in the English language as soon as reasonably practicable after the time of their issue, but in any event within 120 calendar days after the end of each of the first, second and third financial quarters of the Issuer, electronic copies of the Issuer's unaudited interim financial statements (on a consolidated basis) in respect of such quarterly period (including a statement of comprehensive income, statement of financial position and cash flow statement), together with a certificate signed by the person then authorised to sign financial statements on behalf of the Issuer to the effect that such unaudited interim financial statements present fairly the financial position, results of its operation and cash flows of the Issuer for or as at the end of, as applicable, such quarterly period;

(d) immediately after the Issuer becomes aware of the occurrence thereof, provide to the Trustee written notice of the occurrence of any Event of Default (as defined below) or Default (as defined above) and a Compliance Certificate; and

(e) keep proper books of account and so far as permitted by, and subject to compliance with applicable laws and the rules of any stock exchange on which the Issuer's securities are listed, at any time after the occurrence of an Event of Default or if the Trustee reasonably believes that such an event has occurred, allow the Trustee and anyone appointed by it access to the Issuer's books of account at all reasonable times upon prior appointment during normal business hours.

6. INTEREST

(a) **Accrual of interest**: The Bonds bear interest on their outstanding principal amount from time to time (as determined in accordance with Condition 7 (*Redemption and Purchase*)) from (and including) 20 November 2024 (the "**Issue Date**") at the rate of 3.54 per cent. per annum, (the "**Rate of Interest**") payable semi-annually in arrear on 20 May and 20 November, in each year, commencing 20 May 2025 (each, an "**Interest Payment Date**"), subject as provided in Condition 8 (*Payments*).

(b) **Default interest**: Each Bond will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate aforesaid per annum (both before and after an arbitral decision, judgment or other order of a court of competent jurisdiction) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder and (ii) the day which is seven (7) days after the Paying Agent or the Trustee (as the case may be) has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh (7th) day (except to the extent that there is any subsequent default in payment).

(c) **Calculation of Interest**: The amount of interest payable in respect of each Bond for any Interest Period shall be calculated by applying the Rate of Interest to the then outstanding principal amount of such Bond (as determined in accordance with Condition 7 (*Redemption and Purchase*)) and the actual number of days elapsed in such Interest Period and then dividing the product thereof by 365 and rounding the resulting figure to the nearest Singapore cent (half a Singapore cent being rounded upwards).

When interest is required to be calculated in respect of a period of less than an Interest Period, it shall be calculated on the basis of a 365-day year and the actual number of days elapsed.

7. REDEMPTION AND PURCHASE

(a) **Scheduled redemption**: Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at 100 per cent. of their principal amount on the Maturity Date, subject as provided in Condition 8 (*Payments*).

(b) **Redemption for tax reasons**: The Bonds may be redeemed at the option of the Issuer in whole, but not in part only, at any time, on giving not less than thirty (30) nor more than sixty (60) days' notice to the Bondholders, the Guarantor, the Trustee and the Paying Agent in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable) at their principal amount, together with interest accrued but unpaid to the date fixed for redemption, if:

(i) immediately before giving such notice, the Issuer notifies the Trustee that:

(A) the Issuer has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 (*Taxation*), such payment has or will become subject to a withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, in each case as a result of any change in, or amendment to, the laws or regulations of the Relevant Taxing Jurisdiction or any change in the application or official interpretation of such laws or regulations (including, but not limited to, a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 11 November 2024 and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) the Guarantor has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 (*Taxation*) or the CGIF Guarantee, as the case may be, as a result of any change in, or amendment to, the laws or regulations of the Republic of the Philippines (the "**Philippines**") or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including, but not limited to, a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after 11 November 2024 and such obligation cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, however, that in any event, no such notice of redemption shall be given earlier than one hundred and eighty (180) days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such Additional Amounts if a payment in respect of the Bonds were then due; and

(ii) not less than five (5) business days prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall deliver or procure that there is delivered to the Trustee and the Guarantor:

(A) an Officer's Certificate of the Issuer stating that the circumstances referred to in paragraphs (b)(i)(A) above prevail and setting out the details of such circumstances or (as the case may be) a certificate signed by an authorised officer of the Guarantor stating that the circumstances referred to in paragraphs (b)(i)(B) above prevail and setting out details of such circumstances; and

(B) an opinion in form and substance satisfactory to the Trustee from independent legal and/or tax advisers of recognised standing to the effect that the Issuer or the Guarantor (as the case may be) has or will become obliged to pay such Additional Amounts as a result of such change or amendment.

The Trustee shall be entitled to accept and conclusively rely upon (without further enquiry) any such Officer's Certificate and/or opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the Bondholders, and the Trustee shall be protected and shall have no liability to any Bondholder or any person for so accepting and relying on such certificate or opinion; and

(iii) not less than one (1) business day prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall irrevocably transfer to a Singapore dollar account maintained by the Trustee or the Paying Agent for distribution to the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds at their principal amount together with any interest accrued but unpaid to the relevant date fixed for redemption.

If the Issuer fails to comply with any of the requirements of the foregoing provisions of this Condition 7(b) any notice of redemption purported to be delivered pursuant to this Condition 7(b) shall be void and of no effect, but this shall not affect, release or otherwise discharge any of the Issuer's or the Guarantor's other obligations under these Conditions, the Trust Deed or the CGIF Guarantee.

Upon the expiry of any such notice as is referred to in this Condition 7(b) and satisfaction of the other requirements specified in this Condition 7(b), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 7(b) and the Paying Agent shall apply all monies delivered to it pursuant to Condition 7(b)(iii) above in redemption of the Bonds in accordance with these Conditions, the Agency Agreement and the Trust Deed.

(c) **Redemption at the Option of the Issuer:**

(i) At any time on or after the Issue Date, the Issuer may, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable), redeem the Bonds (in whole, but not in part) on any business day *provided that* the Issuer has appointed a Calculation Agent prior to giving such notice, and *provided further that*:

(A) in the case of a redemption of any Bonds on any business day that is prior to 20 September 2029 (the "**Make Whole Call Date**"), such Bonds will be redeemed at the Make Whole Amount per Calculation Amount; and

(B) in the case of a redemption of any Bonds on any business day from (and including) 20 September 2029, such Bonds will be redeemed at a price equal to 100 per cent. of their principal amount,

in each case, together with accrued and unpaid interest on the Bonds so redeemed to (but excluding) the applicable date fixed for redemption.

(ii) Benchmark Discontinuation and Replacement

(A) Independent Adviser

Notwithstanding the provisions above in this Condition 7(c), if a SORA Index Cessation Event occurs in relation to the Original Reference Rate when any Make Whole Amount (or any component part thereof) remains to be determined by reference to the Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 7(c)(ii)(B)) and an Adjustment Spread, if any (in accordance with Condition 7(c)(ii)(C) below) and any Benchmark Amendments (in accordance with Condition 7(c)(ii)(D) below) by the Make Whole Determination Date.

An Independent Adviser appointed pursuant to this Condition 7(c) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Guarantor, the Trustee, the Paying Agent or the Bondholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 7(c).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the Make Whole Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 7(c)(ii)(B) below and an Adjustment Spread if any (in accordance with Condition 7(c)(ii)(C) below and any Benchmark Amendments (in accordance with Condition 7(c)(ii)(D) below).

(B) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) shall (subject to adjustments as provided for in Condition 7(c)(ii)(C) below) subsequently be used in place of the Original Reference Rate to determine the Make Whole Amount (or the relevant component part thereof) (subject to the operation of this Condition 7(c)).

(C) Adjustment Spread

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(D) Benchmark Amendments

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) (as the case may be) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread, and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 7(c)(ii)(E) below), without any requirement for the consent or approval of Bondholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and (if the Benchmark Amendments affect the Paying Agent) the Paying Agent and (if the Benchmark Amendments affect the Calculation Agent) the Calculation Agent of a certificate signed by the duly authorised officer(s) of the Issuer pursuant to Condition 7(c)(ii)(E)), the Trustee, the Paying Agent and (if applicable) the Calculation Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Bondholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or agreement supplemental to or amending the Trust Deed, the Agency Agreement and these Conditions), provided that the Trustee, the Paying Agent and (if applicable) the Calculation Agent shall not be obliged so to concur if in the opinion of the Trustee, the Paying Agent and (if applicable) the Calculation Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, the Paying Agent or the Calculation Agent (as the case may be) in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement in any way.

For the avoidance of doubt, the Trustee, the Paying Agent and (if applicable) the Calculation Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(c)(ii). Bondholders' consent shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 7(c)(ii)(D), the Issuer shall comply with the rules of any stock exchange on which the Bonds are for the time being listed or admitted to trading.

(E) Notices, etc.

The occurrence of a SORA Index Cessation Event shall be determined by the Issuer and any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(c)(ii)(E) will be notified promptly by the Issuer to the Guarantor, the Trustee, the Calculation Agent, the Paying Agent and, in accordance with Condition 16 (*Notices*), the Bondholders. Such notice shall be irrevocable and shall specify the effective date for such Benchmark Replacement, any related Adjustment Spread and of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by the duly authorised officer(s) of the Issuer:

(x) confirming:

(1) that a SORA Index Cessation Event has occurred;

(2) the Benchmark Replacement; and

(3) where applicable, any Adjustment Spread, and/or the specific terms of any Benchmark Amendments (if any),

in each case as determined in accordance with the provisions of this Condition 7(c); and

(y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement, the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, the Adjustment Spread (if any) or the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Bondholders.

(F) Survival of the Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 7(c)(ii)(A), 7(c)(ii)(B), 7(c)(ii)(C) and 7(c)(ii)(D) above, the Original Reference Rate and the fallback provisions provided for in this Condition 7(c) will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any applicable Adjustment Spread and Benchmark Amendments, in accordance with Condition 7(c)(ii)(E) above.

(iii) For the purpose of this Condition 7(c):

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Bondholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

(A) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body;

(B) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or

(C) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) (as the case may be) and having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest accrual period and in the same currency as the Bonds;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above (as the case may be) determines in accordance with Condition 7(c)(ii)(B) above has replaced the Original Reference Rate for the Corresponding

Tenor in customary market usage in the international or, if applicable, domestic debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Bonds (including, but not limited to, Singapore Government Bonds);

"**Benchmark Amendments**" means with respect to any Benchmark Replacement, any technical, administrative or operational changes (including any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) (as the case may be) determines is reasonably necessary;

"**Benchmark Replacement**" means the Interpolated Benchmark, provided that if the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Interest Determination Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 7(c)(ii)(A) above) (as the case may be):

(A) the Successor Rate;

(B) the ISDA Fallback Rate; and

(C) the Alternative Rate;

"**Calculation Agent**" means an independent investment bank of international repute selected by the Issuer and notified in writing to the Trustee. If the Issuer fails to select a Calculation Agent on or before giving notice to Bondholders of its intention to redeem the Bonds in accordance with this Condition 7(c), the Issuer shall not be entitled to so redeem the Bonds;

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

"**Independent Adviser**" means an independent financial institution of good repute or an independent financial adviser with appropriate expertise or with experience in the local or international debt capital markets appointed by and at the expense of the Issuer under Condition 7(c)(ii)(A) above);

"**Interpolated Benchmark**" with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (2) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.;

"**ISDA Fallback Adjustment**" means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

"**ISDA Fallback Rate**" means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Make Whole Amount**" means an amount equal to the greater of:

(A) an amount equal to the sum of:

(x) the present value of the principal amount of the Bonds discounted from the Make Whole Call Date; and

(y) the present value of the remaining scheduled interest payments due on such Bonds to and including the Make Whole Call Date.

The expression "present value" in (x) and (y) above to be calculated by discounting the relevant amounts to the date of redemption of the Bonds at the rate equal to the sum of:

(1) the prevailing SGD SORA OIS corresponding to the duration of the remaining period to the Make Whole Call Date (the "**Make Whole Call Reference Rate**") as of the close of business on the eighth business day prior to the date of redemption of the Bonds (the "**Make Whole Amount Determination Date**"), *provided that* if there is no quoted SGD SORA OIS corresponding to the relevant period, the "prevailing SGD SORA OIS" used will be the interpolated interest rate as calculated using the quoted SGD SORA OIS for the two periods most closely approximating the duration of the remaining period to the Make Whole Call Date and the actual number of days elapsed assuming a 365-day year; and

(2) 0.15 per cent.; and

(B) the Calculation Amount;

"**Original Reference Rate**" means, initially, SGD SORA OIS (being the originally-specified benchmark rate used to determine the Make Whole Amount), **provided that** if a SORA Index Cessation Event has occurred with respect to SGD SORA OIS or the then-current Original Reference Rate, then "**Original Reference Rate**" means the applicable Benchmark Replacement;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:

(1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;

(2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

(3) a group of the aforementioned central banks or other supervisory authorities; or

(4) the Financial Stability Board or any part thereof;

"**SGD SORA OIS**" means (A) the rate per annum which appears on the "OTC SGD OIS" page on Bloomberg under "BGN" appearing under the column headed "Ask" (or such substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time) for the relevant period, or (b) if a SORA Index Cessation Event has occurred in relation to the SGD SORA OIS, such rate as determined in accordance with Condition 7(c)(ii);

"**SORA Index Cessation Event**" means the occurrence of one or more of the following events:

(A) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences by a specified date; or

(E) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date, be deemed to be no longer representative; or

(F) it has become unlawful for the Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Bondholder or Couponholder using the Original Reference Rate,

provided that the SORA Index Cessation Event shall be deemed to occur (a) in the case of sub-paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (D) above, on the date of the prohibition or restriction of use of the Original Reference Rate and (c) in the case of sub-paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate (which rate may be produced by the Monetary Authority of Singapore or such other administrator) for the Corresponding Tenor.

(iv) Not less than one (1) business day prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall (A) irrevocably transfer to a Singapore dollar escrow account as advised by an escrow agent to be appointed by the Issuer in connection with such redemption (the "**Escrow Agent**") for distribution to the Bondholders an amount in Singapore dollars in immediately available cleared funds sufficient to redeem the Bonds at their principal amount together with any interest accrued but unpaid to the relevant date fixed for redemption and (B) deliver to the Escrow Agent an irrevocable written instruction (with a copy to the Trustee and Paying Agent) to transfer such amounts to the Paying Agent by no later than 3 p.m. (Singapore time) on the business day immediately preceding the date fixed for redemption.

(v) If the Issuer fails to comply with any of the requirements of the foregoing provisions of this Condition 7(c), any notice of redemption purported to be delivered pursuant to this Condition 7(c) shall be void and of no effect, but this shall not affect, release or otherwise discharge any of the Issuer's or the Guarantor's other obligations under these Conditions, the Trust Deed or the CGIF Guarantee.

(vi) Upon the expiry of any such notice as is referred to in this Condition 7(c) and satisfaction of the other requirements specified in this Condition 7(c), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 7(c) and the Paying Agent shall apply all monies delivered to it pursuant to Condition 7(c)(iii) above in redemption of the Bonds in accordance with these Conditions, the Agency Agreement and the Trust Deed.

(d) **Redemption in the event of a CGIF Acceleration Event**:

(i) At any time following the occurrence of a CGIF Acceleration, the Guarantor may at its discretion, on giving not less than seven (7) nor more than fifteen (15) days' notice to the Issuer, the Trustee and the Paying Agent, require the Issuer to redeem the Bonds in whole, but not in part only, at their principal amount, together with interest accrued but unpaid to the date fixed for redemption following which the Issuer shall immediately, or if the Issuer fails to do so the Guarantor may, give notice to the Bondholders, the Trustee and the Paying Agent in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable).

(ii) For the purposes of this Condition 7(d), a "**CGIF Acceleration**" occurs if:

(A) an Issuer Event of Default occurs; or

(B) a Missed Payment Event has occurred and is continuing and irrespective of whether or not the Guarantor has already paid any Guaranteed Amounts in respect of such Missed Payment Event; or

(C) any term or provision of the Conditions, the Trust Deed or the Agency Agreement has been amended, modified, varied, novated, supplemented, superseded, waived or terminated without the prior written consent of the Guarantor as required pursuant to the terms of the CGIF Guarantee, the Conditions, Trust Deed or the Agency Agreement, as the case may be,

and the Guarantor has delivered a CGIF Acceleration Notice to the Trustee in accordance with the Trust Deed.

(iii) In this Condition 7(d), a "**CGIF Acceleration Notice**" shall mean a written notice delivered by the Guarantor to the Trustee pursuant to, and substantially in the form set out in, the Trust Deed.

(iv) The Trustee shall be entitled to accept and conclusively rely upon (without further enquiry) a CGIF Acceleration Notice as sufficient evidence of the Guarantor's agreement to pay all outstanding Guaranteed Amounts, and such CGIF Acceleration Notice shall be conclusive and binding on the Bondholders.

(v) Upon the relevant date fixed for redemption specified in any CGIF Acceleration Notice and notified to the Bondholders, the Trustee and the Paying Agent in accordance with Condition 16 (*Notices*), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 7(d) and the Guarantor shall be bound to pay all Guaranteed Amounts outstanding as set out in the CGIF Acceleration Notice within thirty (30) calendar days from the date of such CGIF Acceleration Notice.

(e) **Purchase**: The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise and at any price.

(f) **Cancellation**: All Bonds so redeemed or purchased by the Issuer or any of its Subsidiaries shall be cancelled and may not be reissued or resold.

(g) **No other redemption**: The Issuer and the Guarantor shall not be entitled to redeem the Bonds otherwise than as provided in paragraphs (a) (*Scheduled redemption*) to (d) (*Redemption in the event of a CGIF Acceleration Event*) above.

(h) **Calculations**: Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying the calculations of any amount payable under any notice of redemption or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and shall not be liable to the Bondholders or any other person for not doing so.

8. PAYMENTS

(a) **Principal**: Payments of principal in respect of the Bonds shall be made by transfer to a Singapore dollar account maintained by the payee with, a bank and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of the Paying Agent.

(b) **Interest**: Payments of interest in respect of the Bonds shall be made by transfer to a Singapore dollar account maintained by the payee with, a bank and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of the Paying Agent.

(c) **Payments subject to fiscal laws**: Without prejudice to the provisions of Condition 9 (*Taxation*), payments will be subject in all cases to (i) any applicable fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*)), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Bondholders in respect of such payments made pursuant to this Condition 8(c).

(d) **Payments on business days**: Payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated:

(i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent; and

(ii) (in the case of payments of interest payable other than on redemption) on the due date for payment **provided that** if such date falls on a day which is not a business day it shall be postponed to the next day which is a business day.

A Bondholder shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a business day.

In this paragraph, "**business day**" means any day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign currencies) in Manila of the Philippines, New York of the U.S.A. and Singapore and, in the case of surrender (or, in the case of part payment only, endorsement) of a Certificate, in the place in which the Certificate is surrendered (or, as the case may be, endorsed).

(e) **Partial payments**: If a Paying Agent makes a partial payment in respect of any Bond, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

(f) **Record date**: Each payment in respect of a Bond will be made to the person shown as the Bondholder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth (15th) day before the due date for such payment (the "**Record Date**").

So long as the Global Certificate is held on behalf of CDP, the record date for purposes of determining entitlements to any payment of principal, interest and any other amounts in respect of the Bond shall, unless otherwise specified by the Issuer, be the date falling five business days prior to the relevant payment date (or such other date as may be prescribed by CDP).

9. TAXATION

All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Singapore (in the case of the Issuer), the Philippines (in the case of the Guarantor) or any tax authority or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In the event that any such withholding or deduction is so required by law, the Issuer or (in the case of a withholding or deduction required to be made by the Guarantor) the Guarantor shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Bond:

(a) held by a Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond or, as the case may be, payments made by the Guarantor by reason of it having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Bond (including, without limitation, the Bondholder being a resident of, or a permanent establishment in, Singapore);

(b) where (in the case of a payment of principal or interest on redemption) the relevant Certificate is surrendered for payment more than thirty (30) days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to such Additional Amounts if it had surrendered the relevant Certificate on the last day of such period of thirty (30) days; or

(c) held by, or on behalf of, a Bondholder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

In these Conditions, "**Relevant Date**" means whichever is the later of: (1) the date on which the payment in question first becomes due; and (2) if the full amount payable has not been received by the Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders.

If any such deduction or withholding shall be required and if the Issuer or (as the case may be) the Guarantor therefore becomes liable to pay any Additional Amounts, then at least five (5) business days prior to each payment date, the Issuer or (as the case may be) the Guarantor shall furnish the Paying Agents with a certificate that specifies the amount required to be withheld on such payment date to Bondholders and the Additional Amounts due to Bondholders and that the Issuer or (as the case may be) the Guarantor shall pay in a timely manner such amount to be withheld to the appropriate government agency, and the Issuer or (as the case may be) the Guarantor will pay to the Paying Agents such Additional Amounts as shall be required to be paid to such Bondholders.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 9 (*Taxation*) or any undertaking given in addition to or in substitution of this Condition 9 (*Taxation*) pursuant to the Trust Deed.

If the Issuer or the Guarantor, as the case may be, becomes subject at any time to any taxing jurisdiction other than the Republic of Singapore (in the case of the Issuer) or the Philippines (in the case of the Guarantor), references in these Conditions to the Republic of Singapore or the Philippines shall be construed as references to the Republic of Singapore or the Philippines (as the case may be) and/or such other jurisdiction.

Neither the Trustee nor the Agents shall be responsible for paying any tax, duty, charge, withholding or other payment referred to in this Condition 9 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer, the Guarantor, the Bondholders or any other person to pay such tax, duty, charge, withholding or other payment in any jurisdiction or to provide any notice or information to the Bondholders that would permit, enable or facilitate the payment of any principal, interest or other amount under or in respect of the Bonds without deduction or withholding for on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

10. EVENTS OF DEFAULT

(a) If any of the following events occurs and is continuing (each, an "**Event of Default**"), then the Trustee shall comply with the limitations on acceleration as set out in Conditions 10(b) to (d) below to the extent applicable:

(i) **Non-payment**: the Issuer or the Guarantor fails to pay any amount of principal in respect of the Bonds or fails to pay any amount of interest in respect of the Bonds, in each case within thirty (30) calendar days after the due date for payment thereof; or

(ii) **Breach of other obligations**: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds or the Trust Deed and (A) such default is incapable of remedy or (B) being a default which is capable of remedy remains unremedied for thirty (30) calendar days after the Trustee has given written notice thereof to the Issuer; or

(iii) **Cross-default of the Issuer**:

(A) any indebtedness of the Issuer or any of its Material Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period; or

(B) any such indebtedness becomes due and payable prior to its stated maturity otherwise than at the option of (x) the Issuer or (as the case may be) the relevant Material Subsidiary or (y) (**provided that** no event of default, howsoever described, has occurred) any person entitled to such indebtedness; or

(C) the Issuer or any of its Material Subsidiaries fails to pay when due any amount payable by it under any Guarantee of any indebtedness,

provided that the amount of indebtedness referred to in sub-paragraph (A) and/or sub-paragraph (B) above and/or the amount payable under any Guarantee referred to in sub-paragraph (C) above, individually or in the aggregate, exceeds 5% of the Group's consolidated borrowings or S$10,000,000 (or its equivalent in any other currency or currencies), whichever is lower; or

(iv) **Unsatisfied judgment**: one or more judgment(s) or order(s) is rendered against the Issuer or any of its Material Subsidiaries for the payment of an individual amount in excess of S$10,000,000 (or its equivalent in any other currency or currencies), and such judgement(s) or order(s) is not subject to any further ability to object or appeal and continue(s) unsatisfied and unstayed for a period of sixty (60) calendar days after the date(s) thereof or, if later, the date therein specified for payment; or

(v) **Security enforced**: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or substantially all of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; or

(vi) **Insolvency, etc.**: (A) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay all or substantially all of its debts as they fall due; (B) an administrator or liquidator is appointed (or application for any such appointment is made) in respect of the Issuer or any of its Material Subsidiaries for the whole or substantially all of the undertaking, assets and revenues of the Issuer or any of its Material Subsidiaries; (C) the Issuer or any of its Material Subsidiaries takes any proceeding under any law for a readjustment or deferment of all or substantially all of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or substantially all of its indebtedness or any Guarantee of any such indebtedness given by it; or (D) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any Material Subsidiary which has not been discharged or stayed within sixty (60) calendar days or the Issuer or any Material Subsidiary ceases to carry on all or substantially all of its business, except (i) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent, or (ii) on terms approved by an Extraordinary Resolution of the Bondholders; or

(vii) **Enforcement proceedings**: a distress, attachment, execution or legal process is levied, enforced or sued out on or against all or any material part of the assets of the Issuer or any of its Material Subsidiaries and is not removed, dismissed or discharged within forty-five (45) days; or

(viii) **Analogous event**: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (iv) (*Unsatisfied judgment*) to (vii) (*Enforcement proceedings*) above; or

(ix) **Nationalisation***:* an order of a competent authority is made with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer or any of its Material Subsidiaries, except where any of the aforesaid events will not have a material adverse effect on the ability of the Issuer to fulfil its obligations under the Bonds;

(x) **Failure to take action, etc.**: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (A) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds, the Trust Deed or the Agency Agreement; and (B) to ensure that those obligations are legal, valid, binding and enforceable and (C) to make the Bonds, the Trust Deed and the Agency Agreement admissible in evidence in the courts of Singapore is not taken, fulfilled or done; or

(xi) **Unlawfulness**: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds or the Trust Deed; or

(xii) **Guarantee not in force**: the CGIF Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

(b) Subject to clause 2.1 (*Guarantee*) of the CGIF Guarantee and clause 3.2 (*Missed Payment Event*) and clause 3.3 (*Acceleration*) of the Trust Deed, if a Missed Payment Event has occurred and is continuing, the Guarantor shall pay the Guaranteed Amount relating to the Missed Payment Event to the Guaranteed Party within thirty (30) calendar days of such Missed Payment Event.

(c) The Trustee has undertaken in the Trust Deed that it shall not take an Acceleration Step unless the Guarantor has failed to make payment of a Guaranteed Amount such that a Non-Payment Event has occurred and is continuing (a "**Guaranteed Party Acceleration**"). Pursuant to the Trust Deed, neither the Trustee nor any Bondholder shall be entitled to take an Acceleration Step against the Issuer or the Guarantor unless a Guaranteed Party Acceleration has occurred or with the prior written consent of the Guarantor and, in the event that an Acceleration Step is taken in contravention of such provision, the Guarantor shall not be required to pay any amounts in respect of such Acceleration Step.

(d) Upon the occurrence of a Guaranteed Party Acceleration and if the Guaranteed Amounts are not paid by the Issuer in accordance with these Conditions and the Trust Deed following such Guaranteed Party Acceleration, the Trustee may at its sole discretion and, if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the outstanding Bonds, or if so directed to do so by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction in all cases) deliver in accordance with the Trust Deed a Guaranteed Party Acceleration Notice in respect of the aggregate of the unpaid Guaranteed Amounts and the Guarantor Default Interest Amount (if any) to be paid by CGIF in accordance with the CGIF Guarantee.

(e) The Trustee and the Agents shall not be obliged to take any steps to ascertain whether a Default or an Event of Default has occurred or to monitor the occurrence of any Default or Event of Default and shall not be liable to the Bondholders or any other person for not doing so.

11. PRESCRIPTION

Claims against the Issuer for principal and interest on redemption shall be prescribed and become void unless the relevant Certificates are surrendered for payment within a period of ten (10) years (in the case of principal) and five (5) years (in the case of interest) after the appropriate Relevant Date.

12. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws, regulations and stock exchange requirements or other relevant authority regulations, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Registrar may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13. TRUSTEE AND AGENTS

Pursuant to the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or pre-funded to its satisfaction and relieved from responsibility in certain circumstances and to be paid its fees, costs, expenses and indemnity payments in priority to the claims of the Bondholders. In addition, the Trustee, the Agents and their respective directors and officers are entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor without accounting for any profit.

In the exercise of its powers, functions, rights, authorities and discretions under these Conditions, the Trust Deed and the CGIF Guarantee, the Trustee will have regard to the interests of the Bondholders as a class and will not be responsible for any consequence for individual Bondholders as a result of any circumstances particular to individual holders of Bonds, including but not limited to such Bondholders being connected in any way with a particular territory or taxing jurisdiction.

The Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of these Conditions, the Trust Deed or any other document relating thereto, any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these Conditions or the Trust Deed or any other document relating thereto. In addition, the Trustee shall not be responsible for the effect of the exercise of any of its powers, duties and discretions hereunder.

In acting under the Agency Agreement and in connection with the Bonds, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Bondholders.

The Issuer and the Guarantor reserve the right (with the prior written approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or paying agent and additional or successor paying agents and transfer agents; **provided, however, that** the Issuer shall at all times maintain (a) a registrar outside the United Kingdom, (b) a Paying Agent having a specified office in Singapore, and (c) such other agents as may be required by any stock exchange on which the Bonds may be listed.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given by the Issuer to the Bondholders in accordance with Condition 16 (*Notices*).

14. MEETINGS OF BONDHOLDERS; MODIFICATION AND WAIVER

(a) **Meetings of Bondholders**: The Trust Deed contains provisions for convening meetings of Bondholders to consider matters relating to the Bonds, including the modification of any provision of these Conditions or the Trust Deed or the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer, the Guarantor or by the Trustee and shall be convened by the Trustee upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds, subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing one more than half of the aggregate principal amount of the outstanding Bonds or, at any adjourned meeting, one or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented; **provided, however, that** certain proposals (including any proposal (i) to change any date fixed for payment of principal or interest in respect of the Bonds, (ii) to reduce the amount of principal or interest payable on any date in respect of the Bonds, (iii) to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment, (iv) to change the currency of payments under the Bonds, (v) sanctioning, or directing the Trustee to concur in, the amendment of the terms of the CGIF Guarantee or the provisions of clause 2.5 (*Guarantee and Indemnity*) and 7.2 (*The CGIF Guarantee*) of the Trust Deed in so far as they relate to the CGIF Guarantee, (vi) to change the quorum requirements relating to meetings or (vii) to change the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more persons holding or representing not less than two-thirds or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of Bondholders who for the time being are entitled to receive notice of a meeting of Bondholders under the Trust Deed and who hold not less than 75 per cent. of the aggregate principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) **Modification and waiver**: The Trustee may, with the consent of the Guarantor but without the consent of the Bondholders, agree, but shall not be obliged to agree:

(i) to any modification of these Conditions, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) if such modification will not be materially prejudicial to the interests of Bondholders; and

(ii) to any modification of the Bonds, these Conditions, the Trust Deed or the Agency Agreement which is of a formal, minor or technical nature or is to correct a manifest error or which is necessary to comply with mandatory provisions of law.

In addition, the Trustee may with the consent of the Guarantor but without the consent of the Bondholders, authorise or waive any proposed breach or breach of the Bonds, these Conditions, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if the interests of the Bondholders will not be materially prejudiced thereby, **provided that** the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution or a request made pursuant to Condition 10 (*Events of Default*).

Any such authorisation, waiver or modification shall be binding on the Bondholders and unless the Trustee agrees otherwise in writing, any such authorisation, waiver or modification shall be notified to the Bondholders by or on behalf of the Issuer in accordance with Condition 16 (*Notices*) by the Issuer as soon as practicable thereafter.

Any modification or waiver to the Bonds, these Conditions, the Trust Deed, or the Agency Agreement which requires the consent of the Bondholders shall also require the consent of the Guarantor.

(c) **Directions from Bondholders**: Notwithstanding anything to the contrary in the Bonds, the Trust Deed and/or the Agency Agreement, whenever the Trustee is required or entitled by the terms in the Bonds, the Trust Deed and/or the Agency Agreement to exercise any discretion or power, take any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to seek directions from the Bondholders by way of an Extraordinary Resolution and seek clarification of any such directions and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all action, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or clarifications, or in the event the instructions sought are not provided by Bondholders.

(d) **Certificates and Reports**: The Trustee may accept and shall be entitled to conclusively rely without further investigation or enquiry and without liability to Bondholders on a report, advice, opinion, confirmation or certificate from any lawyers, valuers, accountants (including auditors and surveyors), financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee shall not be responsible or liable to the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, confirmation, opinion or certificate or advice.

15. ENFORCEMENT

Subject to the terms of the Trust Deed and Condition 10(c), the Trustee may at any time, at its discretion and without notice, institute such actions, steps and proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Bonds, but it shall not be bound to do so unless:

(a) it has been so requested in writing by the Bondholders of at least 25 per cent. of the aggregate principal amount of the Bonds then outstanding or has been so directed by an Extraordinary Resolution; and

(b) it has been indemnified and/or provided with security and/or pre-funded to its satisfaction.

No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

16. NOTICES

Notices to Bondholders will be valid if (i) published in a daily newspaper of general circulation in Singapore (which is expected, but is not required, to be the *Business Times*) or for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, published on the website of the SGX-ST at http://www.sgx.com, (ii) published in the English language or a certified translation into the English language or (iii) despatched by prepaid ordinary post to Bondholders at their addresses appearing in the Register (in the case of joint holders to the address of the holder whose name stands first in the Register). Any such notice shall be deemed to have been given on the date of publication or despatch to the Bondholders, as the case may be.

Until such time as any definitive Certificates are issued, so long as the Global Certificate is issued in the name of CDP, notices to Bondholders will only be valid if despatched by ordinary post (by airmail if to another country) to persons who are for the time being shown in the records of CDP as the holders of the Bonds or if the rules of CDP so permit, delivered to CDP for communication by it to the Bondholders, except that if the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, notice will in any event be published in accordance with the preceding paragraph. Any such notice shall be deemed to have been given to the Bondholders on the date of despatch to the holders of Bonds or, as the case may be, on the date of delivery of the notice to CDP.

17. CURRENCY INDEMNITY

If any sum due from the Issuer in respect of any payments to the Trustee under Clause 14 (*Remuneration and Indemnification of Trustee*) of the Trust Deed and any payments in respect of the Agents under Clause 17 (*Commissions, Fees and Expenses*) and Clause 14 (*Indemnity*) of the Agency Agreement or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under the Trust Deed and/or the Agency Agreement or such order or judgment into another currency (the "**second currency**") for the purpose of:

(a) making or filing a claim or proof against the Issuer;

(b) obtaining an order or judgment in any court or other tribunal; or

(c) enforcing any order or judgment given or made in relation to the Trust Deed and/or the Agency Agreement, the Issuer shall indemnify the Trustee and each Agent, on the written demand of the Trustee or such Agent, against any loss suffered as a result of any discrepancy between:

(i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and

(ii) the rate or rates of exchange at which the Trustee or such Agent may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

18. GOVERNING LAW AND DISPUTE RESOLUTION

(a) Governing law

The Bonds including these Conditions (other than Condition 18(b)), the Trust Deed (other than clause 34.2 of the Trust Deed), the Agency Agreement (other than clause 24.2 of the Agency Agreement) and the CGIF Guarantee and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Dispute Resolution

(i) This Condition 18(b) and any non-contractual obligations arising out of or in connection with it shall be governed by Singapore law.

(ii) Any dispute, claim, difference or controversy arising out of, relating to, or having any connection with these Conditions (which includes this Condition 18, the Bonds, the Trust Deed, the Agency Agreement and the CGIF Guarantee), including any dispute as to their existence, validity, interpretation, performance, breach or termination, or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (for the purpose of this Condition 18, a "**Dispute**"), shall be referred to and be finally resolved by arbitration administered by the Singapore International Arbitration Centre ("**SIAC**") under the arbitration rules of the SIAC in force when the notice of arbitration is submitted (for the purpose of this Condition 18(b), the "**Rules**"), except as the Rules are modified by the provisions of these Conditions.

(iii) The parties further agree that following the commencement of arbitration, and following the exchange of the Notice of Arbitration and Response to the Notice of Arbitration, they will initially attempt in good faith to resolve the Dispute through mediation at the Singapore International Mediation Centre ("**SIMC**"), in accordance with the SIAC-SIMC Arb-Med-Arb Protocol (the "**Protocol**") for the time being in force which shall last for a period not exceeding sixty-five (65) business days from the commencement of the mediation proceedings (the "**Mediation Period**"). Where a settlement has been reached between the parties within the Mediation Period, such terms of settlement shall be referred to the arbitral tribunal and the arbitral tribunal may make a consent award on such agreed terms. In the absence of a settlement by the parties within the Mediation Period, the Dispute shall revert back to arbitration pursuant to the Protocol. Unless otherwise agreed by the parties, the arbitration shall resume by arbitrators who were not involved in the mediation process above.

(iv) The Rules and the Protocol are incorporated by reference into this Condition 18 and capitalised terms used in this Condition 18 (which are not otherwise defined in these Conditions) shall have the meaning given to them in the Rules and the Protocol.

(v) The number of arbitrators shall be three. All arbitrators shall be fluent in English. The claimant(s) shall jointly nominate one arbitrator. The respondent(s) shall jointly nominate one arbitrator. The arbitrators nominated by the parties in accordance with the Rules shall jointly nominate the third arbitrator who, subject to confirmation by the President of the Court of Arbitration of SIAC (the "**President**"), will act as president of the arbitral tribunal. If the third arbitrator is not chosen by the two arbitrators nominated by the parties within thirty (30) days of the date of appointment of the later of the two party-appointed arbitrators to be appointed, the third arbitrator shall be appointed by the President.

(vi) The seat of arbitration shall be Singapore. All hearings shall take place in Singapore unless the arbitral tribunal in its absolute discretion decides that a different location will be appropriate.

(vii) Except as modified by the provisions of this Condition 18, the Rules and the Protocol, Part 2 of the International Arbitration Act 1994 of Singapore shall apply to any arbitration proceedings commenced under this Condition 18. Neither party shall be required to give general discovery of documents but may be required only to produce specific and identified documents which are relevant to the Dispute.

(viii) The language used in the arbitral proceedings shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by an English translation and in which case, the English translation shall prevail.

(ix) Service of any Notice of Arbitration made pursuant to this Condition 18 shall be made in accordance with the Rules and at the addresses given for the sending of notices under these Conditions at Condition 16 (*Notices*).

(x) The arbitration award(s) rendered by the arbitral tribunal shall be final and binding on the parties. The parties undertake to reasonably carry out the award(s) without delay. To the fullest extent permitted under any applicable law, the parties irrevocably exclude and agree not to exercise any right to refer points of law or to appeal to any court or other judicial authority.

(xi) The arbitral tribunal and any emergency arbitrator appointed in accordance with the Rules shall not be authorised to order, and each of the Issuer, the Bondholders, the Trustee and each of the Agents agrees for itself and on behalf of each Bondholder that it shall not seek from the arbitral tribunal or any judicial authority:

(A) any order of whatsoever nature against the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents; or

(B) any interim order to sell, attach, freeze or otherwise enforce against the CGIF Assets.

(xii) In respect of any court proceedings in Singapore commenced under the International Arbitration Act 1994 of Singapore in relation to the arbitration, the parties agree: (i) to commence such proceedings before the Singapore International Commercial Court ("**SICC**") and (ii) in any event, that such proceedings shall be heard and adjudicated by the SICC.

(xiii) The Rules shall not prohibit CGIF from disclosing any information relating to any arbitral proceedings and/or arbitral award arising out of this Condition 18 to the board of directors of CGIF (the "**CGIF Board**") as part of its approval process and portfolio administration, or to the Asian Development Bank or any other contributors to the Guarantor or any of their respective officers, employees, advisers, agents or representatives. The members of CGIF Board may seek instructions from their constituents for the purpose of CGIF Board approval and portfolio administration and the CGIF Board documents and other relevant information may be distributed to any representatives of the relevant member countries of the Guarantor for the said purpose only, **provided that** such information and documents distributed by the CGIF Board insofar as they relate to any arbitral proceedings and/or arbitral award shall be clearly marked "CONFIDENTIAL".

(xiv) Nothing in these Conditions, or any agreement, understanding or communication relating to these Conditions (whether before or after the date of these Conditions), shall constitute or be construed as an express or implied waiver, renunciation, exclusion or limitation of any of the immunities, privileges or exemptions accorded to the Asian Development Bank under the Agreement Establishing the Asian Development Bank, any other international convention or any applicable law, or accorded to CGIF under the Articles of Agreement of CGIF.

19. LIMITED RECOURSE

Notwithstanding any other provisions of these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds, the recourse of the Bondholders against CGIF under these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds is limited solely to the CGIF Assets. The Bondholders acknowledge and accept that they only have recourse to the CGIF Assets and they have no recourse to any assets of the Asian Development Bank or any other contributors to CGIF. Any obligation under these Conditions of CGIF shall not constitute an obligation of the Asian Development Bank or any other contributors to CGIF.

20. NO PERSONAL LIABILITY

Notwithstanding any other provisions of these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee or any other document related to the issuance of the Bonds, neither the Asian Development Bank nor any other contributors to CGIF or the officers, employees or agents of the Asian Development Bank or any contributor to CGIF shall be subject to any personal liability whatsoever to any third party including the Bondholders and the Trustee in connection with the operation of CGIF or under these Conditions, the Trust Deed, the Agency Agreement, the CGIF Guarantee, any other Guarantee Document (as defined in the CGIF Guarantee), or any other document related to the issuance of the Bonds. No action may be brought against the Asian Development Bank as the trustee of CGIF or as contributor to CGIF or against any other contributors to CGIF or any of their respective officers, employees or agents by any third party including the Bondholders and the Trustee in connection with these Conditions.

21. NO WAIVER

Nothing in these Conditions, or any agreement, understanding or communication relating to these Conditions (whether before or after the date of these Conditions), shall constitute or be construed as an express or implied waiver, renunciation, exclusion or limitation of any of the immunities, privileges, or exemptions accorded to the Asian Development Bank under the Agreement Establishing the Asian Development Bank, any other international convention or any applicable law, or accorded to CGIF under the Articles of Agreement of CGIF.

22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Unless expressly provided to the contrary in the Bonds, the Trust Deed, the Agency Agreement, and the CGIF Guarantee, a person who is not a party to these Conditions may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any of the Bonds, the Trust Deed, the Agency Agreement, and the CGIF Guarantee, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of these Conditions. Notwithstanding the foregoing, the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents may enforce Conditions 1(d) (*Limitation on the Guarantor's Liabilities*), 18(b) (*Dispute Resolution*), 19 (*Limited Recourse*), 20 (*No personal liability*) and 21 (*No waiver*) of these Conditions.

CLEARING AND SETTLEMENT

Clearing and Settlement under the Depository System

Clearance of the Bonds will be effected through the Depository System maintained by CDP. Bonds that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

The Bonds will be held by CDP in the form of a Global Certificate for persons holding the Bonds in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Bonds between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Bonds through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the Bonds in direct securities accounts with CDP, and who wish to trade Bonds through the Depository System, must transfer the Bonds to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfers of interests in the Bonds in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Guarantor, the Trustee, the Paying Agent, the Registrar or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

USE OF PROCEEDS

The net proceeds from the issue of the Bonds will be used by the Group for general corporate purposes, including the refinancing of existing loans (including loans made by the Lead Managers and Bookrunners), strategic expansions, capital expenditure and other investments of the Group in Singapore.

CAPITALISATION AND INDEBTEDNESS

The table below sets forth Group's capitalisation as at 31 December 2023. The Issuer derived this table from its financial statements contained in this Offering Circular. Investors should read this table in conjunction with the Issuer's consolidated financial statement, the related notes and other financial information contained elsewhere in this Offering Circular.

	As at 31 December 2023 S$'000
Total borrowings (current)	86,509
Total borrowings	86,509
Total share capital	121,028
Total capitalisation[(1)]	207,537

Note:

(1) "**Total capitalisation**" is defined as the aggregate of total borrowings and total funds attributable to shareholders of the Company.

The Company has on 27 September 2024, issued 223,223,481 ordinary shares of S$86.7 million to its immediate holding company, TLW, as consideration to TLW for TLW to issue its shares to CHA Healthcare Singapore Pte. Ltd. as purchase consideration for the CHA Acquisition.

Other than the above, there has been no material change in the capitalisation and indebtedness of the Group since 31 December 2023.

THE ISSUER

1. OVERVIEW

The Issuer was incorporated in the Republic of Singapore under the name of Lasik Club Pte. Ltd. on 10 March 2005 under the Companies Act as a private company limited by shares. On 4 August 2006, the Issuer changed its name to Singapore Medical Group Pte. Ltd. On 9 July 2009, the Issuer was converted into a public limited company and its name was changed to Singapore Medical Group Limited. The Issuer was listed on the Catalist Board on 23 July 2009. In 2013, Mr Tony Tan Choon Keat, Dr Beng Teck Liang and Dr Ho Choon Hou acting in concert, became significant shareholders of the Issuer. Over the years, these three shareholders participated in rights issuances conducted by the Issuer and from time to time increased their shareholding in the Issuer by acquiring shares through the market. On 19 January 2023, TLW, a company incorporated in the Republic of Singapore, became the sole shareholder of the Issuer following the completion of the sale of all the shares of the Issuer to TLW. The Issuer was subsequently delisted on 20 January 2023.

The Issuer's major shareholder is CHA Healthcare Singapore Pte. Ltd. ("**CSG**"), the Singapore based investment subsidiary of CHA Medical Group, a comprehensive healthcare group based in Korea, and a subsidiary of CHABiotech Co., Ltd. (collectively, "**CHA**"). Further details on CHA are set out in the section entitled "CHA Medical Group" below. CSG has been a shareholder of the Issuer since 2017 when it completed a placement for the Issuer's shares. As at the date of this Offering Circular, CSG holds 64.2% of the share capital of the Issuer.

The Group is principally engaged in the business of providing multi-disciplinary specialist healthcare services across five key business segments, namely: (i) aesthetics medicine, (ii) diagnostic imaging and screening, (iii) oncology, (iv) women's and children's health, which includes obstetrics and gynaecology, in vitro fertilisation treatment ("**IVF**") and paediatric medicine and (v) others, which includes dentistry, cardiology, psychology, urology, physiotherapy, and ophthalmology.

Through joint ventures and partnerships, the Group has been expanding its presence and range of services across North Asia, ASEAN and Australia. As at the date of this Offering Circular, the Group is one of the largest private specialist healthcare providers in the Asia Pacific region and operates 66 clinics and medical centres across Singapore, Vietnam, Indonesia and Australia, which are staffed by more than 244 doctors, dentists, therapists, radiologists and other healthcare professionals.

The table below sets out the number of clinics and medical centres that the Group operates across the Asia Pacific region as at the date of this Offering Circular:

Business segment	**No. of clinics and medical centres**
Aesthetics medicine	4
Diagnostic imaging and screening	9
Oncology	3
Women's and children's health (including IVF)	35
Others	15
Total	66

2. HISTORY

2.1 Key Milestones

Since its inception in 2005, the Issuer has expanded its geographical footprint and range of service offerings. The Group's key milestones include:

- 2005: Incorporated in Singapore under the name of Lasik Club Pte. Ltd.
- 2007: Obtained ISO9001 certification for its ophthalmological and sports medicine services in Singapore.
- 2008: Established medical clinics to provide aesthetics medicine and oncology services in Singapore.
- 2015: Commenced providing diagnostic imaging and screening services in Singapore.
- 2016: Expanded its diagnostic imaging and radiology services through the acquisition of Novena Radiology Pte. Ltd.
- 2017: Completed a series of acquisitions to expand its range of women's and children's health services in Singapore.
- 2018: Established CHA SMG Aus in partnership with CSG and acquired an interest in CFC Global Pty Ltd ("**CFC**"), which operates reproductive fertility clinics in Australia.
- 2023: Acquired a controlling stake in HSC Cancer Pte Ltd and Vidaskin Pte Ltd to complement its Oncology and Aesthetics Medicine segments respectively.
- 2023: Commenced providing physiotherapy services in Singapore.
- 2024: Opened its latest diagnostic imaging and screening centre in Singapore at City Square Mall.
- 2024: Increased its shareholding interest in CFC from 12.1% to 60.6%.

2.2 Regional Expansions

Details of the Group's expansions in each of Australia, Vietnam and Indonesia are below:

(a) Australia

In January 2018, the Issuer entered into a partnership with CSG and established CHA SMG Aus as a joint venture investment vehicle, with the Issuer holding 20% of CHA SMG Aus.

In February 2018, CHA SMG Aus completed the acquisition of a 65% shareholding interest in CFC, which operates reproductive fertility clinics in Australia.

In September 2024, the Issuer acquired CSG's entire shareholding interest in CHA SMG Aus, following which CHA SMG Aus became a wholly-owned subsidiary of the Issuer. Following the completion of the CHA Acquisition, the Group's shareholding in CFC increased from 12.1% to 60.6%. CHA and the Issuer are working closely together to develop new opportunities in respect of IVF and related areas such as women's health. Additionally, the City Fertility Business is poised to expand beyond its existing markets. Other strategic benefits from this acquisition include:

(i) growing the Group into a larger healthcare group in the Asia Pacific, with businesses across four countries and new opportunities to further expand geographically into both developed and developing Asia Pacific markets;

(ii) significantly enhancing the Group's offerings in IVF, fertility and reproductive medicine to patients across the Asia Pacific region, in particular, ASEAN;

(iii) exploring and implementing intra-group synergies between the City Fertility Business and existing businesses of the Group (including obstetrics and gynaecology); and

(iv) new collaboration areas, including but not limited to, marketing, operational support functions and recruitment.

(b) Vietnam

In December 2016, the Issuer, together with other investors, established SMG International (Vietnam) Pte. Ltd. ("**SMG Vietnam**") as a joint venture investment vehicle, with the Issuer holding 50% of SMG Vietnam. SMG Vietnam has a 32% interest in CityClinic Asia Investments Pte. Ltd., which in turn is the holding company of CityClinic Vietnam Limited, an entity that operates medical centres in Vietnam.

In September 2021, the Issuer acquired the remaining 50% shareholding interest in SMG Vietnam, following which SMG Vietnam became a wholly-owned subsidiary of the Issuer. Following the completion of the acquisition, the Group's shareholding in CityClinic Vietnam Limited increased from 26% to 42%. As shares were issued to a new investor of CityClinic Vietnam Limited in 2023, the Group's shareholding in CityClinic Vietnam Limited is 41% as at the date of this Offering Circular.

As at the date of this Offering Circular, CityClinic Vietnam Limited operates three medical centres in Vietnam and employs 76 medical professionals.

(c) Indonesia

In April 2014, the Issuer entered into a partnership with PT Ciputra and established PT Ciputra SMG as a joint venture investment vehicle to provide ophthalmological services in Indonesia, with the Issuer holding 40% of PT Ciputra SMG. As at the date of this Offering Circular, PT Ciputra SMG operates three eye clinics in Indonesia and employs twelve eye specialists.

2.3 CHA Medical Group

The Issuer also enjoys a close working relationship with CHA Medical Group.

Founded in 1960, CHA Medical Group ("**CHA Group**") has a significant global presence in healthcare and biomedicine with 16 medical centres in Korea handling more than 250,000 patient visits annually and ranking globally in the top three for IVF services with some 50,000 IVF cycles annually. CHA Group operates in medical and biotechnology segments and holds 13 for-profit companies (including three listed on the Korea Exchange) and 96 hospitals, medical centres and clinics across seven countries.

CHA Group operates a hospital network which has over 2,600 patient beds and manages over 1,800 doctors. CHA Group is also a market leader in the IVF space, with over 400,000 babies delivered to date. It has a long history of "world firsts" in IVF and is world renowned for its pioneering advancements in IVF and stem cell research that have become global standards, including:

- 1988: World's first pregnancy from in vitro culture of immature oocytes collected from unstimulated ovaries.

- 1989: World's first cryopreservation of oocytes by vitrification.

- 1999: World's first pregnancy and delivery of baby with previously frozen egg by vitrification.

- 2002: World's first identification of genes associated with recurrent pregnancy loss.

- 2005: World's first freezing method for ovum vitrification and freezing method using gold grid and nitrogen slush.

- 2009: World's first to successfully establish dedifferentiated stem cells using only the protein.

- 2009: World's first creation of spermatogonial stem cells.

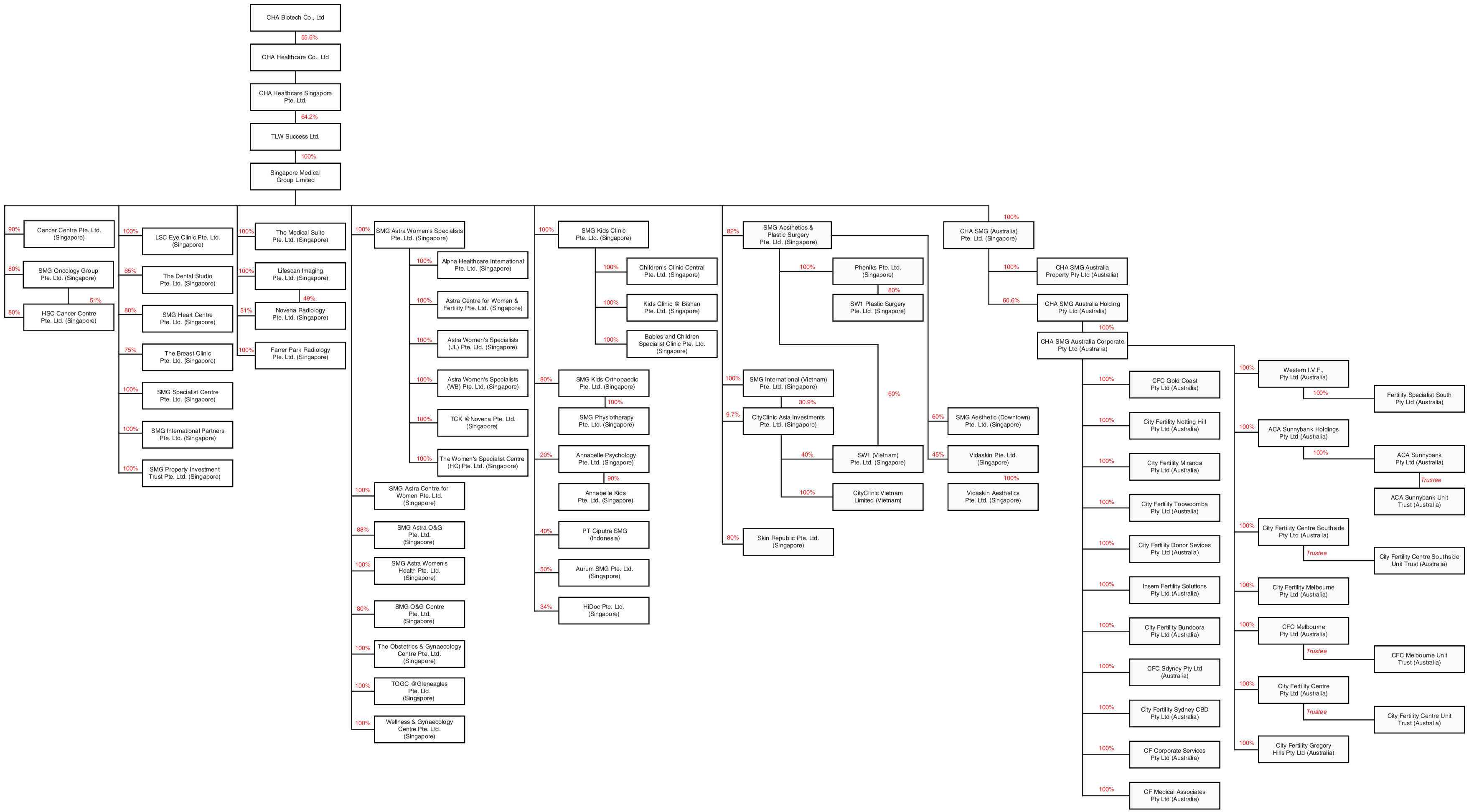
- 2013: World's first successful treatment of cerebral palsy using heterologous cord blood stem cells.

- 2014: World's first establishment of cloned stem cell lines using adult somatic cells.

- 2015: First to increase success rate of establishing somatic cell nuclear transfer – embryonic stem cells threefold.

3. CORPORATE STRUCTURE

The chart below sets out the Group's corporate structure as at the Latest Practicable Date:



4. KEY FINANCIAL METRICS

The following tables set out the breakdown of revenue by key business segments of the Group for the financial years ended 31 December 2021, 2022 and 2023.

Prior to September 2024, all the Group's revenue is derived from Singapore as its overseas investments are made through various joint ventures and associate companies. From September 2024, following the CHA Acquisition, the Group's revenue is derived from two main sources: Australia and Singapore.

Breakdown of revenue by key business segments

	FY 2021		FY 2022		FY 2023		FY 2023 (Proforma)	
	S$' million	% contribution	S$' million	% contribution	S$' million	% contribution	S$' million	% contribution
Aesthetics Medicine	13.5	13.4	14.7	13.0	15.5	12.6	15.5	8.2
Diagnostic Imaging and Screening	20.8	20.6	25.5	22.5	26.5	21.5	26.5	14.0
Oncology	14.4	14.3	15.7	13.9	18.5	15.1	18.5	9.8
Women's and Children's Health	39.1	38.8	43.8	38.7	47.9	39.0	114.4	60.4
Others	13.0	12.9	13.5	11.9	14.5	11.8	14.5	7.6
Total	100.8	100.0%	113.2	100.0%	122.9	100.0%	189.4	100.0%

EBITDA by key business segments

	FY 2021		FY 2022		FY 2023		FY 2023 (Proforma)	
	S$' million	% contribution	S$' million	% contribution	S$' million	% contribution	S$' million	% contribution
Aesthetics Medicine	2.9	11.0	2.7	10.2	2.3	9.5	2.3	5.7
Diagnostic Imaging and Screening	6.0	22.7	7.4	28.0	7.2	29.8	7.2	17.8
Oncology	3.3	12.5	4.0	15.2	4.7	19.4	4.7	11.6
Women's and Children's Health	14.0	53.0	11.1	42.0	10.2	42.1	27.1	66.9
Others	0.2	0.8	1.2	4.6	-0.2	-0.8	-0.8	-2.0
Total	26.4	100.0%	26.4	100.0%	24.2	100.0%	40.5	100.0

Notes:

(1) As the CHA Acquisition occurred in September 2024, the figures included in this paragraph 4 (*Key Financial Metrics*) in respect of FY 2021, FY 2022 and FY 2023 above do not include CHA SMG (Australia) and its subsidiaries.

(2) The Proforma FY 2023 figures are prepared on the basis that the CHA Acquisition occurred on 1st January 2023.

(3) EBITDA is defined as earnings before interest, tax, depreciation and amortisation, excluding other (loss)/gain.

4.1 Recent Developments

In the first half of 2024, the Group experienced a decline in its revenue compared to the same period in 2023, influenced by various factors across its different business segments.

In the Women's and Children's Health Segment, the Group's revenue decreased due to closures of a few clinics after some doctors left the Group, which was partially offset by new doctors joining the Group.

In the Diagnostic Imaging and Screening Segment, the Group faced challenges with attracting and retaining staff, while the Oncology Segment saw fewer patient visits, as a result of a drop in medical tourism and regulatory changes to administrative fees chargeable by medical facilities. Demand for elective healthcare services, such as aesthetics medical services under the Aesthetics Medicine Segment, also softened due to inflationary pressures and the strength of the Singapore dollar against other currencies in the region.

Such decline in revenue was offset by the Group's newly acquired clinics, which mitigated the headwinds.

While distribution and selling expenses saw a slight decrease, administrative expenses increased as a result of the Group's investments in new operations and staffing.

In 2024, the Group explored strategic investments and partnerships to build the capability of the diagnostic and imaging services offered under the Diagnostic Imaging and Screening segment, and completed the CHA Acquisition. These steps were part of the Group's broader strategy to enhance capabilities and prepare for future growth.

5. KEY BUSINESS SEGMENTS

The Group has five key business segments, namely: (a) Aesthetics Medicine, (b) Diagnostic Imaging and Screening, (c) Oncology, (d) Women's and Children's Health, including obstetrics and gynaecology and paediatric medicine and (e) others.

(a) Aesthetics Medicine

Under the Aesthetics Medicine segment, the Group provides services related to the improvement of physical appearances. These services include facial and body treatments, as well as plastic surgery. The aesthetics medicine clinics operated by the Group utilise aesthetics technology approved by the Food and Drug Administration of the United States, including:

- facial and breast fillers
- Intense Pulsed Light treatment
- lasers
- botox
- microdermabrasion minimally invasive Silhouette threadlift
- VASER-assisted LipoSuction

In 2021, the Group introduced Skin Pple, which was the first experiential facial procedure in Singapore to combine skincare treatment with visual and auditory stimuli.

The Group has also expanded into medical grade skincare products through the SW1 Shop, an online beauty and skincare retailer.

As at the date of this Offering Circular, the Group employs nine doctors under the Aesthetics Medicine segment, of which all doctors are certified by the Ministry of Health of Singapore and six are members of the Singapore Association of Plastic Surgeons.

(b) Diagnostic Imaging and Screening

Under the Diagnostic Imaging and Screening segment, the Group currently provides radiology and health and wellness screening services to patients in Singapore, including:

- ultrasounds, which are used to detect musculoskeletal and other medical conditions;
- computed tomography scans, which are used to obtain internal images of injuries;
- magnetic resonance imaging scans, which are used to diagnose tumours, amongst others;
- X-rays, which are used to detect bone-related injuries; and
- bone mineral density scans, which are used to detect loss of bone mass and medical conditions such as osteoporosis.

As at the date of this Offering Circular, the Group employs six radiologists and eight clinicians under the Diagnostic Imaging and Screening segment.

In Vietnam, the Group provides health and wellness screening services through CarePlus Vietnam, a multi-disciplinary clinic group with three clinics in Ho Chi Minh City.

(c) Oncology

The Group has been providing oncology services in Singapore since 2007, and as at the date of this Offering Circular, operates two clinics, each of which is managed by a senior consultant with more than 20 years of experience in oncology.

The services provided by The Cancer Centre relate to the prevention, cancer screening, diagnosis, cancer genetic and risk assessment, and treatment of cancer and include biological therapy. chemotherapy, hormonal therapy, Novel, radiation therapy, and targeted therapy.

The Cancer Centre regularly conducts health roadshows, seminars and contribute contents to various news articles in local news publications and television programs. Amongst others, topics covered include preventive chemotherapy and liquid biopsy for cancer screening.

The Cancer Centre has been ISO 9001 accredited since 2010.

(d) Women's and Children's Health

Under the Women's and Children's Health segment, the Group offers obstetrics and gynaecology services, as well as paediatric medicine services.

(i) Obstetrics and Gynaecology

The Group began providing obstetrics and gynaecology services in Singapore in 2009. As at the date of this Offering Circular, the Group operates 13 clinics across Singapore and 13 clinics across Australia. The Group has 10 obstetrics and gynaecology specialists and 77 IVF clinicians who provide services in the following areas:

- pregnancy: pre-pregnancy screening for genetic conditions and other disorders, and antenatal care during pregnancy;

- gynaecology: diagnosis and treatment of medical conditions, including endometriosis, fibroids, menstrual problems, polycystic ovary syndrome, polyps and cysts;

- fertility: fertility assessments, assisted reproductive techniques (including intrauterine insemination and in-vitro insemination), as well as surgery to address medical conditions relating to infertility;

- wellness: papanicolaou smear tests (commonly known as Pap smears), colposcopy, human papillomavirus vaccination; and

- menopause: pelvic floor dysfunction and menopause management.

In September 2024, the Group increased its shareholding in CFC from 12.1% to 60.6%. CFC operates reproductive fertility clinics under the City Fertility Centre name in Australia, which was established in 2003 and is one of the largest fertility clinic operators in Australia, with 13 IVF centres across Australia (including one centre currently being rebuilt) as at the date of this Offering Circular. To date, CFC has conducted more than approximately 10,000 ART treatments per annum and CFC is estimated to command 9.6% of the market share of IVF services in Australia.

The Group also offers a range of services for breast-related conditions, including:

- screening services, including mammograms and ultrasounds; and

- cancer diagnosis, cancer management and treatment, including breast biopsies, surgery, chemotherapy and radiotherapy.

During events such as Breast Cancer Awareness Month, the Group runs various promotional events and talks, such as the “Breast Cancer Talk” and the “Cancer Prevention” talk.

(ii) Paediatric Medicine

The Group operates a network of nine children’s clinics across Singapore and has seven full-time paediatricians as at the date of this Offering Circular, which provide services including:

- newborn examination and care, including the care of premature babies;

- baby growth and development assessment tests, including for oral care, dietary, sleep or behavioral problems;

- early childhood immunisation;

- paediatric orthopaedics services; and
- diagnosis and treatment of childhood illnesses and infectious and communicable diseases, such as chickenpox.

Since 2021, the Group, through Annabelle Kids (a clinic under an associate of the Group), also offers psychotherapy, speech and occupational therapy services in Singapore for neurotypical children and children with special needs.

In Vietnam, the Group provides paediatric services through CarePlus Vietnam, a multi-disciplinary clinic group with three clinics in Ho Chi Minh City.

(e) Others

The Group has also expanded into a range of healthcare services in the following areas:

- dentistry, including aesthetic and implant dental services such as teeth whitening, prosthodontics, orthodontics and implant and gum surgery;
- cardiology, including the diagnosis and treatment of heart conditions, such as heart rhythm disorders;
- psychology, through its partnership and two-way referral system with Annabelle Psychology;
- urology;
- physiotherapy and pain management services for orthopaedic conditions and injuries for adults and children; and
- ophthalmology, including services such as implantable contact lens, cataract surgery, glaucoma and retina disease treatment.

6. WORKFORCE

As at 30 September 2024, the Group has 837 employees and workers (which includes contractors and self-employed persons). The Group has not experienced any strikes or disruptions to its operations due to labour-related disputes.

The breakdown of the Group's employees is as below:

	Employees
Staff	502
Supervisors	81
Middle management(1)	241
Senior management(2)	13
Total	**837**

Notes:

(1) Refers to doctors, managers and senior managers as designated within the Group.

(2) Refers to the CEO, CFO and persons (save for doctors) who report directly to the CEO.

7. LEGAL AND REGULATORY PROCEEDINGS

The Group may be involved in legal and/or regulatory proceedings from time to time in connection with its business. As at the date of this Offering Circular, the Group is not party to any legal and/or regulatory proceedings which, if adversely determined, would have a material adverse effect on the Group's business, financial condition, operating results, and future prospects.

8. INSURANCE

The Group carries insurance coverage consistent with companies in the healthcare and medical services industry, including public liability insurance and corporate malpractice insurance. These insurance policies are subject to certain limits, deductibles and typical policy exclusions.

In addition, doctors engaged by the Group (whether as permanent employees or contractors) are required to maintain their own medical malpractice insurance in order to practice in the clinics operated by the Group. The Group separately has in place medical malpractice insurance in respect of the staff working in the clinics operated by the Group.

As at the date of this Offering Circular, the Group has not been denied any material insurance coverage.

9. STRATEGIES AND FUTURE PLANS

(a) Expanding market leadership

The Group intends to steadily expand its market share across key business segments in Singapore and abroad, whilst opportunistically exploring new growth endeavours that are complementary to its specialist business portfolio. In its primary home market in Singapore, the Group will continue to retain and grow its patient base, comprising a mix of local residents and foreign medical tourists whilst actively acquiring new patient cohorts through more targeted marketing in key business segments experiencing high demand, such as the Diagnostic Imaging and Screening, Oncology and Women's and Children's Health business segments. The Group has grown its patient base by continually improving service standards and patient experience, actively adopting new technologies to enhance its range of service offerings, and upgrading its medical facilities and equipment to improve patient care and medical outcomes. The Group plans to further enhance these competencies with incremental investments and optimisation initiatives. The Group will also focus on optimising its existing portfolio by focusing on key business segments that have higher profit margins, as well as on segments where the Group has a larger market share.

The Group has, amongst others, strong market presence in the Women's and Children's Health, Diagnostic Imaging and Screening and Aesthetics business segments where it operates. For instance, the O&G group of clinics operating under the Astra brand is collectively one of the largest private sector groups in the O&G field of practice in Singapore, whilst the clinics operating under the Lifescan Imaging and Screening brand has one of the largest footprints in the diagnostics field of practice in Singapore. The Group aims to further bolster such high-performing business segments by recruiting additional medical professionals, as well as undertaking marketing and selective investments to build the clinics under each key business segment into market leading brands.

(b) **Enhancing business scale**

In Singapore, the Group plans to expand its range of services, by building up its capabilities and generating economies of scale in partnership with other healthcare groups in Singapore. The Group is exploring opportunities for strategic collaborations in imaging services, oncology services, and international patient referrals, amongst others. The Group also seeks to further expand its Women's and Children's Health segment by creating new synergies with the Lifescan Screening brand and other businesses to build a more fulsome range of service offerings ranging from fertility assessment, ART counselling, IVF treatments, menopausal care and pre- and post-maternity care. The Group aims to progressively expand its service offerings in the Diagnostic Imaging and Screening segment to offer a broader range of scans and tests that are synergistic with both the Group's own clinics and external partners.

Beyond Singapore, the Group has expanded into Australia, Vietnam and Indonesia and plans to continue expanding its business operations across these countries by increasing its range of service offerings in these markets. In the near future, the Group intends to increase its diagnostic imaging and screening, aesthetics medicine and oncology capabilities in Vietnam and Indonesia in conjunction with its Careplus and Ciputra joint ventures respectively. The Group also plans to export its existing brands to other high-growth emerging markets across ASEAN. The Group consistently seeks to develop tighter synergies and collaborate with leading regional healthcare players and strategic partners to build a pan-Pacific patient base and network of cross-referrals.

(c) **Build a leading Asia Pacific IVF Platform**

The completion of the CHA Acquisition presents an exciting opportunity for the Group to tap into a premier IVF platform, with the goal of transforming its Women's and Children's Health segment into a leading reproductive medicine provider in the region. CFC's reputation for excellence in highly efficient clinical protocols and training, broad service offerings and its scalable asset light model will allow the Group to enhance its offerings significantly.

Looking ahead, the Group intends to leverage CFC's strengths while exploring innovative synergies, such as fertility health assessments and counselling, to drive growth and establish a robust presence in the Asia Pacific region.

The Group aims to deliver 15,000 IVF cycles annually in the next 3 years. To do this, the Group plans to build a unified patient treatment network for the Asia Pacific region in close collaboration with CHA Group. With presence in Korea, Japan and the United States, CHA Group is one of the global leaders in the IVF space and one of the leading women's health providers in the Asia Pacific. The Group and CHA Group intend to jointly develop a world-leading IVF practice, exploring greenfield, partnership and investment opportunities covering key markets across the Asia Pacific region including ASEAN, Greater China and Oceania, as well as other attractive jurisdictions in both developed and developing Asian markets. This would allow the Group to treat and refer patients across different areas within its Asia Pacific network and will position the Group as a regional market leader and a player in the Asia Pacific market.

The strategy to build a leading Asia Pacific IVF platform focuses on leveraging the Group's partnerships, regional expertise and clinical capabilities. The Group aims to create a premier IVF network across the Asia Pacific region by combining its strong relationships within the ASEAN region, CFC's growth-oriented platform in Australia and CHA's scale and scientific expertise globally. With access to CHA's significant operational scale, the Group can leverage on economies of scale to enhance vendor relationships, develop industry-leading protocols and incorporate advanced medical technologies.

The Group plans to expand CFC's extensive IVF service portfolio beyond Australia, particularly in ASEAN, where the market resonates with Australia's pioneering reputation in IVF. The Group intends to build a pan-Pacific platform to address diverse patient needs, ranging from treatments, accessibility and cost.

10. COMPETITIVE STRENGTHS

(a) Effective and scalable business model

The Group's business model is premised on maintaining separate management and clinical functions within the Group. By allowing the management team and the healthcare professionals to focus on their respective areas of expertise, the healthcare professionals are able to devote themselves to the care of the patients and improve patient treatment outcomes, while the management team can address administrative and management-related issues.

The Group's "hub and spoke" model is a strategic approach to healthcare delivery designed to enhance patient access and optimise service efficiency. The "hub" refers to main medical centers or hospitals, which offer a comprehensive range of specialised services and advanced medical technologies, namely, in Orchard, Novena and Farrer Park. The Group also has outreach clinics which are smaller clinics or outpatient centers strategically located across Singapore to provide primary care and specialised services closer to the patients' homes. This setup improves access to healthcare services for patients in various regions of Singapore, reducing the need to travel long distances for treatment. Coupled with well-equipped machines, this also translates to shorter waiting times for the Group's patients.

The Group's business is relatively asset light and it has a comprehensive suite of specialist disciplines which allows it to provide end-to-end outpatient care across the entire treatment spectrum. Additionally, intra-group referrals across disciplines and geographies allows the Group to provide fully personalised treatment plans for both local and international patients.

The Group has a strong track record of positive margins, with income stream spread across its range of multi-disciplinary specialties that has a focus on segments such as oncology, diagnostic imaging and screening and women's and children's health. Having such diverse specialties allows the Group to expand its market share in the Asia Pacific region. The Group's overseas ventures have been successful and its partnerships in Indonesia and Vietnam have grown their operations from a single centre/clinic to the success they are today.

The completion of the CHA Acquisition allows the Group to leverage on a leading IVF platform and CHA Medical Group's established reputation in the IVF space to enhance the Group's economic business scale and expand the existing Women's and Children's Health segment into a leading reproductive medicine franchise in the region. CFC conducts more than approximately 10,000 assisted reproductive treatments per annum from high quality full-service clinics across Australia. CFC delivers pregnancy outcome rates that are superior to the Australian market average and has established systemised protocols for its clinical services, lab operations and training. It is one of a select few groups to provide Certification in Reproductive Endocrinology and Infertility accreditation training, conducts research in conjunction with leading universities including the University of New South Wales and is a leading Australian provider of donor related fertility services, amongst others. With these strengths in mind, the Group intends to leverage CFC's strengths in lab management, clinical training and relationships with vendors and other industry participants to build a premier IVF franchise in the Asia Pacific region to complement the existing scale in Australia.

(b) High critical mass of local presence with a regional reach

In Singapore, most of the Group's medical clinics are conveniently located at central locations (for example, the Paragon Medical Centre, the Novena Medical Centre and Farrer Park) or near residential areas in the heartlands such as Tampines, Jurong East, Sengkang, Punggol, Bishan and Toa Payoh. Both the Paragon Medical Centre and the Novena Medical Centre are easily accessible by public transport and are located in close proximity to Mount Elizabeth Hospital and Tan Tock Seng Hospital respectively.

Regionally, the Group's presence in Vietnam, Indonesia and Australia facilitates efficient cross referrals for patients across geographies, businesses and healthcare disciplines. Therefore, the Group is well placed, reputationally and geographically, to benefit from intra-regional patient flows and medical tourism from markets adjacent to the geographies in which the Group currently operates. It is able to tap on Singapore's reputation as a leading healthcare hub in the region, which attracts patients seeking high-quality medical services. With its wide range of service offerings and ISO-accredited facilities, the Group is able to cater to a diverse range of medical needs.

The demand for medical services in the Asia Pacific region is also projected to increase, following a growing awareness of health and wellness issues, particularly in areas such as aesthetics, fertility, and chronic disease management. The Group's comprehensive service offerings position it to meet these demands.

(c) Competitive advantage through scale and barriers to entry

The Group has a competitive advantage through its scale and the barriers to entry present in the healthcare industry. As one of the leading healthcare providers in Singapore, the Group has developed a robust network of clinics and services that allows for operational efficiencies and cost-effectiveness. This scale enables the Group to negotiate better terms with suppliers, attract top medical talent, and invest in advanced technologies, enhancing overall patient care.

Additionally, the healthcare sector is characterised by significant barriers to entry, including stringent regulatory requirements, high capital investment, and the need for specialised medical expertise and equipment. The Group's established reputation and accreditation provide it with a strong foothold in the market. The CHA Acquisition also bolstered the Group's competitive advantage by expanding its scale and reinforcing its position in the healthcare industry through an expanded service offering.

(d) Qualified and experienced specialist medical practitioners

The Group's market presence and reputation are built upon the skills and experience of its specialist medical practitioners, which has helped the Group build a strong track record. Employees, including doctors, dentists, nurses, and other medical professionals (such as radiologists and therapists) are required to remain updated on new developments and best practices in their respective areas of expertise, and are encouraged to obtain new certifications and accreditations where relevant. Public awareness of the Group's specialist reputation, together with its medical practitioners and expertise has enabled the Group to attract other highly skilled and experienced doctors and physicians. As an established provider of women's and children's health, oncology, aesthetics and diagnostic imaging and screening services, the Group provides a stepping stone for doctors to build their careers by leveraging on its strong reputation. The Group believes that it has strong channels to attract experienced specialists. When the Group acquires clinics and other medical facilities, doctors practising at these facilities also join the Group.

(e) Experienced leadership team

The Group's leadership team is made up of seasoned medical professionals with an average of 10 years of experience working in private and public healthcare systems. Such professionals also have strong working relationships with other players in the healthcare industry. The Group's board of directors and management team members possess significant experience in their respective areas of expertise and have played a key role in driving the growth of the Group's businesses throughout the Asia Pacific region. The team is led by Executive Director and Chief Executive Officer, Dr Beng Teck Liang. Please refer to the section entitled "*Board of Directors*" on page 98 of this Offering Circular for further information on Dr Beng.

Following the CHA Acquisition, the Group has access to the complementary skillsets and perspectives of directors from CHA Medical Group, further enhancing the Group's strategic capabilities. This synergy strengthens the collective expertise of the Group and places the Group in a favourable position to innovate and respond effectively to the evolving demands of the healthcare landscape, ultimately enhancing patient care and operational success.

11. INTELLECTUAL PROPERTY

As of the Latest Practicable Date, the Group has nine registered trademarks such as those listed below.

Type of filing	Jurisdiction	Trademark	Class(es)	Status
National	Singapore	LIFESCAN LifeScan	44	Active
National	Singapore	ASTRA	44	Active
International	Thailand, Vietnam	SW1 CLINIC	35 and 44	Active
International	Indonesia, Philippines	SW1	35 and 44	Active
National	Singapore		35 and 44, 03	Active
National	Malaysia		35 and 44, 03	Active
National	Bangladesh		44	Active
National	Cambodia		44	Active
International	Indonesia, Malaysia, Thailand, Vietnam	skin pple	03	Active
National	Singapore	chái	03	Active
National	Vietnam		03	Active
National	Malaysia		03	Active
National	Singapore	Astra Women's Specialists	44	Active
National	Singapore	Astra Women's Specialists	44	Active
National	Singapore		44	Active

12. AWARDS AND ACCREDITATIONS

Over the years, as a reflection of its dedication to excellence and customer service, the Group has received many awards and certifications, some of which are listed below:

Date/Period	**Award/Certificate**	**Recipient**	**Awarding Organisation**
2008	The Highest Volume VISX Treatment Site in the World	The Lasik Surgery Clinic	Advanced Medical Optics
2009	The Highest Volume VISX Treatment Site in the World	The Lasik Surgery Clinic	Advanced Medical Optics
2017	Singapore Quality Class Service	Singapore Medical Group	SPRING Singapore
2021	Diagnostic Imaging Centre of the Year in the Asia Pacific Award	Lifescan Imaging	Global Health Asia Pacific Awards
2022, 2023	ZEISS Smile Ambassador Centre Award	LSC Eye Clinic	ZEISS
2023	Gold Award	Singapore Medical Group	Jobseekers' Choice Award

13. ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Group has adopted policies and practices to align with best-in-class standards in the Economic, Environmental, Social and Governance ("**EESG**") themes, allowing the Group to achieve a balance between financial results, social engagement and environmental initiatives whilst ensuring the strategic growth of the Group.

The Group conducts formal materiality assessment to better manage non-financial risks such as patient safety, patient privacy and corporate governance. The Group maintains its sustainability efforts through active engagement with senior members of the management team, who spearhead the Group's EESG matters.

As part of the Group's EESG initiatives, the Group regularly publishes medical articles and participates in healthcare related events to promote community awareness on improving and safeguarding one's health, including:

- 2024: Channel News Asia Article: "Women in Singapore are getting Breast Cancer at a younger age but it's only diagnosed when its more advanced"
- 2024: Healthcare Professional Continuing Medical Education: "Laser Vision Correction – What Doctors Need to Know"; "Contraception Management"; "Arrhythmia Management"; "Ezcema Herpeticum".
- 2023: "Let's Talk About Health Fair"
- 2023: Singapore Cancer Society: "Gynae Cancers in Singapore"
- 2023: "Health Talk: The Art of Ageing Well"
- 2022: "Plant 50 Orange Jasmine (Murraya Paniculata) shrubs" – The Dental Studio team with Nee Soon East Constituency as part of Singapore Green Plan movement.

The Group will continue to explore different ways to contribute to social causes with a focus on women's health issues, from reproductive health and fertility to the challenges associated with ageing. As societal attitudes shift and the awareness in relation to women's health grows, the women's health businesses of the Group have a unique opportunity to contribute to social causes related to women's health issues.

Since 2019, the Group has embarked on various "Go Green" initiatives with the intention to reduce its carbon footprint and to promote environmental awareness, these initiatives include:

(a) launching a patient portal for the Diagnostic Imaging and Screening business segment to replace the use of films and CDs;

(b) replacing plastic bags use in the clinics with bio-degradable cassava bags; and

(c) replacing paper records at the clinics with digital records.

To reduce the Group's carbon footprint and electricity consumption, the Group has also equipped its centres with more energy efficient imaging equipment.

The Group is shifting towards a paperless working environment as part of its efforts to increase operational efficiency and to reduce reliance on physical storage space. Most of the Group's clinics have adopted an electronic registration system and electronic case notes, which has substantially reduced paper usage. The Group continues to identify areas that can be digitalised and reduce paper waste.

All medical staff of the Group also undergo a structured briefing and training organised by the Group's Clinic Operations Team at least biennially on the knowhows of appropriate management and disposal of biohazardous waste to prevent any potential health threats posed to patients, the community and environment.

MANAGEMENT OF THE ISSUER

BOARD OF DIRECTORS

The Board of Directors of the Issuer is entrusted with the responsibility for the overall management of the Group. The particulars of the Directors of the Issuer are listed below:

Name	Position
Tony Tan Choon Keat	Non-executive Chairman
Dr Beng Teck Liang(1)	Executive Director and Chief Executive Officer
Nam Su Youn	Non-Executive Director
Yoon Kyeong Wook	Non-Executive Director
Chung Min Soo(2)	Director

Notes:

(1) Dr Beng Teck Liang is the son of Dr Jimmy Beng Keng Siew, an employee who leads the Issuer's urology practice, SMG Urology Centre with Beng Surgery.

(2) The appointment of Mr Chung Min Soo as Director of the Issuer is in process.

Mr Tony Tan Choon Keat

Mr Tan has been the Non-Executive Chairman of the Issuer since 2013 and is responsible for providing leadership to the Board of Directors and overall strategic guidance.

Mr Tan was a Non-Independent Non-Executive Director of IGB Corporation Bhd until 2019. He was the founder and Managing Director of Parkway Holdings Limited until 2000, following which he took up the role of Deputy Chairman until his retirement in 2005.

During his service at Parkway Holdings Limited, he initiated acquisitions and developments by Parkway Holdings Limited both in Singapore and overseas to build its healthcare franchise from a property developer to one of the largest private healthcare providers in Asia. He was also the Chairman and a major shareholder of Island Hospital Sdn Bhd in Malaysia until 2015. He holds a Bachelor of Chemical Engineering from the University of Surrey, England and a Master of Business Administration degree from the University of California, Berkeley, United States.

Dr Beng Teck Liang

Dr Beng has been the Chief Executive Officer and Executive Director of the Issuer since 2013. He has led multi-billion dollar businesses and large teams in the information technology and healthcare sectors across Asia Pacific and Japan over the last two decades as a senior manager in multi-national corporations like Hewlett Packard and General Electric.

Dr Beng started his professional career as a Medical Officer with the Singapore Ministry of Health after graduating from the University of Manchester Medical School in the United Kingdom. He also holds a Master of Business Administration degree from the Booth School of Business, University of Chicago and is an alumnus of Harvard Business School.

Mr Chung Min Soo

Mr Chung is the Chief Executive Officer of CSG, a Director of CFC and a Director of the Issuer.

Mr Chung is responsible for CHA's international investments and oversees the strategic expansion of the various businesses consolidated under CSG. Prior to his current role, he was Managing Partner of Altamira Partners Pte Ltd where he also worked alongside CHA and the Issuer to drive value creation and oversee various growth initiatives including international opportunities and partnerships in IVF and other specialist segments.

Mr Chung previously worked at The Blackstone Group and Comprador Limited in Hong Kong, where he was primarily engaged in investments and cross-border mergers and acquisitions with a focus on North Asian markets. Prior to this, Mr Chung worked in the Investment Banking Division at Citigroup Global Markets.

Mr Chung has a Bachelor of Arts degree in Economics from Duke University and a Master's degree in International Studies from Yonsei University.

Mr Yoon Kyeong Wook

Mr Yoon is the Chief Executive Officer of CHA Healthcare Co., Ltd. ("**CHC**") and has been responsible for all global healthcare operations of CHA Medical Group since 2006.

Mr Yoon previously held several key executive positions within CHA Medical Group, including at CHA Biotech Co., Ltd. ("**CHA Biotech**") as Chief Financial Officer. Prior to joining CHA, Mr Yoon worked at Samsung Electronics and Fairchild Semiconductor in various finance-related roles.

Mr Yoon holds a Bachelor of Arts degree in Business Administration from Korea University and a Master of Business Administration degree from CHA University's CHA-Bio MBA program.

Dr Nam Su Youn

Dr Nam Su Youn is president and head of research and development at CHA Biotech and the chief technology officer of CHA Bio Group.

Prior to joining CHA Biotech in 2024, Dr Nam was involved in new drug development at Roche and Yuhan Corporation in Bristol-Myers Squibb in the United States. She helped to develop the 'Leclaza' treatment for non-small cell lung cancer approved in 2021 by the Food and Drug Administration of the United States.

Dr Nam graduated from Yonsei University College of Medicine where she earned Doctor of Medicine degree and a Doctor of Philosophy degree in Endocrinology and completed her post-doctorate research at Karolinska University Hospital in Sweden.

SENIOR MANAGEMENT

The Group's daily operations are managed by a skilled and experienced team of Executive Officers. Details about the Executive Officers are provided below:

Name	Title
Dr Beng Teck Liang	Chief Executive Officer
Mr Alex Lee Tiong Wee	Chief Financial Officer
Ms Germaine Song Meow Ling	Senior Vice President, Commercial (SMG) and head of Lifescan Imaging
Dr Christina Low	Vice President, Clinical Affairs
Mr Mahathir Jamah	Vice President, Group Operations
Ms Olivia Lua	Director, Human Resources

Dr Beng Teck Liang

See "*Board of Directors – Dr Beng Teck Liang*" above for information on Dr Beng Teck Liang.

Mr Alex Lee Tiong Wee

Mr Lee has been the Chief Financial Officer of the Issuer since 2023 and is responsible for providing leadership to the Group's financial and management reporting, corporate finance, treasury, and corporate and regulatory compliance of the Group.

Prior to joining SMG, Mr Lee was the Chief Financial Officer of Tricor Singapore, a leading provider of integrated business, corporate, investor, human resources and payroll services in the region. He started his career with PricewaterhouseCoopers Singapore in Audit and Assurance and has more than 20 years of finance and accounting experience across various industries. In addition, Mr Lee also served as a member of the Accounting Technicians Learning and Development Board of the Institute of Singapore Chartered Accountants until 2020. Mr Lee graduated with an Honours degree in Accountancy from Nanyang Technological University and is a member of the Institute of Singapore Chartered Accountants.

Ms Germaine Song Meow Ling

Ms Song has been the Senior Vice President, Commercial, of the Issuer since 2022 and is responsible for leading the commercial function of the Group. As head of Lifescan Imaging, Ms Song is also in charge of overseeing the operational strategy of Lifescan Imaging, ensuring better synergies and efficiencies between sales, marketing functions and the operations team.

Ms Song has over 15 years of experience in the trade partnership and business development space across various industries, including food and travel, integrated resorts and the public sector, holding various senior executive appointments. In her most recent role with Michelin Food & Travel, Ms Song headed the regional business development and sponsorship sales for Michelin Guide and Robert Parker Wine Advocate and was responsible for business-to-business sales and partnership marketing with diverse industries, including financial institutions and fast-moving consumer goods. Since joining the Group, Ms Song has played a pivotal role in the development of new partnerships and account management with major stakeholders and referring clinics.

Ms Song graduated from the National University of Singapore with a Bachelor of Social Sciences.

Dr Christina Low Bee Lee

Dr Low first joined the Issuer in 2014 and rejoined in 2024 as the Vice President of Clinical Affairs. She is responsible for leading the Lifescan Medical & Wellness business and handling all matters relating to clinical excellence and quality of care.

Dr Low has more than 20 years of experience in clinical practice and more than 10 years of experience in senior management.

In 2019, she co-founded HiDoc, a telemedicine mobile application, and was previously the managing director of the Issuer, as well as a healthcare subject matter expert for Accenture. She has held leadership positions on various medical boards and clinical governance committees across medical and healthcare institutions in the public and private sectors. She has a Bachelor of Medicine and Bachelor of Surgery from The Royal College of Surgeons in Ireland, along with dual Master of Healthcare Administration and Master of Business Administration degrees.

Ms Olivia Lua Peng Hui

Ms Lua has been the Director of Human Resources of the Issuer since 2024 and is responsible for overseeing matters relating to the Issuer's workforce. She has more than 20 years of experience in human resources across diverse industries, and has been in charge of human resources at multinational corporations, financial institutions, investment holding companies, and public listed companies.

Ms Lua graduated with an Honours degree in Economics and Accounting from University of London.

Mr Mahathir Jamah

Mr Mahathir has been the Vice President of Group Operations of the Issuer since 2024 and is responsible for developing strategic initiatives to further enhance the Group's performance and efficiency. He first joined the Issuer in 2013, where he contributed to the Group's growth and operational improvements across Information Technology, Procurement, Projects, Facilities, and Business Development functions in Singapore and Southeast Asia. He later served as General Manager for Asia at Cardioscan, a provider of cardiac monitoring technology and services. Mr Mahathir returned to the Issuer in 2024 and was appointed as the Vice President of Group Operations.

He holds a degree in Accountancy and Financial Management from the University of Portsmouth.

INFORMATION ON THE GUARANTOR

Establishment

CGIF, a trust fund of the Asian Development Bank, was established by the 10 members of the Association of Southeast Asian Nations ("**ASEAN**") together with the People's Republic of China ("**PRC**"), Japan, Republic of Korea (the "**ASEAN+3**") and the Asian Development Bank in 2010. The 10 members of ASEAN consist of Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic ("**Lao PDR**"), Malaysia, Republic of the Union Myanmar, Philippines, Singapore, Thailand and Vietnam.

CGIF was established in November 2010 to promote economic development, stability and resilience of financial markets in the ASEAN+3 region (the "**Region**"). The main function of CGIF is to provide credit guarantees for local currency denominated bonds issued in the Region by corporations in the Region.

Shareholding Structure

CGIF's guarantees are backed by U.S.$1,158 million of paid-in capital from its sovereign government contributors and the Asian Development Bank. Neither the Asian Development Bank nor the other contributors are liable for the obligations of CGIF.

CGIF Shareholding Structure as at 4 November 2024

CGIF Contributors	**Contribution** *(U.S.$)*	**Shareholding Percentage** *(%)*
People's Republic of China	342,800,000	29.60
Japan	342,800,000	29.60
Asian Development Bank	180,000,000	15.54
Republic of Korea	171,400,000	14.80
Indonesia	30,600,000	2.64
Malaysia	17,600,000	1.52
Philippines	21,600,000	1.87
Singapore	21,600,000	1.87
Thailand	21,600,000	1.87
Brunei Darussalam	5,600,000	0.48
Vietnam	1,900,000	0.16
Cambodia	200,000	0.02
Lao People's Democratic Republic	200,000	0.02
Republic of the Union Myanmar	100,000	0.01
Total	**1,158,000,000**	**100.00**

Governance Structure

CGIF has a governance structure comprising of oversight by the: (i) Meeting of Contributors; (ii) Board of Directors; and (iii) Board Committees (Internal Control and Risk Management, Nomination and Remuneration and Audit).

The Board of Directors is comprised of eight Contributor-appointed members, including the Chief Executive Officer. Each of the PRC and Japan are entitled to nominate two Directors. The Republic of Korea is entitled to nominate one Director. The Asian Development Bank, and the ASEAN countries representing Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam are each entitled to one nomination.

The Board of Directors is accountable and reports to the Contributors on the operations and performance of management and of CGIF.

Board of Directors	Members Represented
Ms. Shuo Zhang	PRC
Ms. Minweng Zhang	PRC
Ms. Kazuko Sakuma (Chairperson)	Japan
Mr. Shunichi Takenaka	Japan
Mr. Sang-Hun Kim	Korea
Mr. Shum Jin-Chyi Kevin	ASEAN – Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam
Mr. Craig Roberts	Asian Development Bank
Mr. Hongwei Wang	CGIF Management

CGIF is led by an internationally recruited management team with experience in development banking, risk management, and credit assessment through senior positions in the Export-Import Bank of China, Asian Development Bank, Mitsubishi UFJ Financial Group, Bank of the Philippines Islands, Danajamin Nasional Berhad, Hong Leong Bank Berhad, Standard Chartered Bank, Citibank and Société Générale.

The executive decision-making powers of CGIF, and the day-to-day management of CGIF, are mandated and vested to the Chief Executive Officer. The Chief Executive Officer is recommended by the Board of Directors and approved by the Meeting of Contributors. He is the legal representative of CGIF. The Chief Executive Officer heads the management team currently comprising the Deputy Chief Executive Officer/Chief Risk Officer, Chief Credit-risk Officer, Vice President Operations, Chief Financial Officer, General Counsel & Board Secretary, Corporate Planner and Head of Budget, Planning, Personnel and Management Systems and Internal Auditor.

Name	Position
Mr. Hongwei Wang	Chief Executive Officer
Mr. Mitsuhiro Yamawaki	Deputy Chief Executive Officer/Chief Risk Officer
Mr. Aarne Dimanlig	Chief Credit-risk Officer
Mr. Anuj Awasthi	Vice President Operations
Mr. Dong Woo Rhee	Chief Financial Officer
Mr. Gene Soon Park	General Counsel & Board Secretary
Mr. Hou Hock Lim	Corporate Planner and Head of Budget, Planning, Personnel and Management Systems
Ms. Jackie Jeong-Ae Bang	Internal Auditor

Credit Strength

CGIF is rated by international and domestic credit rating agencies.

Credit Rating Agency	Scale	Rating	Outlook	Date Reviewed
Standard & Poor's	Global Long Term/ Short Term	AA/A-1+	Stable	28 February 2024
RAM Ratings	Global/ASEAN/ National	gAAA/ seaAAA/ AAA	Stable	4 December 2023
TRIS Ratings	National	AAA	Stable	21 November 2023
Fitch Ratings Indonesia	National	AAA	Stable	22 December 2023
Pefindo Credit Rating Agency	National	idAAA	Stable	14 August 2024

Guarantee Business

CGIF's guarantee portfolio is limited to a leverage ratio of 2.5 times of its paid in capital of U.S.$1,158 million as at 5 October 2024, plus (a) retained earnings, plus (b) reserves, less (c) net credit loss reserves, less (d) foreign exchange loss reserves, less (e) all illiquid assets. CGIF conducts its guarantee operations by adhering to its risk management framework consisting of: (i) credit guarantee process; (ii) credit guarantee portfolio management; (iii) risk reporting; and (iv) safeguards standards, among others.

Guarantee Portfolio

As of 04 November 2024, the following are the guarantees outstanding which have been extended by CGIF with respect to bonds issued by issuers in the ASEAN region:

Issue Date	Issuer	Note Issuance Venue	Issue Size[(1)]	% Guaranteed by CGIF	Issue Rating	Tenor
18 October 2024	Precious Shipping Public Company Limited	Thailand	Thai Baht 680 million	100%	AAA (TRIS Rating)	5 years
18 October 2024	Precious Shipping Public Company Limited	Thailand	Thai Baht 680 million	100%	AAA (TRIS Rating)	10 years
8 August 2024	Vongsayam Korsang Co., Ltd	Thailand	THB342.9 million	100%	AAA (tha) (Fitch)	3 years
8 August 2024	Vongsayam Korsang Co., Ltd	Thailand	THB634.8 million	100%	AAA (tha) (Fitch)	5 years
8 August 2024	Vongsayam Korsang Co., Ltd	Thailand	THB488.5 million	100%	AAA (tha) (Fitch)	7 years
8 August 2024	Vongsayam Korsang Co., Ltd	Thailand	THB489.6 million	100%	AAA (tha) (Fitch)	10 years
9 July 2024	PT Steel Pipe Industry of Indonesia TBK	Indonesia	IDR33.78 billion	100%	AAA (Pefindo)	3 years
9 July 2024	PT Steel Pipe Industry of Indonesia TBK	Indonesia	IDR766.22 billion	100%	AAA (Pefindo)	5 years

Issue Date	Issuer	Note Issuance Venue	Issue Size[1]	% Guaranteed by CGIF	Issue Rating	Tenor
9 July 2024	PT Steel Pipe Industry of Indonesia TBK	Indonesia	IDR200 billion	100%	AAA (Pefindo)	7 years
25 June 2024	HSBC Institutional Trust Services (Singapore) Limited, as Trustee of Sabana Industrial Real Estate Investment Trust ("Sabana Industrial REIT")	Singapore	SGD100 million	100%	AA (S&P)	5 years
20 June 2024	Royal Group Phnom Penh SEZ Plc.	Cambodia	KHR41 billion	100%	khAAA (RAC)	5 years
30 May 2024	Thonburi Healthcare Group Public Company Limited	Thailand	THB700 million	100%	AAA (tha) (Fitch)	3 years
30 May 2024	Thonburi Healthcare Group Public Company Limited	Thailand	THB1 billion	100%	AAA (tha) (Fitch)	5 years
5 March 2024	Daewoo Engineering & Construction Co., Ltd.	Singapore	SGD150 million	100%	AA (S&P)	5 years
15 February 2024	Hektar Real Estate Investment Trust	Malaysia	MYR215 million	100%	AAA (RAM)	5 years
29 December 2023	Telcotech Limited	Cambodia	KHR82.3 billion	100%	khAAA (RAC)	5 years
28 December 2023	Tecomen Joint Stock Company	Vietnam	VND200 billion	100%	Unrated	5 years
15 December 2023	CIA First International School Co., Ltd.	Cambodia	KHR41.25 billion	100%	khAAA (RAC)	5 years
14 December 2023	A&A Green Phoenix Group Joint Stock Company	Vietnam	VND600 billion	100%	Unrated	7 years
14 December 2023	A&A Green Phoenix Group Joint Stock Company	Vietnam	VND300 billion	100%	Unrated	7 years
8 December 2023	PT Adhi Commuter Properti TBK	Indonesia	IDR15.7 billion	100%	AAA (Pefindo)	3 years
8 December 2023	PT Adhi Commuter Properti TBK	Indonesia	IDR484.2 billion	100%	AAA (Pefindo)	5 years
22 November 2023	Yoma Strategic Holdings Ltd.	Thailand	THB1.275 billion	100%	AAA (Tris Rating)	3 years
22 November 2023	Yoma Strategic Holdings Ltd.	Thailand	THB425 million	100%	AAA (Tris Rating)	5 years
2 November 2023	INTI Universal Holdings Sdn Bhd	Malaysia	MYR165 million	100%	AAA (RAM)	5 years

Issue Date	Issuer	Note Issuance Venue	Issue Size[(1)]	% Guaranteed by CGIF	Issue Rating	Tenor
29 September 2023	Hope Education Group Co., Ltd.	Thailand	THB1,300 million	100%	AAA (Tris Rating)	3 years
24 August 2023	Erajaya Digital Pte. Ltd.	Singapore	SGD50 million	100%	AA (S&P)	3 years
23 June 2023	Apeiron Agrocommodities Pte Ltd.	Singapore	SGD50 million	100%	AA (S&P)	5 years
19 April 2023	China Education Group Holdings Limited	Singapore	Offshore Renminbi (CNY) 500 million	100%	AA (S&P)	3 years
27 January 2023	SNC Former Public Company Limited	Thailand	THB1 billion	100%	AAA (Tris Rating)	5 years
7 April 2022	First Real Estate Investment Trust	Singapore	SGD100 million	100%	AA (S&P)	5 years
22 March 2022	China Education Group Holdings Limited	Singapore	Offshore Renminbi (CNY) 500 million	100%	AA (S&P)	3 years
4 March 2022	PT Polytama Propindo	Indonesia	IDR110.25 billion[(4)]	100%	AAA (Pefindo)	5 years
1 December 2021	JWD InfoLogistics Public Company Limited[(2)]	Thailand	THB1.2 billion	100%	AAA (Fitch)	9 years
11 November 2021	Thaifoods Group Public Company Limited	Thailand	THB1 billion	100%	AAA (TRIS)	5 years
8 September 2021	PT Polytama Propindo	Indonesia	IDR223 billion	100%	AAA (Pefindo)	5 years
8 September 2021	PT Polytama Propindo	Indonesia	IDR56 billion[(4)]	100%	AAA (Pefindo)	5 years
25 August 2021	Telcotech Ltd.	Cambodia	KHR80 billion	100%	Unrated	5 years
5 March 2021	JWD InfoLogistics Public Company Limited[(2)]	Thailand	THB700 million	100%	AAA (Fitch)	5 years
8 January 2021	PT Ketrosden Triasmitra	Indonesia	IDR168 billion	100%	AAA (Pefindo)	5 years
24 December 2020	GLP Pte. Ltd.	Japan	JPY15.4 billion	100%	AA (S&P)	9 years
9 April 2020	RMA (Cambodia) PLC	Cambodia	KHR80 billion	100%	Unrated	5 years
10 January 2020	Energy Absolute Public Company Ltd.	Thailand	THB3.0 billion	50% risk participation with ADB	A (Tris Rating)	7 years
8 January 2020	Thaifoods Group Public Company Limited	Thailand	THB2.0 billion	100%	AAA (Tris Rating)	5 years
31 December 2019	GELEX Group Joint Stock Company	Vietnam	VND1.15 trillion	100%	Unrated	10 years
24 December 2019	Hong Phong 1 Energy JSC	Vietnam	VND400 billion	100%	Unrated	5 years
24 December 2019	Hong Phong 1 Energy JSC	Vietnam	VND2.15 trillion	100%	Unrated	15 years

Issue Date	Issuer	Note Issuance Venue	Issue Size[(1)]	% Guaranteed by CGIF	Issue Rating	Tenor
3 December 2019	Nexus International School (Singapore) Pte. Ltd.	Singapore	SGD150 million	100%	AA (S&P)	12 years
28 January 2019	Refrigeration Electrical Engineering Corporation	Vietnam	VND2.318 trillion	100%	Unrated	10 years
5 October 2018	Hoan My Medical Corporation	Vietnam	VND1.4 trillion	100%	Unrated	7 years
18 February 2016	Vingroup Joint Stock Company	Vietnam	VND1.05 trillion	100%	Unrated	10 years
7 October 2015	IVL Singapore Pte. Ltd, a subsidiary of Indorama Ventures Public Company Limited	Singapore	SGD195 million	100%	AA (S&P)	10 years
5 December 2014	Masan Consumer Holdings Company Limited	Vietnam	VND2.1 trillion	100%	Unrated	10 years
27 November 2014	Protelindo Finance BV[(3)]	Singapore	SGD180 million	100%	AA (S&P)	10 years

Notes:

(1) IDR refers to Indonesian Rupiah, PHP refers to Philippine Peso, SGD refers to Singapore dollars, THB refers to Thai Baht, VND refers to Vietnamese Dong, KHR refers to Cambodian Riel, JPY refers to Japanese Yen, CNY refers to Offshore Renminbi, and MYR refers to Malaysian Ringgit.

(2) Change of issuer of the bonds from JWD InfoLogistics Public Company Limited to SCGJWD Logistics Public Company Limited effective 14 February 2023.

(3) Change of issuer of the bonds from Protelindo Finance B.V. to PT Professional Telekomunikasi Indonesia effective 3 August 2016.

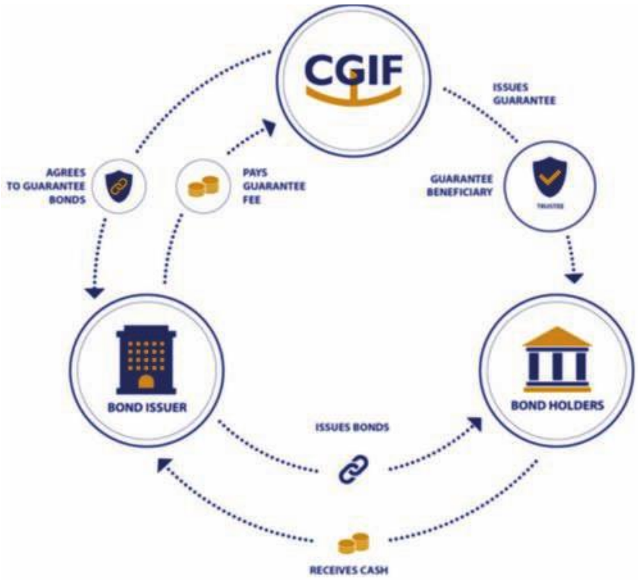
(4) Refers to ijarah sukuk issuances.

Guarantee Structure

CGIF's bond guarantee operation is aimed at supporting ASEAN+3 corporations to access the Region's bond markets to achieve the following benefits:

- expand and diversify their sources of debt capital;
- raise funds in matching currencies and tenors;
- transcend country sovereign ceilings for cross-border transactions; and
- gain familiarity in new bond markets and broader investor groups.

The guarantees issued by CGIF are irrevocable and unconditional commitments to pay bondholders upon non-payment by the issuers throughout the tenor of the bonds. This commitment is backed by CGIF's equity capital which has been fully paid-in by all of its contributors. CGIF's general bond guarantee structure is illustrated below.



To ensure applicability of the guarantee in multiple jurisdictions in the ASEAN+3 countries, some variations to the above structure may be incorporated to accommodate the established market norms.

Bond issuances that can be considered for CGIF guarantees are limited to the following parameters:

- group exposure/single borrow limit is up to U.S.$231.6 million;

- bond tenor of up to 15 years, subject to conditions on credit rating and transaction structure; and

- for foreign currency denominated issuance, the borrowing entity should be adequately hedged, naturally or financially, on such currency (for example, via entity's sales receipts, inward foreign currency remittances, or financial hedge arrangements).

CGIF started its guarantee operations with a full guarantee for standard corporate bonds issued by corporations in the Region. With the experience gained from offering a full wrap guarantee, CGIF may also explore other alternatives including partial guarantees and other risk sharing mechanisms depending on the market opportunities and acceptability of such an arrangement. CGIF also guarantees project bonds to help develop them in the relevant markets in the Region.

Capital and Liquidity Guidelines

CGIF has investment strategies and liquidity guidelines for the management of its capital resources, where investments are focused on low-risk and highly liquid assets, such as government-related securities and/or highly rated securities which are internationally rated "A+" or higher for long-term instruments issued by government related entities of CGIF contributor countries, "AA-" or higher for those issued by others, and "A-1" or higher for short-term instruments. In order for CGIF to raise enough funds in a contingent case where a guarantee is called, CGIF also implemented the following:

(i) Quarterly stress test, where CGIF's funding capability is tested by liquidating its investment portfolio in a stress environment.

(ii) Quarterly liquidity gap reports, where monthly cash surplus from all projected cash in/out flows related to all CGIF operations and activities are checked.

Selected Financial Information

A summary of the statement of financial position, income statement, and cash flows as at, and for each of the years ended 31 December 2022 and 2023 have been extracted from CGIF's financial statements for the years ended 31 December 2022 and 2023 and presented as follows:

Statement of Financial Position Summary

	As at 31 December	
	2022	**2023**
	(in thousands of U.S. dollars)	
Statement of Financial Position:		
Assets:		
Cash	9,342	5,811
Investments	1,182,301	1,261,641
Accrued interest income	8,236	9,166
Guarantee fee receivable, net	57,248	54,724
Guarantee receivable, net	45,335	54,087
Other assets, net	2,539	1,987
Total assets	**1,305,001**	**1,387,416**
Liabilities and Member's equity:		
Guarantee liability	66,435	65,081
Other liabilities	15,334	19,868
Total liabilities	**81,769**	**84,949**
Member's equity:		
Capital stock (Paid-in capital)	1,148,899	1,158,000
Accumulated other comprehensive income:		
investment revaluation reserve	(78,750)	(52,608)
Reserves & retained earnings	153,083	197,075
Total member's equity	**1,223,232**	**1,302,467**
Total liabilities and members' equity	**1,305,001**	**1,387,416**

Statement of Net Income and Comprehensive Income Summary

	For the years ended 31 December 2022	2023
	(in thousands of U.S. dollars)	
Statement of Net Income:		
Guarantee fees	20,034	20,535
Interest income	28,458	37,451
Miscellaneous income	2,608	511
Total revenue	51,100	58,497
Total expenses	(35,937)	(13,582)
Net operating income	15,163	44,915
Loss from foreign exchange	(1,329)	(923)
Net income	13,834	43,992
Statement of Comprehensive Income:		
Net unrealised loss on investments measured at FVTOCI	(94,863)	26,142
Total comprehensive income	**(81,029)**	**70,134**

Statement of Cash Flow Summary

	For the years ended 31 December 2022	2023
	(in thousands of U.S. dollars)	
Statement of Cash Flow:		
Net cash flows from operating activities	27,577	8,530
Net cash flows from investing activities	(39,085)	(20,968)
Net cash flows from financing activities	11,737	8,927
Effect of exchange rate changes on cash	(41)	(20)
Net cash movement	188	(3,531)
Cash at beginning of period	9,154	9,342
Cash at end of period	**9,342**	**5,811**

Audited Financial Statement for the Years ended 31 December 2022 and 2023

CGIF's financial statements are prepared and presented in accordance with IFRS and audited by Deloitte & Touche LLP. The independent auditors' report accompanying CGIF's financial statements for the years ended 31 December 2022 and 2023 of CGIF are available at the following website page: http://www.cgif-abmi.org/investors/financial-statements.

All of the information on the Guarantor under this section has been provided by CGIF. Information in respect of the Issuer contained in this Offering Circular has not been verified by the Guarantor. None of the Guarantor, its management nor its employees take any responsibility, expressed or implied, for any information contained in this Offering Circular, other than the information contained in this Section entitled "*Information on the Guarantor*". In addition, none of the foregoing parties has taken any steps to verify the accuracy of any of the information included in this Offering Circular, other than the information contained in this Section entitled "*Information on the Guarantor*", and no representation or warranty, express or implied, is made by any such parties as to the accuracy or completeness of the information contained in this Offering Circular.

DESCRIPTION OF THE CGIF GUARANTEE

The following contains summaries of certain key provisions of the CGIF Guarantee and related provisions of the Trust Deed. Such statements do not purport to be complete and are qualified in their entirety by reference to the CGIF Guarantee and the Trust Deed. Defined terms used in this section shall have the meanings given to them in the CGIF Guarantee, the Conditions and the Trust Deed. All references to a "Condition" are to a condition in the Conditions.

Guaranteed Amounts

Pursuant to the CGIF Guarantee, CGIF will irrevocably and unconditionally guarantee to the Trustee the full and punctual payment of each Guaranteed Amount.

For the purposes of the CGIF Guarantee, "**Guaranteed Amount**" means:

- any Principal Amount and any Scheduled Interest which is overdue and unpaid (whether in whole or in part) by the Issuer under the Conditions and the Trust Deed;

- any Additional Accrued Interest; and

- any Trustee Expenses,

(in each case as defined in the CGIF Guarantee).

The Guaranteed Amount does not include, and the CGIF Guarantee will not cover, any amounts that become payable under the Bonds on an accelerated basis at the instigation of the Issuer, including, without limitation, as a result of the Issuer's voluntary redemption of the Bonds (whether in full or part) prior to the Maturity Date.

Missed Payment Event

Subject to clause 2.1 (*Guarantee*) of the CGIF Guarantee and clause 3.2 (*Missed Payment Event*) and clause 3.3 (*Acceleration*) of the Trust Deed, if a Missed Payment Event (as defined in the Conditions) has occurred and is continuing, CGIF shall pay the Guaranteed Amount relating to the Missed Payment Event to the Guaranteed Party or to its order within 30 calendar days of such Missed Payment Event.

If CGIF fails to make a payment in accordance with the preceding paragraph, CGIF will pay interest on the overdue Guaranteed Amount (other than any Trustee Expenses) for the period from (and including) the date the relevant Non-Payment Event (as defined in the Conditions) occurred to (but excluding) the Guarantor Payment Date at the Guarantor Default Rate.

CGIF will pay interest on the overdue Trustee Expenses from the period from (and including) the date the relevant Non-Payment Event occurred to (but excluding) the Guarantor Payment Date at the rate of the Trustee's cost of funds, **provided that** the Trustee furnishes evidence as to its cost of funds to the reasonable satisfaction of CGIF.

Notwithstanding the above, following the receipt by CGIF of a Missed Payment Notice (as defined in the Trust Deed) in accordance the Trust Deed and at any time prior to the date on which a Guaranteed Amount is due for payment:

- if the Paying Agent subsequently receives payment in full or in part in respect of a Guaranteed Amount from a source other than CGIF, the Paying Agent shall as soon as reasonably practicable notify the Issuer, CGIF and the Trustee of such payment; and

- upon receipt of the notice referred to above, the obligation of CGIF to pay the Guaranteed Amount specified in the relevant Missed Payment Notice shall, in respect of any payment received in part by the Paying Agent, be reduced by the corresponding amount received by the Paying Agent or, in respect of any payment received in full by the Paying Agent, be terminated in respect of such payment due date.

Guaranteed Party Acceleration

Pursuant to the Trust Deed, the Trustee shall not be entitled to take an Acceleration Step (as defined in the Trust Deed) unless CGIF has failed to make payment of a Guaranteed Amount such that a Non-Payment Event has occurred and is continuing (a "**Guaranteed Party Acceleration**"). Pursuant to the Trust Deed, neither the Trustee nor any Bondholder shall be entitled to take an Acceleration Step against the Issuer or CGIF unless a Guaranteed Party Acceleration has occurred or with the prior written consent of the Guarantor and, in the event that any such Acceleration Step is taken in contravention of such provision, CGIF shall not be required to pay any amounts in respect of such Acceleration Step.

Upon the occurrence of a Guaranteed Party Acceleration and if the Guaranteed Amounts are not paid by the Issuer in accordance with the Conditions and the Trust Deed following such Guaranteed Party Acceleration, the Trustee may at its sole discretion and, if so requested in writing by holders of at least 25 per cent. of the aggregate principal amount of the outstanding Bonds or if so directed to do so by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction in all cases) deliver in accordance with the Trust Deed a Guaranteed Party Acceleration Notice (substantially in the form of Schedule 6 (*Form of Guaranteed Party Acceleration Notice*) to the Trust Deed) in respect of the aggregate of the unpaid Guaranteed Amounts and the Guarantor Default Interest Amount (if any) to be paid by CGIF in accordance with the CGIF Guarantee.

Limited Rights Of Acceleration

The Trustee's and the Bondholders' acceleration rights against the Issuer and CGIF are limited pursuant to the Trust Deed, as described under "*Guaranteed Party Acceleration*" above. In particular, potential investors should note that the Trustee and the Bondholders are not permitted to accelerate upon the occurrence of any of the Events of Default set out in Condition 10 (*Events of Default*) other than in relation to Condition 10(a)(i) (*Non-Payment*) of the Conditions.

CGIF's Obligations under the CGIF Guarantee are not impacted by its or the Issuer's Insolvency Or Winding-Up

CGIF has agreed under the CGIF Guarantee that its obligations will not be affected by and shall remain in force notwithstanding by any act, omission, event or thing of any kind which, but for the relevant provision set out in the CGIF Guarantee would reduce, release or prejudice any of its obligations under the CGIF Guarantee including, among other things, in the event of any insolvency or similar proceedings affecting the Issuer or CGIF.

Investors should, however, note that the CGIF Guarantee is a secondary obligation only under English law, being the governing law of the CGIF Guarantee. In the event that the Issuer's obligations under the Bonds, the Trust Deed and/or the Agency Agreement (being the primary obligations which are the subject of the CGIF Guarantee) cease to exist for any reason (for example, because they are held to be void for lack of capacity or illegality) the Trustee and the Bondholders may not be able to make a claim under the CGIF Guarantee for any Guaranteed Amount. See "*Risk Factors – The obligations of the Guarantor under the CGIF Guarantee are secondary obligations only, dependent on the existence of the obligations of the Issuer under the Bonds*").

CGIF Acceleration

At any time following the occurrence of a CGIF Acceleration, CGIF may at its discretion require the Issuer to redeem the Bonds in whole, but not in part only, at their outstanding principal amount, together with interest accrued but unpaid to the date fixed for redemption on giving not less than seven (7) nor more than fifteen (15) days' notice to the Issuer, the Trustee and the Paying Agent in accordance with the Condition 16 (*Notices*), following which the Issuer shall immediately, or if the Issuer fails to do so CGIF may, give notice to the Bondholders, the Trustee and the Paying Agent (which notice shall be irrevocable).

A "**CGIF Acceleration**" occurs if the Issuer or CGIF notifies the Trustee immediately before the giving of such notice that:

(i) an Issuer Event of Default has occurred;

(ii) a Missed Payment Event has occurred and is continuing and irrespective of whether or not CGIF has already paid any Guaranteed Amounts in respect of such Missed Payment Event; or

(iii) any term or provision of the Conditions, the Trust Deed or the Agency Agreement has been amended, modified, varied, novated, supplemented, superseded, waived or terminated without the prior written consent of CGIF as required pursuant to the terms of the CGIF Guarantee, the Conditions, Trust Deed or the Agency Agreement, as the case may be;

and CGIF has delivered a CGIF Acceleration Notice (substantially in the form of Schedule 5 (*Form of CGIF Acceleration Notice*) to the Trust Deed) to the Trustee in accordance with the Trust Deed.

The CGIF Acceleration Notice will, among other things, contain a written confirmation that CGIF will pay all outstanding Guaranteed Amounts.

Reimbursement And Indemnity Agreement

The Issuer, its subsidiaries and the Guarantor have entered into a reimbursement and indemnity agreement (the "**Reimbursement and Indemnity Agreement**") which, among other things, specifies the payment of guarantee fees and other amounts in respect of the CGIF Guarantee and the basis on which amounts paid by the Guarantor under the CGIF Guarantee are to be reimbursed and indemnified by the Issuer and certain of the Issuer's affiliates.

Risk Sharing Arrangements – Standby Letter of Credit

On the date of issue of the Bonds, each of DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited (in such capacity, the "**SBLC Banks**" and each, an "**SBLC Bank**") will issue an irrevocable standby letter of credit (each, an "**SBLC**" and together, the "**SBLCs**") in favour of the Guarantor. In the event the principal amount under the Bonds in respect of a Missed Payment Event or a Mandatory Redemption Missed Payment Event has been paid by CGIF, pursuant to the terms of the SBLCs, the Guarantor will have a right to demand payment from the SBLC Banks for an aggregate amount no more than 20 per cent. (20%) of the aggregate principal amount of the Bonds on account of payments made by the Guarantor under the CGIF Guarantee in respect of the principal amount outstanding under the Bonds (but not in respect of any liability under the CGIF Guarantee for any coupon payment under the Bonds). For the avoidance of doubt, the SBLC is given for the benefit of CGIF only and not for the benefit of Bondholders, who have recourse only to the Issuer and CGIF under the terms of the Bonds and the CGIF Guarantee, respectively. None of the SBLC Banks are providing any form of credit support (including, without limitation, under the terms of the SBLC issued by it) for the obligations of either the Issuer (under the Bonds) or CGIF (under the CGIF Guarantee), and Bondholders do not therefore have any recourse against the SBLC Banks under the terms of the Bonds, the CGIF Guarantee, the SBLCs or any other transaction document relating to the issuance of the Bonds.

TAXATION

Singapore Taxation

The following summary is based on tax laws of Singapore as in effect on the date of this Offering Circular, and is subject to changes in Singapore laws, including changes that could have retroactive effect. The following summary does not take into account or discuss the tax laws of any countries other than Singapore. Prospective purchasers in all jurisdictions are advised to consult their own tax advisers as to Singapore or other tax consequence of the acquisition, ownership and disposition of the Bonds.

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore ("**IRAS**") and the MAS in force as at the date of this Offering Circular, and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities scheme for early redemption fee (as defined in the Income Tax Act) and redemption premium (as such term has been amended by the Income Tax Act). These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Bonds or of any person acquiring, selling or otherwise dealing with the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Bonds and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s) or hold a specified licence) may be subject to special rules or tax rates. The statements herein should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective holders of the Bonds are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the subscription for, acquisition, ownership or disposal of the Bonds, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor, the Lead Managers and Bookrunners or any other persons involved in the issuance of the Bonds accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Bonds.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is the prevailing corporate tax rate, 17 per cent. The applicable rate for non-resident individuals is currently 24 per cent.

However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

As each Lead Manager and Bookrunner is a Specified Licensed Entity (as defined below) and the Bonds are issued as debt securities before 31 December 2028, the Bonds would be qualifying debt securities ("**QDS**") for the purposes of the Income Tax Act, to which the following treatment shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Bonds in the prescribed format within such period as MAS may specify and such other particulars in connection with the Bonds as MAS may require, and the inclusion by the Issuer in all offering documents relating to the Bonds of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Bonds is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Bonds using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the "**Qualifying Income**") from the Bonds paid by the Issuer and, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Bonds are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore income tax;

(b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Bonds in the prescribed format within such period as MAS may specify and such other particulars in connection with the Bonds as MAS may require), Qualifying Income from the Bonds paid by the Issuer and derived by any company or body of persons (as defined in the Income Tax Act) in Singapore, other than any non-resident who qualifies for the tax exemption as described in paragraph (a) above, is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

   (a) the Issuer including in all offering documents relating to the Bonds a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Bonds is not exempt from tax shall include such income in a return of income made under the Income Tax Act; and

   (b) the furnishing by the Issuer, or such other person as MAS may direct, to MAS of a return on debt securities for the Bonds in the prescribed format within such period as MAS may specify and such other particulars in connection with the Bonds as MAS may require,

   payments of Qualifying Income derived from the Bonds are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

(a) if during the primary launch of any tranche of the Bonds, the Bonds of such tranche are issued to less than four persons and 50 per cent. or more of the issue of such Bonds is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Bonds would not qualify as "qualifying debt securities"; and

(b) even though a particular tranche of Bonds is QDS, if, at any time during the tenure of such tranche of Bonds, 50 per cent. or more of such Bonds which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Bonds held by:

   (a) any related party of the Issuer; or

   (b) any other person where the funds used by such person to acquire such Bonds are obtained, directly or indirectly, from any related party of the Issuer,

   shall not be eligible for the tax exemption or concessionary rate of tax as described above.

Pursuant to the Income Tax Act, the reference to the term "**Specified Licensed Entity**" above means:

(a) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(b) a finance company licensed under the Finance Companies Act 1967 of Singapore; or

(c) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products.

The term "**related party**", in relation to a person (*A*), means any other person (a) who directly or indirectly, controls A; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person.

The terms “**early redemption fee**” and “**redemption premium**” are defined in the Income Tax Act as follows:

- “**early redemption fee**”, in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and

- “**redemption premium**”, in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or the early redemption of the securities.

References to “**early redemption fee**”, “**redemption premium**” and “**related party**” in this Singapore tax disclosure have the same meaning as defined in the Income Tax Act.

Where interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from the Bonds by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the Income Tax Act (as mentioned above) shall not apply if such person acquires such Bonds using the funds and profits of such person’s operations through a permanent establishment in Singapore. Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Bonds without deduction or withholding of tax under Sections 45 or 45A of the Income Tax Act, any person whose interest, discount income, early redemption fee or redemption premium derived from the Bonds is not exempt from tax is required to include such income in a return of income made under the Income Tax Act.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Bonds will not be taxable in Singapore. However, any gains derived by any person from the sale of the Bonds which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Bonds who apply or who are required to apply Singapore Financial Reporting Standard 109 (“**FRS 109**”) or Singapore Financial Reporting Standard (International) 9 (“**SFRS(I) 9**”) (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Bonds, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law). Please see the section below on “*Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes*”.

Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled “*Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments*”.

Holders of the Bonds who may be subject to the tax treatment under Section 34AA of the Income Tax Act should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Bonds.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "**established**" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State; or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Bonds characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Bonds or Residual Certificates. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in a subscription agreement dated 11 November 2024 (the "**Subscription Agreement**") among the Issuer, the Guarantor and the Lead Managers and Bookrunners, the Lead Managers and Bookrunners, subject to and in accordance with the provisions of the Subscription Agreement, have agreed to subscribe and pay for, or procure subscriptions and payment for, the aggregate principal amount of the Bonds.

The Subscription Agreement provides that the Issuer has agreed to pay the Lead Managers and Bookrunners certain fees and commissions and to reimburse the Lead Managers and Bookrunners for certain of their expenses in connection with the initial sale and distribution of the Bonds, and the Issuer and the Guarantor will jointly and severally indemnify the Lead Managers and Bookrunners against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Lead Managers and Bookrunners are subject to certain conditions precedent, and entitles the Lead Managers and Bookrunners to terminate it in certain circumstances prior to payment being made to the Issuer.

In connection with the issue of the Bonds, any of the Lead Managers and Bookrunners appointed and acting in its capacity as stabilisation manager (the "**Stabilisation Manager**") or any person acting on behalf of the Stabilisation Manager may, to the extent permitted by applicable laws and directives, over-allot the Bonds or effect transactions with a view to supporting the price of the Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager will undertake any stabilisation action. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Lead Managers and Bookrunners.

The Lead Managers and Bookrunners and their respective subsidiaries and affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Lead Managers and Bookrunners and certain of their respective subsidiaries or affiliates may have performed certain investment banking and advisory services for, and entered into certain commercial banking transactions with, the Issuer, the Guarantor or any other member of the Group and/or their respective subsidiaries and affiliates, from time to time, for which they have received customary fees and expenses. The Lead Managers and Bookrunners and their respective subsidiaries or affiliates may, from time to time, engage in transactions with and perform services for the Issuer, the Guarantor or any other member of the Group and/or their respective subsidiaries and affiliates in the ordinary course of their business (see the section entitled "*Description of the CGIF Guarantee – Risk Sharing Arrangements – Standby Letter of Credit*" above).

The Lead Managers and Bookrunners and their respective affiliates may purchase any Bonds and be allocated Bonds for asset management and/or proprietary purposes but not with a view to distribution. The Lead Managers and Bookrunners and/or their respective affiliates will initially purchase a significant portion of the Bonds for asset management and/or proprietary purposes but not with a view to distribution and may therefore be able to exercise certain rights and powers on their own which will be binding on all holders. Additionally, this may reduce the liquidity of the Bonds in the secondary trading market. In connection with the offering of the Bonds, the Lead Managers and Bookrunners and/or their respective affiliates, or affiliates of the Issuer, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trade of the Bonds may be material. Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. References herein to the Bonds being offered should be read as including any offering of the Bonds to the Lead Managers and Bookrunners and/or their respective affiliates acting in such capacity. In the ordinary course of its various business activities, the Lead Managers and Bookrunners and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The distribution of this Offering Circular, or any offering material, and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular, or any offering material, are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken that would, or is intended to, permit a public offering of the Bonds, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required.

The Lead Managers and Bookrunners may, from time to time, engage in transactions with and perform services for the Issuer in the ordinary course of its business.

Each Lead Manager and Bookrunner has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses, distributes this Offering Circular or any other offering material relating to the Bonds. Persons into whose hands this Offering Circular comes are required by the Issuer, the Guarantor and the Lead Managers and Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish this Offering Circular or any other offering material relating to the Bonds, in all cases at their own expense.

Accordingly, the Bonds should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Bonds should be distributed or published in or from any jurisdiction, except in circumstances which will result in compliance with any applicable laws and regulations and will not, save as disclosed in this Offering Circular, impose any obligations on the Issuer, the Guarantor or the Lead Managers and Bookrunners.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Lead Managers and Bookrunners or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Lead Managers and Bookrunners or their respective affiliates on behalf of the Issuer in such jurisdiction.

Selling Restrictions

General

None of the Issuer, the Guarantor or the Lead Managers and Bookrunners makes any representation that any action will be taken in any jurisdiction by the Lead Managers and Bookrunners, the Issuer or the Guarantor that would permit a public offering of the Bonds and the CGIF Guarantee, or possession or distribution of the Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds and the CGIF Guarantee (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. The Lead Managers and Bookrunners are not authorised to make any representation or use any information in connection with the issue, subscription and sale of the Bonds and the CGIF Guarantee other than as contained in, or which is consistent with, the Offering Circular or any amendment or supplement to it.

United States

The Bonds and CGIF Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S. The Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Lead Manager and Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the completion of the distribution of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Bonds within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the EU Prospectus Regulation

In relation to each Member State of the European Economic Area, each Lead Manager and Bookrunner has represented and agreed that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by the Offering Circulars to the public in any Member State, except that it may make an offer of such Bonds to the public in a Member State:

(a) *Qualified investors*: to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) *Fewer than 150 offerees*: to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) as permitted under the EU Prospectus Regulation subject to obtaining the prior consent of the Lead Managers and Bookrunners; or

(c) *Other exempt offers*: in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Bonds shall require the Issuer or the Lead Managers and Bookrunners to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Bonds to the public**" in relation to any Bonds in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

Each Lead Manager and Bookrunner has represented and agreed that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by the Offering Circular in relation thereto to the public in the United Kingdom, except that it may make an offer of such Bonds to the public in the United Kingdom:

(a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) *Fewer than 150 offerees*: at any time to fewer than 150 persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the Lead Managers and Bookrunners; or

(c) *Other exempt offers*: at any time in any other circumstances falling within section 86 of the FSMA,

provided that *no such offer of Bonds shall require the Issuer or the Lead Managers and Bookrunners to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.*

For the purposes of this provision, the expression "**an offer of Bonds to the public**" in relation to any Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other regulatory restrictions

Each Lead Manager and Bookrunner has further represented, warranted and undertaken that:

(a) *Financial promotion:* it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) *General compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Singapore

Each Lead Manager and Bookrunner has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Lead Manager and Bookrunner has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Hong Kong

Each Lead Manager and Bookrunner has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "**professional investors**" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under the SFO.

Transfer Restrictions

Each purchaser of the Bonds, by accepting the delivery of this Offering Circular, will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

(a) it is purchasing the Bonds for its own account or an account with respect to which it exercises sole investment discretion, and it and any such account is outside the United States and is a non-U.S. person;

(b) it understands and acknowledges that the Bonds and the CGIF Guarantee have not been and will not be registered under the Securities Act;

(c) that unless so registered, the Bonds may not be sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws;

(d) that the Bonds are being offered and sold only outside the United States to non-U.S. persons in an offshore transaction in compliance with Rule 903 under the Securities Act; and

(e) that it is purchasing the Bonds for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Bonds in violation of the Securities Act.

Because of the above restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Bonds.

RATINGS

The Bonds are expected to be rated AA by S&P. A security rating is not a recommendation to purchase, hold or sell the Bonds inasmuch as such rating does not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgement, circumstances so warrant. See "*Risk Factors – Risks Relating to the Bonds – Credit ratings may not reflect all risks and the ratings assigned to the Bonds may be lowered or withdrawn in the future.*".

GENERAL INFORMATION

1. Listing

Application will be made to the SGX-ST for the listing and quotation of the Bonds on the SGX-ST. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded on the SGX-ST in a minimum board lot size of S$250,000.

2. AMBIF

The Bonds issued are proposed to be issued under the AMBIF.

AMBIF is a policy initiative under the Asian Bonds Markets Initiative ("**ABMI**") to create a nexus among domestic professional local currency bond markets in the region to help facilitate intraregional transactions through standardised bond and note issuance and investment processes by streamlining market practices, documentation and disclosure information requirements common among ASEAN+3 domestic bond markets. Through the AMBIF, issuers are able to expand into ASEAN+3 markets outside their country of domicile, and investors are able to actively participate in the region's various investment opportunities.

Since ABMI established the ASEAN+3 Bond Market Forum in 2010, 15 entities have issued debt under the AMBIF format. The Bonds serve as the benchmark for issuers that may seek to tap ASEAN+3 markets in the future as a means of diversifying funding and expanding regional capital markets presence.

AMBIF facilitates intraregional bond and note issuance and investment by creating common market practices; utilising a common document for submission, the Single Submission Form (the "**SSF**"); and highlighting transparent issuance procedures as documented in the implementation guidelines for each participating market, including Singapore.

AMBIF is expected to expand opportunities for issuers and investors: issuers can raise funds in local currencies in multiple locations in the region more easily, and investors can invest in local currency bonds more easily.

To be recognised as a bond or note issued under AMBIF (AMBIF Bond or Note), certain requirements need to be satisfied. These so-called AMBIF elements are summarised in the table below. Integral to AMBIF is the use of the SSF.

AMBIF Elements	Brief Description
Domestic Settlement	Bonds/notes are settled at a national central securities depository in ASEAN+3
Harmonised Submission Documents (SSF)	Common approach of submitting information as input for regulatory process(es) where approval or consent is required. Appropriate disclosure information needs to be included
Registration or profile listing at ASEAN+3 (Place of continuous disclosure)	Information on bonds/notes and issuer needs to be disclosed continuously in ASEAN+3. Registration or listing authority function is required to ensure continuous and quality disclosure

AMBIF Elements	Brief Description
Currency	Bonds/notes are denominated in currencies normally issued in domestic bond markets of ASEAN+3
Scope of Issuer	Resident of ASEAN+3
Scope of Investors	Professional investors defined in accordance with applicable laws and regulations or market practice in each market in ASEAN+3

At this stage, the SSF, in conjunction with the AMBIF Implementation Guidelines, is accepted in seven jurisdictions in ASEAN+3: Hong Kong, China, Japan, Malaysia, the Philippines, Singapore, Thailand and Cambodia. The region's other markets are expected to join as soon as they are ready.

The SSF, as the single and comprehensive issuance and disclosure document, has been modelled on the information memorandum used in international bond markets and its contents complies with the information and disclosure requirements of all participating markets, including those of Singapore.

The SSF has been recognised by the SGX-ST and the MAS to serve as issuance documentation for bonds and notes issued to exempted classes of investors. As such, the documents and/or material in connection with the offer or sale, or invitation for subscription or purchase, of such bonds and notes may not be circulated or distributed, nor may such bonds and notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA. For such bonds and notes to be listed on the SGX-ST, the application procedures and relevant listing requirements will need to be fulfilled by the relevant issuer of such bonds and notes.

The SSF is a public document and was created and is maintained by the ASEAN+3 Bond Market Forum, a public sector-private sector forum under the guidance of the Asian Development Bank, in conjunction with the AMBIF Documentation Recommendation Board, a group of bond market participating institutions and professionals in ASEAN+3 that support and represent best market practices. The template for the SSF is available for download from the Asian Development Bank's website.

3. Authorisation

The issue of the Bonds were authorised by a resolution of the board of directors of the Issuer passed on 6 November 2024. The Issuer has obtained all necessary consents, approvals and authorisations in Singapore in connection with the issue and performance of the Bonds.

4. Legal and Arbitration Proceedings

As at the date of the Offering Circular, there are no governmental, legal or arbitration proceedings pending or threatened against the Issuer, its associated companies or the Group during the 12 months preceding the date of this Offering Circular the outcome of which may have or has had a material adverse effect on the business, financial condition, operations or property of the Issuer, its associated companies or the Group taken as a whole.

5. No Material Adverse Change

Since 31 December 2023, there has been no material adverse change in the business, condition (financial or otherwise), operations or property, or prospects of the Group taken as a whole.

6. Auditor

The Issuer's audited consolidated financial statements as of and for the years ended 31 December 2022 and 2023, which are included elsewhere in this Offering Circular, have been audited by Ernst & Young LLP, as stated in its report appearing herein.

7. Documents available for Inspection

Copies of the Trust Deed, the CGIF Guarantee and Agency Agreement will be available by email or for inspection on or after the Issue Date, at the specified office of the Paying Agent during normal business hours (being between 9:00 a.m. (Singapore time) to 3:00 p.m. (Singapore time) from Monday to Friday (other than public holidays)), upon prior written request and satisfactory proof of holding and identity to the satisfaction of the Trustee for so long as any of the Bonds are outstanding.

APPENDIX A:
FORM OF CGIF GUARANTEE

DISCLAIMER: This document is an initial draft. This document is not to be considered as the final document. All information contained herein is subject to modification upon further review and approval by CGIF and external counsel, as well as deal specific factors. Please note that double bracketed clauses ([[ ]]) which primarily relate to the Privileges & Immunities of CGIF as a trust fund of the Asian Development Bank need to be retained as currently worded and may not be amended.

GUARANTEE AGREEMENT

DATED [•]

CREDIT GUARANTEE AND INVESTMENT FACILITY,
a trust fund of the Asian Development Bank

and

The Bank of New York Mellon, Singapore Branch
as trustee for and on behalf of all Bondholders

relating to

S$[•] [•] per cent. Senior Unsecured Guaranteed Bonds due [•]
issued by Singapore Medical Group Limited

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Clause **Page**

THIS GUARANTEE (this **Agreement**) is dated ________ and is made **BETWEEN**:

(1) **CREDIT GUARANTEE AND INVESTMENT FACILITY**, a trust fund of the Asian Development Bank with its principal office in Manila, the Philippines, as guarantor (**CGIF**); and

(2) **THE BANK OF NEW YORK MELLON, SINGAPORE BRANCH,** in its capacity as the trustee for and on behalf of the holders of the Bonds (as defined below) (in this capacity, the **Guaranteed Party**),

(each a **Party** and collectively the **Parties**).

BACKGROUND:

(A) At the request of the Issuer, CGIF has agreed, subject to the terms and conditions of this Agreement, to issue a guarantee in favour of the Guaranteed Party in respect of the Bonds (as defined below).

(B) It is intended that this Agreement takes effect as a deed notwithstanding the fact that a Party may only execute this Agreement under hand.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

Additional Accrual Period means**,** where CGIF is required to pay any Guaranteed Amounts in respect of principal due on the Bond Maturity Date, the period from (and including) the Bond Maturity Date to (but excluding) the earlier of (1) the Guarantor Payment Date, and (2) the Non-Payment Event; or otherwise, on an acceleration of the redemption of the Bonds pursuant to Guaranteed Party Acceleration or CGIF Acceleration, the period from (and including) the immediately preceding Bond Interest Payment Date until the date of redemption upon such acceleration.

Additional Accrued Interest means the amount of interest in respect of any Bond for the Additional Accrual Period at the Bond Interest Rate.

Agency Agreement has the meaning given to such term under the Bond Conditions.

Articles of Agreement means the articles of agreement of CGIF originally dated 11 May 2010 as amended on 27 November 2013, 31 May 2016, 23 May 2017, 31 May 2018, 16 May 2019, 1 August 2019, and 28 May 2024 (as may be further amended or supplemented from time to time).

Bond Certificates has the meaning given to the term **Certificate** under the Bond Conditions.

Bond Conditions has the meaning given to the term **Conditions** in the Trust Deed.

Bond Documents means (to the extent applicable) the Subscription Agreement, the Trust Deed (including the Bond Conditions), the Agency Agreement, the Offering Circular, the Single Submission Form, and the Bond Certificates, in each case related to the issuance of the Bonds.

Bond Interest Payment Date has the meaning given to the term **Interest Payment Date** under the Bond Conditions.

Bond Interest Rate has the meaning given to the term **Rate of Interest** under the Bond Conditions.

Bond Maturity Date has the meaning given to the term **Maturity Date** under the Bond Conditions.

Bondholders has the meaning given to such term under the Bond Conditions.

Bonds means the S$[•] [•] per cent. senior unsecured guaranteed bonds due [•] to be issued by the Issuer.

Business Day means a day (other than a Saturday or Sunday) on which banks are open for general business in Manila of the Philippines, New York City, New York, U.S.A. and Singapore.

CGIF Acceleration has the meaning given to that term under the Bond Conditions.

CGIF Assets means all property and assets of CGIF held in trust in accordance with the Articles of Agreement of CGIF and available from time to time to meet the liabilities of CGIF. For the avoidance of doubt, a CGIF Asset does not include any assets of the Asian Development Bank or any other contributors to CGIF.

CGIF Certificate means the certificate to be issued by CGIF to the Guaranteed Party certifying it has received (or waived receipt of) the documents and evidence set out in Schedule 2 (Conditions Precedent) to the Indemnity Agreement in form and substance satisfactory to CGIF, substantially in the form set out in Schedule 1 (Form of CGIF Certificate).

CGIF Guarantee or **this Guarantee** means the guarantee provided by CGIF pursuant to, and subject to, the terms and conditions of this Agreement.

Condition means a condition of the Bond Conditions.

Governmental Agency means any government or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under statute).

Guarantee Documents means this Agreement, the Indemnity Agreement, any Security Agreement, and any other document or agreement entered into between CGIF and any of the Obligors or the Guaranteed Party (as applicable) in connection with any of those documents.

Guarantee Term has the meaning given to it in Clause 2.2(b) (*Term of this Guarantee*).

Guaranteed Amount has the meaning given to it in Clause 2.1(b) (*Guarantee*).

Guarantor Default Interest Amount means any amount payable by CGIF pursuant to Clause 3.3 (*Guarantor Default Interest*).

Guarantor Default Rate means the Bond Interest Rate plus two per cent. (2%) per annum.

Guarantor Payment Date means the date of actual receipt by the Guaranteed Party in respect of a Guaranteed Amount.

Indemnity Agreement means the reimbursement and indemnity agreement dated on or about the date of this Agreement between CGIF, the Issuer and the other Obligors in connection with this Agreement.

Issue Date has the same meaning given to the term **Issue Date** under the Bond Conditions.

Issuer means Singapore Medical Group Limited, a company incorporated in Singapore.

Missed Payment Event means the non-payment (not taking into account any grace period) of any Guaranteed Amount by the Issuer in accordance with the Bond Conditions and the Trust Deed.

Non-Payment Event means the occurrence of an Event of Default (as defined under the Bond Conditions) thirty (30) calendar days after the occurrence of a Missed Payment Event in accordance with Condition 10(a)(i) (*Non-payment*) of the Bond Conditions.

Obligor means each of (i) the Issuer, (ii) Cancer Centre Pte., Ltd., (iii) Novena Radiology Pte. Ltd., (iv) CHA SMG (Australia) Pte. Ltd., (v) Lifescan Imaging Pte. Ltd., (vi) SMG Kids Clinic Pte. Ltd., (vii) The Obstetrics & Gynaecology Centre Pte. Ltd., (viii) LSC Eye Clinic Pte. Ltd., (ix) Pheniks Pte. Ltd., (x) SW1 Plastic Surgery Pte. Ltd., and (xi) Children Clinic Central Pte. Ltd.

Offering Circular means the offering circular provided to prospective investors in connection with the Bonds.

Paid Guaranteed Amount has the meaning given to it in Clause 4.1 (*Subrogation*).

Principal Amount means the outstanding principal amount in respect of the Bonds at any time.

Scheduled Interest means scheduled interest on the Bonds payable at the Bond Interest Rate on each Bond Interest Payment Date (excluding, for the avoidance of doubt, default interest).

Security means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

Security Agreement means any agreement granting Security in favour of CGIF to secure the obligations of the Obligors under the Indemnity Agreement.

S$ means Singapore Dollars, the lawful currency of Singapore in general circulation from time to time.

[**Single Submission Form** or **SSF** means the single submission form (being the Common Document for Submission to Regulatory, Listing, and Registration Authorities, and Market Institutions for the Issuance of Notes under the ASEAN+3 Multi-Currency Bond Issuance Framework) prepared by the Issuer in connection with the issue of the Bonds, as the same may have been amended or supplemented from time to time.]

Subscription Agreement means the subscription agreement entered into between, among others, the Issuer, CGIF, DBS Bank Ltd. and Oversea-Chinese Banking Corporation Limited on or about the date of this Agreement in relation to the issuance of the Bonds.

Subsidiary has the meaning given to such term under the Bond Conditions.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest).

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under this Agreement.

Trust Deed means the trust deed entered into between, among others, the Issuer, the Guaranteed Party and CGIF on or about the date of this Agreement in relation to the Bonds.

Trustee Expenses means the remuneration, costs, charges, expenses and interests and claims for reimbursement and indemnification due and payable to the Guaranteed Party in accordance with the Trust Deed and the remuneration, costs, charges, expenses and interests and claims for reimbursement and indemnification due and payable to the agents named in the Agency Agreement relating to the Bonds in accordance with such Agency Agreement.

1.2 Construction

(a) In this Agreement, terms not defined herein have the meaning as set out in the Trust Deed and unless the contrary intention appears, a reference to:

(i) an **amendment** includes a supplement, novation, extension (whether of maturity or otherwise), restatement, re-enactment or replacement (however fundamental and whether or not more onerous) and **amended** will be construed accordingly;

(ii) **assets** includes present and future properties, revenues and rights of every description;

(iii) a **Clause**, a **Subclause,** a **Paragraph** or a **Schedule** is a reference to a clause, subclause of, or paragraph of, or a schedule to, this Agreement;

(iv) a currency is a reference to the lawful currency for the time being of the relevant country;

(v) a **Bond Document, Guarantee Document** or other document or Security includes (without prejudice to any prohibition on or consent required for any amendments) any amendment to that Bond Document, Guarantee Document or other document or Security;

(vi) **including** means including without limitation, and **includes** and **included** shall be construed accordingly;

(vii) a provision of law is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;

(viii) a **Party** or any other person includes its successors in title, permitted assigns and permitted transferees;

(ix) a **person** includes any individual, company, corporation, unincorporated association or body (including a partnership, trust, fund, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;

(x) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which any person to which it applies is accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(xi) a **successor** shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of its jurisdiction of establishment, incorporation or domicile has assumed the rights and obligations of such party under this Agreement or to which, under such laws, such rights and obligations have been transferred;

(xii) a time of day is a reference to Manila time, unless otherwise specified; and

(xiii) the **winding-up**, **dissolution** or **administration** of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is established or incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

(b) Unless the contrary intention appears, a reference to a **month** or **months** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month or the calendar month in which it is to end, except that:

(i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);

(ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and

(iii) notwithstanding subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.

(c) The headings in this Agreement are provided for convenience only and do not affect the construction or interpretation of any provision of this Agreement.

2. GUARANTEE

2.1 Guarantee

(a) Subject to the provisions of this Agreement, CGIF irrevocably and unconditionally guarantees to the Guaranteed Party the full and punctual payment of each Guaranteed Amount.

Subject to this Clause 2.1, in this Agreement, **Guaranteed Amount** means:

(i) any Principal Amount and any Scheduled Interest which is overdue and unpaid (whether in whole or in part) by the Issuer under the Bond Conditions and the Trust Deed;

(ii) any Additional Accrued Interest; and

(iii) any Trustee Expenses.

(b) For the avoidance of doubt, a Guaranteed Amount does not include any increased costs, tax related indemnity (but for the avoidance of doubt includes any additional amounts required to be paid to the Bondholders due to a tax deduction and the operation of Condition 9 (*Taxation*) of the Bond Conditions, provided that the Guaranteed Amount will only include the original amount which would have been due from the Issuer if no tax deduction were required), default interest, fees, or any other amounts other than any Principal Amount, any Scheduled Interest, any Additional Accrued Interest and any Trustee Expenses payable by the Issuer to the Guaranteed Party or any Bondholders.

(c) If the Bonds become payable on an accelerated basis:

(i) as a result of the Guaranteed Party declaring the Bonds payable on an accelerated basis, CGIF shall pay any Guaranteed Amounts in accordance with clause 3.3 (*Acceleration*) of the Trust Deed; and/or

(ii) as a result of CGIF exercising its rights pursuant to Condition 7(c) (*Redemption in the event of a CGIF Acceleration Event*) of the Bond Conditions,

CGIF shall pay any Guaranteed Amount in accordance with Clause 3.2 (*Payment of Guaranteed Amount*).

(d) Notwithstanding any other provision of this Agreement, CGIF shall have no obligation to pay any amounts pursuant to this Agreement where the relevant amount of principal or accrued but unpaid interest became payable under the Bond Conditions

(i) on an accelerated basis at the instigation of the Issuer, including, without limitation, as a result of the Issuer's voluntary redemption of the Bonds (whether in full or in part) prior to the Bond Maturity Date; or

(ii) as a result of any purchase of the Bonds by the Issuer or its Subsidiaries pursuant to Condition 7(d) (*Purchase*) of the Bond Conditions and held by the Issuer or any such Subsidiary (as defined in the Bond Conditions).

2.2 Term of this Guarantee

(a) The CGIF Guarantee shall be effective as of the first date on which both (i) the Issue Date has taken place and (ii) CGIF has issued the CGIF Certificate.

(b) Subject to Clauses 2.8 (*Reinstatement*) and 10.2 (*Termination*), the CGIF Guarantee will expire on the earlier of:

(i) the date on which all Guaranteed Amounts have been paid, repaid or prepaid in full, or the payment obligations of the Issuer in respect of all Guaranteed Amounts have been otherwise discharged or released pursuant to the Bond Documents or any other arrangement between the Issuer and the Guaranteed Party; and

(ii) the date of full redemption, prescription or cancellation of the Bonds

(such period of effectiveness of the CGIF Guarantee being the **Guarantee Term**).

2.3 Continuing guarantee

The CGIF Guarantee is a continuing guarantee and will extend to the ultimate balance of all Guaranteed Amounts payable by the Issuer under the Bond Documents, regardless of any intermediate payment or discharge in whole or in part or where the payment of a Guaranteed Amount has been made but further Guaranteed Amounts are still due and payable or whether the Bonds are outstanding.

2.4 Guaranteed Amounts following amendments to the Bond Documents

If, without the prior written consent of CGIF, the Guaranteed Party concurs in any amendment, modification, variation, novation, waiver or termination of any term of a Bond Document, CGIF will irrevocably and unconditionally guarantee to the Guaranteed Party the Guaranteed Amount as per the terms of the Bond Documents and this Agreement in force as at the date of this Agreement or as amended in accordance with the prior written consent of CGIF from time to time.

2.5 [[Limited recourse

Notwithstanding any other provisions of this Agreement, any other Guarantee Document, or any Bond Document, the recourse of the Guaranteed Party against CGIF under this Agreement, any other Guarantee Document, and any Bond Document is limited solely to the CGIF Assets. The Guaranteed

Party acknowledges and accepts that it only has recourse to the CGIF Assets and it has no recourse to any assets of Asian Development Bank or any other contributors to CGIF. Any obligation under this Agreement of CGIF shall not constitute an obligation of Asian Development Bank or any other contributors to CGIF.]]

2.6 [[**No personal liability of Asian Development Bank or any other contributors to CGIF**

Notwithstanding any other provisions of this Agreement, any other Guarantee Document, or any Bond Document, neither the Asian Development Bank nor any other contributors to CGIF or the officers, employees or agents of the Asian Development Bank or any contributor to CGIF shall be subject to any personal liability whatsoever to any third party including the Guaranteed Party in connection with the operation of CGIF or under this Agreement, any Bond Document, or any Guarantee Document. No action may be brought against Asian Development Bank as the trustee of CGIF or as contributor to CGIF or against any other contributors to CGIF or any of their respective officers, employees or agents by any third party including the Guaranteed Party in connection with this Agreement.]]

2.7 Waiver of defences

The obligations of CGIF under this Agreement will not be affected by and shall remain in force notwithstanding any act, omission, event or thing of any kind which, but for this provision, would reduce, release or prejudice any of its obligations under this Agreement. This includes, without limitation:

(a) any time, waiver or any other concession or consent granted to, or composition with, any person;

(b) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any person;

(c) any failure to realise the full value of any Security;

(d) any incapacity, or lack of power, authority or legal personality of any person;

(e) any termination, amendment, modification, variation, novation, replacement, supplement or superseding of or to a Bond Document or any other document or Security relating thereto, but subject to Clause 2.4 (*Guaranteed Amounts following amendments to the Bond Documents*) and only if the prior written consent of CGIF has been obtained in accordance with Clause 8.1 (*No amendment to Bond Documents*) hereof;

(f) any unenforceability, illegality or, invalidity of any obligation of any person under any Bond Document or any other document or Security relating thereto;

(g) any insolvency or similar proceedings affecting CGIF or the Issuer;

(h) any change in the taxation status of CGIF or the Issuer; or

(i) the replacement of the Guaranteed Party as trustee for and on behalf of the Bondholders.

2.8 Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Issuer and/or CGIF or Security (if any) for those obligations or otherwise) is made by the Guaranteed Party in whole or in part in respect of a Guaranteed Amount on the basis of any payment, Security (if any) or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, then the liability of CGIF under Clauses 2 (*Guarantee*) and 3 (*Payment under this Guarantee*) will continue or be reinstated as if the discharge, release or arrangement had not occurred.

2.9 Additional Security

This Agreement is in addition to and is not in any way prejudiced by any other Security (to the extent applicable, if any) in respect of the Issuer's and/or Obligors' obligations under the Bond Documents now or subsequently held by the Guaranteed Party (or any trustee or agent on its behalf).

2.10 Pari Passu Ranking

Without limiting any other provision contained in this Agreement or any other Bond Documents, CGIF's payment obligations under this Agreement are direct, unconditional and general obligations of CGIF and rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law (if any).

3. PAYMENT UNDER THIS GUARANTEE

3.1 General

CGIF agrees that the Guaranteed Party is not required to proceed against, enforce any other rights or Security, or claim payment from any person before claiming from CGIF under this Agreement, irrespective of any law or any provision of any Bond Document to the contrary, provided that CGIF shall only be required to make payments to the Guaranteed Party in accordance with the terms of this Agreement and the Bond Conditions.

3.2 Payment of Guaranteed Amount

Subject to Clause 2.1 (*Guarantee*) of this Agreement, and Clauses 3.2 (*Missed Payment Event*) and 3.3 (*Acceleration*) of the Trust Deed, if a Missed Payment Event has occurred and is continuing, CGIF shall pay the Guaranteed Amount relating to the Missed Payment Event to the Guaranteed Party or to its order within thirty (30) calendar days of such Missed Payment Event, or in the case of a CGIF Acceleration, within thirty (30) calendar days from the date of the CGIF Acceleration Notice.

3.3 Guarantor Default Interest

(a) Subject to paragraph (b) below, if CGIF fails to make a payment in accordance with Clause 3.2 (*Payment of Guaranteed Amount*), CGIF will pay interest on the overdue Guaranteed Amount (other than any Trustee Expenses) for the period from (and including) the date the relevant Non-Payment Event occurred to (but excluding) the Guarantor Payment Date at the Guarantor Default Rate.

(b) CGIF will pay interest on the overdue Trustee Expenses from the period from (and including) the date the relevant Non-Payment Event occurred to (but excluding) the Guarantor Payment Date at the rate of the Guaranteed Party's cost of funds, provided that the Guaranteed Party furnishes evidence as to its cost of funds to the reasonable satisfaction of CGIF.

4. SUBROGATION AND TRANSFERS

4.1 Subrogation

(a) Immediately upon the receipt by the Guaranteed Party under this Agreement of all or any part of the Guaranteed Amount in accordance with this Agreement (a **Paid Guaranteed Amount**), CGIF shall be subrogated to:

(i) all of the rights, powers and remedies of the Guaranteed Party, on behalf of the Bondholders, and of the Bondholders themselves, in respect of the Bonds and each Bond Document (in each case, to the extent relating and proportionate to that Paid Guaranteed Amount), against any relevant person, including (and to the extent relating and proportionate to that Paid Guaranteed Amount) any rights or claims, whether accrued, contingent or otherwise; and

(ii) all of the Guaranteed Party's privileges, rights and Security against the Issuer or with respect to the Bonds, in each case insofar as they extend to an amount equal to that Paid Guaranteed Amount.

(b) The Guaranteed Party shall use its reasonable endeavours to, at the written request and expense of CGIF, execute such instruments or documents and take such other actions as CGIF may require to give effect to, facilitate or evidence the subrogation referred to in this Clause 4 and to perfect the rights of CGIF to receive such amounts equal to the Paid Guaranteed Amount under the Bond Documents.

(c) For the avoidance of doubt, no Bondholder shall be obliged to transfer or assign any rights or any legal title in the Bonds, except to the extent that it has received payment of any amounts from CGIF in respect thereof.

4.2 Transfer

(a) Upon the receipt by the Guaranteed Party of a Paid Guaranteed Amount, the Guaranteed Party shall, to the extent available to it at the written request and the expense of CGIF and in consideration of such payment:

(i) transfer and assign, free from any Security, to CGIF all its rights:

(A) under the Bond Documents; and

(B) in respect of any Security securing the Bonds or any other amounts payable under the Bond Documents (including any right, title and interest to any asset which has arisen as a result of enforcement of such Security),

insofar as those rights relate and are proportionate to that Paid Guaranteed Amount; and

(ii) execute such instruments or documents and take such other actions as necessary for CGIF to give effect to, facilitate or evidence the transfer and assignment referred to in this Clause 4 and to perfect the rights of CGIF to receive such amounts equal to the Paid Guaranteed Amount under the Bond Documents.

(b) The Guaranteed Party shall not do anything that could lessen or impair any of the rights referred to in subparagraph (a)(i) above, CGIF's rights of subrogation or any other right of CGIF to recover any Paid Guaranteed Amount, unless the Guaranteed Party is acting in accordance with the terms of the Trust Deed.

5. APPLICATION OF FUNDS AND RECOVERIES

5.1 Application of funds

Following payment by CGIF of any Paid Guaranteed Amount or payment by CGIF under this Agreement of all or any part of the Guarantor Default Interest Amount pursuant to the terms of this Agreement, the Guaranteed Party must hold such amounts on trust for itself and the Bondholders on the terms set out in the Trust Deed and must (as soon as practicable after receipt) apply them in or towards payment of the Guaranteed Amount(s) relating to such Paid Guaranteed Amount in accordance with the terms of the Trust Deed.

5.2 Recoveries

(a) After the occurrence of a Missed Payment Event, if the Guaranteed Party recovers any money or asset from the Issuer or any other person in respect of any Guaranteed Amount relating to that Missed Payment Event (a **Recovered Amount**), the Guaranteed Party must as soon as reasonably practicable (and in any case within ten (10) calendar days from the date of its receipt of such Recovered Amount) supply details of the recovery to CGIF and pay to CGIF (or any other person at the instruction of CGIF) an amount equal to such Recovered Amount.

(b) Following payment by CGIF of any Paid Guaranteed Amount, if CGIF discovers that the Guaranteed Party had no right to receive a payment of the relevant Guaranteed Amount (or any portion thereof) to which such Paid Guaranteed Amount relates, CGIF shall be entitled, upon notice to the Guaranteed Party, to recover from the Guaranteed Party the relevant payment (or the relevant portion thereof) to the extent that the Guaranteed Party still holds such amounts itself or to its order (and provided only that it has the ability to direct the payment of the relevant amounts).

(c) To the extent any part of a Guaranteed Amount has been recovered from any source (it being recognised that the Guaranteed Party is under no duty whatsoever to seek to recover from any such source), the Guaranteed Party may not seek to recover such amounts from CGIF under this Agreement.

6. TAXES

6.1 CGIF shall make all payments to be made by it under this Agreement without any Tax Deduction, unless a Tax Deduction is required by law. If a Tax Deduction is required by law to be made by CGIF, the amount of the payment due from CGIF under this Agreement shall be increased to an amount which (after making the relevant Tax Deduction) would result in the recipient receiving an amount equal to the payment which would have been due if no Tax Deduction had been required, except that no increased payment shall be payable by CGIF in respect of any Bond:

(a) held by a Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of payments made by CGIF by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Bond; or

(b) where (in the case of a payment of principal or interest on redemption) the relevant Certificate is surrendered for payment more than thirty (30) days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to such increased payment if it had surrendered the relevant Certificate on the last day of such period of thirty (30) days; or

(c) held by, or on behalf of, a Bondholder who would be eligible to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

For these purposes **Relevant Date** means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Principal Paying Agent or the Guaranteed Party on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Bondholders.

6.2 If CGIF is aware that it must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the Guaranteed Party.

6.3 If CGIF is required to make a Tax Deduction, it must make the minimum Tax Deduction allowed by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.

6.4 Nothing in this Clause 6 shall be considered to constitute a waiver of the privileges, immunities and exemptions applicable to CGIF pursuant to the Articles of Agreement.

7. PAYMENTS

7.1 Payment by CGIF and other Parties

(a) A payment by CGIF of a Paid Guaranteed Amount or a payment by CGIF under this Agreement of all or any part of the Guarantor Default Interest Amount in accordance with this Agreement will discharge the payment obligations of CGIF under this Agreement to the extent of such payment, whether or not such payment is properly applied by or on behalf of the Guaranteed Party.

(b) All payments to be made by a Party under this Agreement must be made on the due date for payment in immediately available funds to such account as the receiving Party may direct such account to be notified by the receiving Party to the other Party at least five (5) Business Days prior to the relevant due date for payment.

7.2 Currency

All payments to be made by a Party under this Agreement must be made in the currency in which the amounts are incurred in relation to costs, fees, expenses, liabilities and other indemnities.

7.3 Certificates and determinations

Any certification, determination or notification by a Party of a rate or amount made pursuant to the terms of this Agreement will be, unless otherwise specified and in the absence of manifest error, conclusive evidence of the matters to which it relates.

7.4 Business Days

If a payment under this Agreement is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is none).

8. AMENDMENTS AND WAIVERS

8.1 No amendment to Bond Documents

The Guaranteed Party shall not, without the prior written consent of CGIF, concur in any amendment, modification, variation, novation, waiver or termination of any term of a Bond Document to which it is a party unless in accordance with [Clause 18 (*Waiver)* and Clause 25 (*Modifications*) of the Trust Deed and Condition 14(b) (*Modification and waiver*) of the Bond Conditions.

8.2 Amendments

Any term of this Agreement may be amended or waived with the written agreement of the Parties and the Issuer.

8.3 Waivers and remedies cumulative

(a) The rights and remedies of each Party under this Agreement:

(i) may be exercised as often as necessary;

(ii) are cumulative and not exclusive of its rights and remedies under the general law; and

(iii) may be waived only in writing and specifically.

(b) No delay in exercising or non-exercise by a Party of any right or remedy under this Agreement shall operate as a waiver of that right or remedy, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy other than where any rights (including, without limitation, the right to require payment of any Guaranteed Amount) are to be exercised in accordance with specified requirements under this Agreement.

9. ASSIGNMENT OR TRANSFER

No Party may assign or transfer any of its rights and obligations under this Agreement without the prior consent of the other Party except that:

(a) CGIF may assign or transfer any of its rights and benefits under this Agreement (including its right of subrogation) to any person without the prior written consent of the Guaranteed Party or any other person; and

(b) the Guaranteed Party may assign or transfer any of its rights and obligations under this Agreement to any replacement trustee duly appointed in accordance with the Trust Deed.

10. TERMINATION

10.1 Except in relation to Clause 2.5 (Limited recourse), Clause 2.6 (*No personal liability of Asian Development Bank or any other contributors to CGIF*), Clause 4 (*Subrogation and Transfers*), Clause 16 (*Governing Law*), Clause 17 (*Dispute Resolution*) and Clause 18 (*ADB and CGIF Immunities*), all rights and obligations of each Party will cease and expire on the last day of the Guarantee Term.

10.2 Termination or expiry of this Agreement pursuant to the terms of this Agreement is without prejudice to the rights of any Party which have accrued prior to such termination or expiry, whether arising under this Agreement, at law or otherwise.

11. SET-OFF

No Party may set off any obligation owed to it by the other Party under this Agreement against any obligation owed by it to that other Party.

12. SEVERABILITY

If a term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, it shall not affect:

(a) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement; or

(b) the legality, validity or enforceability in other jurisdictions of that or any other term of this Agreement.

13. COUNTERPARTS

This Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

14. NOTICES

14.1 In writing

(a) Any communication in connection with this Agreement must be in writing, with a copy sent to the Issuer (for and on behalf of all the Obligors), and, unless otherwise stated, may be given:

(i) in person, by post or fax; or

(ii) to the extent agreed by the Parties making and receiving communication, by email or other electronic communication.

(b) For the purpose of this Agreement, an electronic communication will be treated as being in writing.

(c) Unless it is agreed to the contrary, any consent or agreement required under this Agreement must be given in writing.

14.2 Contact details

(a) The contact details of CGIF for all notices in connection with this Agreement are:

Address: Asian Development Bank Building,
6 ADB Avenue, Mandaluyong City,
1550 Metro Manila, Philippines
Fax number: +632-5322-7661
Email: smg.sgd@cgif-abmi.org
Attention: CEO and Vice President, Operations

(b) The contact details of the Guaranteed Party for all notices in connection with this Agreement are:

Address: The Bank of New York Mellon, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192
Email: ctsgclientservice@bny.com
Attention: Global Corporate Trust

(c) The contact details of the Obligors for all notices in connection with this Agreement are:

Address:
Fax number:
Email:
Attention:

(d) Any Party may change its contact details by giving five (5) Business Days' notice to the other Party.

(e) Where a Party nominates a particular department or officer to receive a communication, a communication will not be effective if it fails to specify that department or officer.

14.3 Effectiveness

(a) Except as provided below, any communication in connection with this Agreement will be deemed to be given as follows:

(i) if delivered in person, at the time of delivery;

(ii) if posted, five (5) Business Days after being deposited in the post, postage prepaid, in a correctly addressed envelope;

(iii) if by fax, when received in legible form; and

(iv) if by e-mail or any other electronic communication, when received in legible form.

(b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

(c) A communication to CGIF will only be effective on actual receipt by it.

14.4 English Language

(a) Any notice given in connection with this Agreement must be in English.

(b) Any other document provided in connection with this Agreement must be:

(i) in English; or

(ii) in the language of the jurisdiction in which the Bonds are issued, accompanied by a certified English translation. In this case, the English translation prevails unless the document is a statutory or other publicly available official document.

15. [[CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Unless expressly provided to the contrary in a Guarantee Document, a person who is not a party to a Guarantee Document may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of any Guarantee Document, no consent of any third party is required for any amendment (including any release or compromise of any liability) or termination of any Guarantee Document. Notwithstanding the foregoing, the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents may enforce Clauses 2.5 (*Limited recourse*), 2.6 (*No personal liability of Asian Development Bank or any other contributors to CGIF*) , 17.2(j) (*Arbitration*) and 18 (*ADB and CGIF Immunities*) of this Agreement.]]

16. GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by English law.

17. DISPUTE RESOLUTION

17.1 Arbitration

(a) Any dispute, claim, difference or controversy arising out of, relating to, or having any connection with this Agreement (which includes this Clause 17) and any Guarantee Document other than this Agreement, including any dispute as to their existence, validity, interpretation, performance, breach or termination, or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them (for the purpose of this Clause 17, a **Dispute**), shall be referred to and be finally resolved by arbitration administered by the Singapore International Arbitration Centre (**SIAC**) under the Arbitration Rules of the SIAC in force when the Notice of Arbitration is submitted (for the purpose of this Clause 17, the **Rules**), except as they are modified by the provisions of this Agreement.

(b) The Parties further agree that following the commencement of arbitration, and following the exchange of the Notice of Arbitration and Response to the Notice of Arbitration, they will initially attempt in good faith to resolve the Dispute through mediation at the Singapore International Mediation Centre (**SIMC**), in accordance with the SIAC-SIMC Arb-Med-Arb Protocol (the **Protocol**) for the time being in force which shall last for a period not exceeding sixty-five (65) Business Days from the commencement of the mediation proceedings (the **Mediation Period**). Where a settlement has been reached between the Parties within the Mediation Period, such terms of settlement shall be referred to the arbitral tribunal and the arbitral tribunal may make a consent award on such agreed terms. In the absence of a settlement by the Parties within the Mediation Period, the Dispute shall revert back to arbitration pursuant to the Protocol. Unless otherwise agreed by the Parties, the arbitration shall resume by arbitrators who were not involved in the mediation process above.

(c) The Rules and the Protocol are incorporated by reference into this Clause 17 and capitalised terms used in this Clause 17 (which are not otherwise defined in this Agreement or any Guarantee Document) shall have the meaning given to them in the Rules and the Protocol.

(d) The number of arbitrators shall be three. All arbitrators shall be fluent in English. The claimant(s) shall jointly nominate one arbitrator. The respondent(s) shall jointly nominate one arbitrator. The arbitrators nominated by the parties in accordance with the Rules shall jointly nominate the third arbitrator who, subject to confirmation by the President of the Court of Arbitration of SIAC (the **President**), will act as president of the arbitral tribunal. If the third arbitrator is not chosen by the two arbitrators nominated by the parties within thirty (30) days of the date of appointment of the later of the two party-appointed arbitrators to be appointed, the third arbitrator shall be appointed by the President.

(e) The seat of arbitration shall be Singapore and all hearings shall take place in Singapore unless the arbitral tribunal in its absolute discretion decides that a different location will be appropriate.

(f) Except as modified by the provisions of this Clause 17, the Rules, and the Protocol, Part 2 of the International Arbitration Act 1994 of Singapore shall apply to any arbitration proceedings commenced under this Clause 17. Neither party shall be required to give general discovery of documents, but may be required only to produce specific, identified documents which are relevant to the Dispute.

(g) The language used in the arbitral proceedings shall be English. All documents submitted in connection with the proceedings shall be in the English language, or, if in another language, accompanied by an English translation and in which case, the English translation shall prevail.

(h) Service of any Notice of Arbitration made pursuant to this Clause 17 shall be made in accordance with the Rules and at the addresses given for the sending of notices under this Agreement at Clause 14 (Notices).

(i) The arbitration award(s) rendered by the arbitral tribunal shall be final and binding on the parties. The parties undertake to reasonably carry out the award(s) without delay. To the fullest extent permitted under any applicable law, the parties irrevocably exclude and agree not to exercise any right to refer points of law or to appeal to any court or other judicial authority.

(j) [[The arbitral tribunal and any emergency arbitrator appointed in accordance with the Rules shall not be authorized to order, and the Guaranteed Party agrees for itself and (in the case of the Trustee) on behalf of each Bondholder that it shall not seek from the arbitral tribunal or any judicial authority:

(i) any order of whatsoever nature against the Asian Development Bank and other contributors to CGIF, and any of their respective officers, employees or agents; or

(ii) any interim order to sell, attach, freeze or otherwise enforce against the CGIF Assets.]]

(k) In respect of any court proceedings in Singapore commenced under the International Arbitration Act 1994 of Singapore in relation to the arbitration, the parties agree (i) to commence such proceedings before the Singapore International Commercial Court **(SICC)** and (ii) in any event, that such proceedings shall be heard and adjudicated by the SICC.

(l) [[The Rules shall not prohibit CGIF from disclosing any information relating to any arbitral proceedings and/or arbitral award arising out of this Clause 17 to the board of directors of CGIF (the **CGIF Board**) as part of its approval process and portfolio administration, or to the Asian Development Bank or any other contributors to CGIF or any of their respective officers, employees, advisers, agents or representatives. The members of the CGIF Board may seek instructions from their constituents for the purpose of CGIF Board approval and portfolio administration and the Board documents and other relevant information may be distributed to any representatives of the relevant member countries of CGIF for the said purpose only, provided that such information and documents distributed by the CGIF Board insofar as they relate to any arbitral proceedings and/or arbitral award shall be clearly marked "CONFIDENTIAL".]]

18. ADB AND CGIF IMMUNITIES

[[Nothing in this Agreement, or any agreement, understanding or communication relating to this Agreement (whether before or after the date of this Agreement), shall constitute or be construed as an express or implied waiver, renunciation, exclusion or limitation of any of the immunities, privileges or exemptions accorded to the Asian Development Bank under the Agreement Establishing the Asian Development Bank, any other international convention or any applicable law, or accorded to CGIF under the Articles of Agreement.]]

THIS AGREEMENT has been executed as a deed by the Parties hereto and is intended to be and is hereby delivered on the date first written above.

SCHEDULE 1

FORM OF CGIF CERTIFICATE

To: The Bank of New York Mellon, Singapore Branch in its capacity as the trustee for and on behalf of the holders of the Bonds (as defined below) (in this capacity the **Guaranteed Party**).

From: Credit Guarantee and Investment Facility, a trust fund of the Asian Development Bank **(CGIF)**

Copy: Singapore Medical Group Limited (the **Issuer**)

Date: ____________________

Dear Sirs,

Singapore Medical Group Limited (the Issuer) – Reimbursement and Indemnity Agreement dated _____________ (the Indemnity Agreement) between the Issuer, the other Obligors named thereunder and CGIF in connection with the up to S$[•] bonds issued by Singapore Medical Group Limited (the Bonds)

I refer to the Indemnity Agreement and the guarantee agreement dated _______________ between CGIF and the Guaranteed Party (the **Guarantee Agreement**).

I am a duly authorised officer of CGIF. I am authorised to give this certificate and certify that CGIF has received (or waived receipt of) all of the documents and evidence set out in Schedule 2 (*Conditions Precedent*) to the Indemnity Agreement in form and substance satisfactory to CGIF.

This also serves as notification to the Guaranteed Party in accordance with Clause 2.2 (*Term of this Guarantee*) of the Guarantee Agreement that the guarantee pursuant to the Guarantee Agreement is in effect, subject to the issuance of the Bonds, and to the Issuer that CGIF has no objection to the issuance of the Bonds.

Unless we notify you to the contrary in writing, you may assume that this certificate remains true and correct.

This certificate, and any non-contractual obligations arising out of or in connection to it, should be governed by and construed in accordance with English law.

For

CREDIT GUARANTEE AND INVESTMENT FACILITY,
a trust fund of the Asian Development Bank

____
Name:
Title:

SIGNATORIES

CGIF

EXECUTED as a **DEED** by	)
CREDIT GUARANTEE AND	)
INVESTMENT FACILITY,	)
a trust fund of the Asian Development Bank	)
and **SIGNED** and **DELIVERED** as a **DEED**	)
on its behalf by	)

____

In the presence of:

Witness' signature:

…………………………………

Witness' name:

…………………………………

Witness' address:

…………………………………

…………………………………

…………………………………

THE GUARANTEED PARTY

THE BANK OF NEW YORK MELLON, SINGAPORE BRANCH

By: ___________________________________

Name:

Title:

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2022

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE ISSUER AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2023

Company Registration No. 200503187W

Singapore Medical Group Limited and its Subsidiaries

Annual Financial Statements
31 December 2022

Building a better working world

General information

Directors

Tony Tan Choon Keat	
Dr Beng Teck Liang	
Dr Wong Seng Weng	
Ho Lon Gee	(resigned on 20 January 2023)
Jimmy Yim Wing Kuen	(resigned on 20 January 2023)
Stefanie Yuen Thio	(resigned on 20 January 2023)

Company Secretaries

Chan Wan Mei
Chan Lai Yin

Registered Office

1004 Toa Payoh North
#06-03/07
Singapore 318995

Bankers

DBS Bank Limited
Oversea-Chinese Banking Corporation Limited

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
North Tower, Level 18
Singapore 048583
Audit Partner in charge: Adrian Koh (since financial year ended 31 December 2021)

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The directors are pleased to present their statement to the member together with the audited consolidated financial statements of Singapore Medical Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet 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 the changes in equity of the Company for the year ended on that date; and

(ii) 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.

Directors

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

Tony Tan Choon Keat	
Dr Beng Teck Liang	
Dr Wong Seng Weng	
Ho Lon Gee	(resigned on 20 January 2023)
Jimmy Yim Wing Kuen	(resigned on 20 January 2023)
Stefanie Yuen Thio	(resigned on 20 January 2023)

Arrangements to enable directors to acquire shares and debentures

Except as disclosed 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 in or debentures of the Company or any other body corporate.

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 Companies Act 1967 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest At the beginning of financial year	Direct interest At the end of financial year	Deemed interest At the beginning of financial year	Deemed interest At the end of financial year
Ordinary shares of the Company				
Tony Tan Choon Keat	35,708,073	–	600,000	–
Dr Beng Teck Liang	33,626,329	–	–	–
Ho Lon Gee	100,000	–	–	–
Jimmy Yim Wing Kuen	1,360,300	–	–	–
Dr Wong Seng Weng	10,868,853	–	–	–
Stefanie Yuen Thio	100,000	–	–	–
Ordinary shares of the holding company (TLW Success Ltd.)				
Tony Tan Choon Keat	–	35,708,074	–	600,000
Dr Beng Teck Liang	–	33,626,330	–	–
Dr Wong Seng Weng	–	10,868,854	–	–
Jimmy Yim Wing Kuen	–	1,360,300	–	–
Share options of the Company				
Dr Beng Teck Liang	3,700,000	–	–	–

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Options and performance shares

At the Extraordinary General Meeting held on 30 April 2014, shareholders approved the SMG Share Option Scheme and SMG Share Plan (collectively, the "Scheme"). The Scheme is administered by the Remuneration Committee, comprising Messrs Jimmy Yim Wing Kuen (Chairman), Ho Lon Gee and Tony Tan Choon Keat.

SMG Share Option Scheme ("SSOS")

The SSOS applies to all employees of the Group (including Executive Directors who are Controlling Shareholders and their associates) who have attained the age of 21 years on or before the relevant grant of the options, provided that none shall be an undischarged bankrupt.

Other information regarding the SSOS is set out below:

(a) The exercise price of the options is set at a price (the "Market Price") equal to the average of the last dealt prices for the Company's shares on the SGX-ST for the five consecutive market days immediately preceding the date of grant of such options.

(b) The options expire 5 years after the grant date, unless they have been cancelled or have lapsed prior to that date.

Options granted/exercised

At the end of the financial year, details of the options granted under the SSOS on the unissued ordinary shares of the Company, are as follows:

Date of grant of options	Exercise price per share	Options outstanding at 1 January 2022	Options granted	Options exercised	Options forfeited/ expired/ cancelled	Options outstanding at 31 December 2022	Exercise period
03/04/2017	S$0.544	540,000	–	–	(540,000)	–	03/04/2018 to 02/04/2022
30/04/2018	S$0.493	5,200,000	–	–	(5,200,000)	–	30/04/2019 to 29/04/2023
31/05/2019	S$0.393	1,860,000	–	–	(1,860,000)	–	31/05/2020 to 30/05/2024
12/05/2020	S$0.255	190,000	–	–	(190,000)	–	12/05/2021 to 11/05/2025
01/04/2021	S$0.381	150,000	–	–	(150,000)	–	01/04/2022 to 31/03/2026
24/05/2022	S$0.309	–	930,000*	–	(930,000)	–	24/05/2022 to 23/05/2027
		7,940,000	930,000	–	(8,870,000)	–	

**Options granted during the financial year had been announced via SGXNET on 24 May 2022.*

SMG Share Plan ("SSP")

The SSP applies to all employees of the Group (including Executive Directors who are Controlling Shareholders and their associates) who have attained the age of 21 years on or before the relevant grant of the awards, provided that none shall be an undischarged bankrupt. The awards granted under SSP are conditional on Performance Targets set based on medium-term corporate objectives. Awards represent the right of a participant to receive fully paid shares, free of charge, upon the Company achieving prescribed Performance Target(s). Awards are released once the Remuneration Committee is satisfied that the prescribed target(s) have been achieved. There is no vesting period beyond the performance period.

No award under the PSP has been granted during the financial year.

Options and performance shares (cont'd)

Details of options and performance shares of the Company granted to directors and controlling shareholders (or their associates) and key executives of the Company under the Scheme are as follows:

Name of director and controlling shareholder and key executive	Options and performance shares granted during the financial year ended 31 December 2022	Aggregate options and performance shares granted since commencement of the Scheme to 31 December 2022	Aggregate options exercised and performance shares vested since commencement of the Scheme to 31 December 2022	Aggregate options and performance shares outstanding as at 31 December 2022
Share options of the Company				
Director of the Company				
Dr Beng Teck Liang	–	8,300,000	3,900,000	–
Dr Wong Seng Weng	–	2,400,000	1,600,000	–
Key executive of the Company				
Wong Sian Jing	–	2,740,000	1,520,000	–
Performance shares of the Company				
Director of the Company				
Dr Beng Teck Liang	–	351,271	351,271	–

Since the commencement of the Scheme, no participant other than the directors and key executives mentioned above has been granted 5% or more of the total options and performance shares available under the Scheme.

The options and performance shares granted by the Company do not entitle the holders of the options or performance shares, by virtue of such holding, to any rights to participate in any share issue of any other company.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Tony Tan Choon Keat Director	Dr Beng Teck Liang Director

28 April 2023

Independent auditor's report to the member of Singapore Medical Group Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets 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 income statement, 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.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) 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 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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 opinion.

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement set out on pages 1 to 5.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Independent auditor's report to the member of Singapore Medical Group Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

28 April 2023

Singapore Medical Group Limited and its Subsidiaries

Consolidated statement of comprehensive income
For the financial year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Revenue	4	113,232	100,840
Cost of sales		(67,083)	(56,580)
Gross profit		46,149	44,260
Finance income	5	29	30
Other income	6	165	104
Other gain	7	55	1,500
Distribution and selling expenses		(3,976)	(3,524)
Administrative expenses		(27,166)	(24,705)
Finance expenses	5	(515)	(493)
Share of results of joint ventures and associates		1,738	898
Profit before tax	8	16,479	18,070
Income tax expense	11	(2,543)	(2,354)
Profit for the year		13,936	15,716
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(683)	(362)
		(683)	(362)
Items that will not be reclassified to profit or loss			
Net loss on equity instrument designated at fair value through other comprehensive income ("FVOCI")		–	(1,211)
		–	(1,211)
Other comprehensive income for the year, net of tax		(683)	(1,573)
Total comprehensive income for the year		13,253	14,143
Profit attributable to:			
Owners of the Company		13,481	15,608
Non-controlling interests		455	108
		13,936	15,716
Total comprehensive income attributable to:			
Owners of the Company		12,798	14,035
Non-controlling interests		455	108
		13,253	14,143

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

Balance sheets
As at 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	12	9,006	9,296	604	544
Intangible assets	13	123,494	123,976	12	98
Right-of-use assets	25	9,896	10,343	6,094	5,761
Investment in subsidiaries	14	–	–	138,369	142,670
Investment in joint ventures	15	3,121	2,249	1,951	1,376
Investment in associates	16	18,741	17,537	11,285	11,285
Other receivables	19	1,607	1,639	816	850
Deferred tax assets	27	783	829	348	384
		166,648	165,869	159,479	162,968
Current assets					
Inventories	17	2,621	1,961	–	–
Trade receivables	18	7,575	5,968	–	–
Prepayments		1,379	895	378	60
Other receivables	19	775	526	204	76
Due from related companies	20	–	–	17,663	15,645
Cash and cash equivalents	21	31,761	26,618	2,387	2,521
		44,111	35,968	20,632	18,302
Total assets		210,759	201,837	180,111	181,270
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	22	2,752	2,075	2	2
Other payables and accruals	23	12,784	12,608	780	929
Contract liabilities	4	3,061	3,196	–	–
Due to related companies	20	–	–	9,477	9,633
Lease liabilities	25	5,093	4,804	2,827	2,755
Loans and borrowings	26	834	1,494	834	817
Income tax payable		2,368	2,294	–	–
		26,892	26,471	13,920	14,136
Non-current liabilities					
Other payables and accruals	23	408	408	212	212
Due to related companies	20	–	–	2,281	3,468
Lease liabilities	25	5,255	5,700	3,488	3,169
Loans and borrowings	26	1,354	2,188	1,354	2,188
Deferred tax liabilities	27	721	532	–	–
		7,738	8,828	7,335	9,037
Total liabilities		34,630	35,299	21,255	23,173
Net assets		176,129	166,538	158,856	158,097

Balance sheets
As at 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Equity attributable to owners of the Company					
Share capital	28	121,028	121,028	121,028	121,028
Treasury shares	29	(50)	(50)	(50)	(50)
Retained earnings		56,747	46,741	37,878	36,266
Share option reserve	30	–	853	–	853
Foreign currency translation reserve	31	(1,306)	(623)	–	–
		176,419	167,949	158,856	158,097
Non-controlling interests		(290)	(1,411)	–	–
Total equity		176,129	166,538	158,856	158,097
Total equity and liabilities		210,759	201,837	180,111	181,270

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

	Attributable to owners of the Company							
Group	**Share capital (Note 28)** $'000	**Treasury shares (Note 29)** $'000	**Retained earnings** $'000	**Share option reserve (Note 30)** $'000	**Foreign currency translation reserve (Note 31)** $'000	**Total** $'000	**Non-controlling interests** $'000	**Total equity** $'000
2022								
Balance at 1 January 2022	121,028	(50)	46,741	853	(623)	167,949	(1,411)	166,538
Profit for the year	–	–	13,481	–	–	13,481	455	13,936
Other comprehensive income								
Foreign currency translation differences	–	–	–	–	(683)	(683)	–	(683)
Other comprehensive income for the year, net of tax	–	–	–	–	(683)	(683)	–	(683)
Total comprehensive income for the year	–	–	13,481	–	(683)	12,798	455	13,253
Contributions by and distributions to owners								
Share-based payment transactions	–	–	–	91	–	91	–	91
Dividends on ordinary shares (Note 32)	–	–	(4,377)	–	–	(4,377)	–	(4,377)
Dividends paid by subsidiaries	–	–	–	–	–	–	(765)	(765)
Total contributions by and distributions to owners	–	–	(4,377)	91	–	(4,286)	(765)	(5,051)
Changes in ownership interests in subsidiaries					–			
Transfer of interests in subsidiary to non-controlling interests without a change in control (Note 14)	–	–	(42)	–	–	(42)	42	–
Dilution of interests in subsidiary to non-controlling interests with a change in control (Note 14)	–	–	–	–	–	–	1,389	1,389
Total changes in ownership interests in subsidiaries	–	–	(42)	–	–	(42)	1,431	1,389
Total transactions with owners in their capacity as owners	–	–	(4,419)	91	–	(4,328)	666	(3,662)
Others								
Expiry of employee share options	–	–	147	(147)	–	–	–	–
Cancellation of employee share options	–	–	797	(797)	–	–	–	–
Total others	–	–	944	(944)	–	–	–	–
Balance at 31 December 2022	121,028	(50)	56,747	–	(1,306)	176,419	(290)	176,129

Statements of changes in equity
For the financial year ended 31 December 2022

Group	Share capital (Note 28) $'000	Treasury shares (Note 29) $'000	Retained earnings $'000	Share option reserve (Note 30) $'000	Foreign currency translation reserve (Note 31) $'000	Fair value reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
	Attributable to owners of the Company								
2021									
Balance at 1 January 2021	119,838	(89)	32,304	939	(261)	1,353	154,084	(573)	153,511
Profit for the year	–	–	15,608	–	–	–	15,608	108	15,716
Other comprehensive income									
Foreign currency translation differences	–	–	–	–	(362)	–	(362)	–	(362)
Fair value loss on equity instrument designated at FVOCI	–	–	–	–	–	(1,211)	(1,211)	–	(1,211)
Re-designation of equity instrument designated at FVOCI as investment in associates	–	–	142	–	–	(142)	–	–	–
Other comprehensive income for the year, net of tax	–	–	142	–	(362)	(1,353)	(1,573)	–	(1,573)
Total comprehensive income for the year	–	–	15,750	–	(362)	(1,353)	14,035	108	14,143
Contributions by and distributions to owners									
Issue of shares	72	–	–	(17)	–	–	55	–	55
Share issuance expenses	(23)	–	–	–	–	–	(23)	–	(23)
Treasury shares re-issued pursuant to SMG Share Plan	50	39	–	(89)	–	–	–	–	–
Share-based payment transactions	–	–	–	233	–	–	233	–	233
Dividends on ordinary shares (Note 32)	–	–	(1,930)	–	–	–	(1,930)	–	(1,930)
Dividends paid by subsidiaries	–	–	–	–	–	–	–	(1,040)	(1,040)
Total contributions by and distributions to owners	99	39	(1,930)	127	–	–	(1,665)	(1,040)	(2,705)
Changes in ownership interests in subsidiaries									
Shares issued for acquisition of subsidiary (Note 14)	1,091	–	–	–	–	–	1,091	–	1,091
Transfer of interests in subsidiaries to non-controlling interests without a change in control (Note 14)	–	–	(110)	–	–	–	(110)	110	–
Dilution of interests in subsidiary to non-controlling interests without a change in control (Note 14)	–	–	514	–	–	–	514	(16)	498
Total changes in ownership interests in subsidiaries	1,091	–	404	–	–	–	1,495	94	1,589
Total transactions with owners in their capacity as owners	1,190	39	(1,526)	127	–	–	(170)	(946)	(1,116)

Statements of changes in equity
For the financial year ended 31 December 2022

	Attributable to owners of the Company								
	Share capital (Note 28)	Treasury shares (Note 29)	Retained earnings	Share option reserve (Note 30)	Foreign currency translation reserve (Note 31)	Fair value reserve	Total	Non-controlling interests	Total equity
Group	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2021									
Others									
Expiry of employee share options	–	–	213	(213)	–	–	–	–	–
Total others	–	–	213	(213)	–	–	–	–	–
Balance at 31 December 2021	121,028	(50)	46,741	853	(623)	–	167,949	(1,411)	166,538

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

	Share capital (Note 28) $'000	Treasury shares (Note 29) $'000	Retained earnings $'000	Share option reserve (Note 30) $'000	Fair value reserve $'000	Total $'000
Company						
2022						
Balance at 1 January 2022	121,028	(50)	36,266	853	–	158,097
Profit for the year	–	–	5,045	–	–	5,045
Contributions by and distributions to owners						
Share-based payment transactions	–	–	–	91	–	91
Dividends on ordinary shares (Note 32)	–	–	(4,377)	–	–	(4,377)
Total transactions with owners in their capacity as owners	–	–	(4,377)	91	–	(4,286)
Others						
Expiry of employee share options	–	–	147	(147)	–	–
Cancellation of employee share options	–	–	797	(797)	–	–
Total others	–	–	944	(944)	–	–
Balance at 31 December 2022	121,028	(50)	37,878	–	–	158,856
2021						
Balance at 1 January 2021	119,838	(89)	23,168	939	1,353	145,209
Profit for the year	–	–	14,673	–	–	14,673
Other comprehensive income						
Fair value loss on equity instrument designated at FVOCI	–	–	–	–	(1,211)	(1,211)
Re-designation of equity instrument designated at FVOCI as investment in associates	–	–	142	–	(142)	–
Other comprehensive income for the year, net of tax	–	–	142	–	(1,353)	(1,211)
Total comprehensive income for the year	–	–	14,815	–	(1,353)	13,462
Contributions by and distributions to owners						
Issue of shares	72	–	–	(17)	–	55
Share issuance expenses	(23)	–	–	–	–	(23)
Treasury shares re-issued pursuant to SMG Share Plan	50	39	–	(89)	–	–
Share-based payment transactions	–	–	–	233	–	233
Dividends on ordinary shares (Note 32)	–	–	(1,930)	–	–	(1,930)
Shares issued for acquisition of subsidiary (Note 14)	1,091	–	–	–	–	1,091
Total transactions with owners in their capacity as owners	1,190	39	(1,930)	127	–	(574)
Others						
Expiry of employee share options	–	–	213	(213)	–	–
Total others	–	–	213	(213)	–	–
Balance at 31 December 2021	121,028	(50)	36,266	853	–	158,097

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	Group 2022 $'000	Group 2021 $'000
Cash flows from operating activities			
Profit before tax		16,479	18,070
Adjustments for:			
Depreciation of property, plant and equipment	12	3,235	3,137
Depreciation of right-of-use assets	25	5,840	5,778
Amortisation of intangible assets	13	354	453
Share-based compensation expense	9	91	233
Provision/(reversal of provision) for expected credit loss on trade receivables	8	120	(14)
Bad debts written off	8	11	12
Rental relief		(70)	(68)
Interest income	5	(29)	(30)
Interest expenses		515	478
Amortisation of loan costs	5	–	15
Loss/(gain) on disposal of property, plant and equipment		54	(22)
Gain on remeasuring previously held equity in joint venture entity to fair value on business combination	14	–	(2,664)
Gain on dilution of interests in subsidiary to non-controlling interests with a change in control	14	(2,346)	–
Impairment loss on loans to an associate	19	–	1,164
Impairment loss on amounts due from an associate	19	2,291	–
Share of results of joint ventures and associates		(1,738)	(898)
Total adjustments		8,328	7,574
Operating cash inflows before changes in working capital		24,807	25,644
Changes in working capital:			
(Increase)/decrease in:			
Inventories		(660)	(133)
Trade and other receivables		(2,238)	290
Prepayments		(484)	(192)
Increase in:			
Trade payables		1,555	189
Contract liabilities, other payables and accruals		289	1,145
Total changes in working capital		(1,538)	1,299
Cash flows generated from operations		23,269	26,943
Interest received		29	30
Interest paid		(511)	(488)
Income tax paid		(2,234)	(2,018)
Net cash flows from operating activities		20,553	24,467
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,760)	(3,862)
Purchase of intangible assets		(15)	(367)
Proceeds from disposal of property, plant and equipment		10	42
Investment in joint ventures		(575)	(525)
Investment in associates		–	(3,060)
Dividend received from joint venture		336	–
Net cash outflow from acquisition of subsidiary	14	–	(1,916)
Net cash outflow from dilution of interests in subsidiary to non-controlling interests with a change in control	14	(107)	–
Net cash flows used in investing activities		(3,111)	(9,688)

Consolidated cash flow statement
For the financial year ended 31 December 2022

	Note	Group 2022 $'000	Group 2021 $'000
Cash flows from financing activities			
Dividends paid	32	(4,377)	(1,930)
Dividends paid to non-controlling interests		(765)	(1,040)
Issue of shares		–	55
Share issuance expenses	14	–	(23)
Issue of subsidiary's shares to non-controlling interests		–	498
Repayment of loans and borrowings	26	(1,493)	(5,279)
Payment of principal portion of lease liabilities	26	(5,664)	(6,065)
Net cash flows used in financing activities		(12,299)	(13,784)
Net increase in cash and cash equivalents		5,143	995
Cash and cash equivalents at beginning of financial year		26,618	25,623
Cash and cash equivalents at end of financial year	21	31,761	26,618

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

1. Corporate information

Singapore Medical Group Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and listed on the official list of SGX-Catalist.

The registered office and principal place of business of the Company is located at 1004 Toa Payoh North, #06-03/07, Singapore 318995.

On 13 September 2022, TLW Success Ltd. (formerly known as TLW Success Pte. Ltd.), a company incorporated and domiciled in Singapore, made a voluntary conditional general offer for all the issued and paid-up ordinary shares in the capital of the Company. As at 31 December 2022, TLW Success Ltd. having acquired 95% of the issued and paid-up share capital of the Company, became the Company's immediate and ultimate holding company.

Subsequent to the financial year-end, TLW Success Ltd. acquired the remaining 5% of the issued and paid-up share capital of the Company and the Company became a wholly-owned subsidiary of TLW Success Ltd. The Company was delisted from the official list of SGX-Catalist on 20 January 2023.

The principal activities of the Company are those relating to the operation of medical clinics, provision of general medical services and investment holdings. The principal activities of the subsidiaries, joint ventures and associates are disclosed in Notes 14 to 16 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet 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 the historical cost basis except as disclosed in the accounting policies below.

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

2.2 *New accounting standards effective on 1 January 2022*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 *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:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) Practice Statement 2 *Making Materiality Judgements*: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 16 *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2.4 *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.

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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other component of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method.

The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

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.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from 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.

2. Summary of significant accounting policies (cont'd)

2.5 *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.

2.6 *Foreign currency*

The Group's consolidated financial statements are presented in SGD, which is also the Company's functional currency. For each entity, the Group determines the 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 initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(b) *Consolidated financial statements*

On consolidation, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates. The exchange differences arising on translation for consolidation 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 reclassified to profit or loss.

2. Summary of significant accounting policies (cont'd)

2.6 *Foreign currency (cont'd)*

(b) *Consolidated financial statements (cont'd)*

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.7 *Property, plant and equipment*

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Construction in progress is stated at cost, net of accumulated impairment losses, if any. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

	Years
Office equipment	1 - 5
Medical equipment	5 - 10
Furniture and fittings	3 years or remaining lease term of clinic / office premise

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related 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 either finite or indefinite.

2. Summary of significant accounting policies (cont'd)

2.8 *Intangible assets (cont'd)*

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

Computer software and software development in progress

Research or maintenance costs of computer software are expensed as incurred. Development expenditures that are directly associated with identifiable and unique software products are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use, its intention to complete and its ability to use the asset, how the asset will generate future economic benefits beyond one year, the availability of resources to complete and the ability to measure reliably the expenditures during the development. This includes direct staff costs arising from the software development team and an appropriate portion of relevant overheads.

Expenditures which enhance or extend the performance of computer software programmes beyond their original specifications, are recognised as a capital improvement and accounted for as additions to computer software.

Following initial recognition of the computer software as an asset, the asset is carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on straight-line basis over the estimated useful lives of 3 to 5 years. During the period of development, the asset is tested for impairment annually.

Software development in progress is recognised at cost. Amortisation of the intangible asset begins when development is complete and the asset is available for use.

Trademarks

Trademarks are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any. It is amortised on a straight-line basis over the estimated useful lives of 10 years, which is the shorter of their estimated useful lives and periods of contractual rights.

2. Summary of significant accounting policies (cont'd)

2.9 *Impairment of non-financial assets*

The Group assesses, at the 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 to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value 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. When the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2. Summary of significant accounting policies (cont'd)

2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 *Associates and joint ventures*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

2. Summary of significant accounting policies (cont'd)

2.11 *Associates and joint ventures (cont'd)*

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of results of joint ventures and associates' in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.12 *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost and fair value through other comprehensive income ("FVOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

2. Summary of significant accounting policies (cont'd)

2.12 *Financial instruments (cont'd)*

Financial assets (cont'd)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments); and
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

(i) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under SFRS(I) 1-32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's balance sheet) when the rights to receive cash flows from the asset have expired.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. 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.

2. Summary of significant accounting policies (cont'd)

2.12 *Financial instruments (cont'd)*

Financial assets (cont'd)

Impairment (cont'd)

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).

For trade receivables, the Group applies 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 180 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.

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.

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.13 *Cash and cash equivalents*

Cash and cash equivalents in the balance sheets comprise cash at bank and on hand which are subject to an insignificant risk of changes in value.

2. Summary of significant accounting policies (cont'd)

2.14 *Inventories*

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.15 *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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when 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.

2.16 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 *Government grants*

Government grants are recognised when there is a reasonable assurance that the grant will be received and all attached conditions will be compiled with. The grant is recognised in profit or loss on a systematic basis over the periods in which the entity 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 heading such as “Other income”. Alternatively, they are deducted in reporting the related expenses.

Where the grant relates to an asset, the fair value is recognised as deferred grant income on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.18 *Employee benefits*

(a) *Defined contribution plans*

The Group participates in the national pension scheme as defined by the laws of countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. Summary of significant accounting policies (cont'd)

2.18 *Employee benefits (cont'd)*

(b) *Employee share-based compensation*

Employees of the Group receive remuneration in the form of share options and share awards, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of these equity-settled share-based payment transactions is determined by the fair value of the share options and share awards at the date when the share options and share awards are granted using an appropriate valuation model which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, together with a corresponding increase in the share option 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 share options and share awards that will ultimately vest. The expense 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 personnel expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of share options and share awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When an award is cancelled by the Group, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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.

2. Summary of significant accounting policies (cont'd)

2.19 *Leases (cont'd)*

Group as a lessee (cont'd)

(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 estimated useful lives of the assets as follows:

	Years
Medical equipment	5 - 10
Office and clinic premises	2 - 5

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 policy for impairment of non-financial assets set out in Note 2.9.

(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.

2. Summary of significant accounting policies (cont'd)

2.19 *Leases (cont'd)*

Group as a lessee (cont'd)

(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 clinic premises (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*

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.

(a) *Rendering of services*

The Group renders consultations, clinical treatments, medical tests and operations to customers, and telemedicine, software maintenance and development services. Revenue is recognised when the services to be provided are completed.

Revenue from the provision of package services, telemedicine subscription, maintenance services and management services are recognised upon completion of the series of distinct services rendered over time. The measure of progress is based on the number of sessions utilised as a percentage of the total sessions sold in a package.

(b) *Sale of medicine and related products*

Revenue from the sale of medicine and related products is recognised at the point in time when the goods are delivered to the customer and accepted by the customer.

<u>Contract balances</u>

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2. Summary of significant accounting policies (cont'd)

2.21 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities 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 reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. 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 reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

- When the deferred tax liability arises from the initial recognition of goodwill or 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, associates and joint ventures, 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, carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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:

- When 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, associates and joint ventures, 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.

2. Summary of significant accounting policies (cont'd)

2.21 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

The carrying amount of deferred tax assets is reviewed at each reporting date 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 each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

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 reporting date.

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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) *Sales tax*

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

- When 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

- When receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2. Summary of significant accounting policies (cont'd)

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 *Treasury shares*

The Group's own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised directly in equity.

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 balance sheet 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.

2.25 *Cash dividend*

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders and a corresponding amount is recognised directly in equity.

3. Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. 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.

3.1 *Judgements made in applying accounting policies*

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

Determination of purchase price allocation

In 2021, the Group acquired the remaining 50% equity interest in its joint venture, SMG (International) Vietnam Pte. Ltd. ("SIV") for a purchase consideration of $3,040,000. Following the completion of the acquisition, SIV became a wholly-owned subsidiary of the Group. In addition, the Group also acquired 20% equity interest in Annabelle Psychology Pte. Ltd. ("APPL") in 2021. The acquisitions were accounted for as business combinations and the Group was required to perform a purchase price allocation exercise for each acquisition as at the acquisition date. This involves judgement made in identifying all intangible assets and determining the fair values of all identifiable assets acquired and liabilities assumed as at the date of acquisition.

In assessing the fair value of all identifiable assets and liabilities, recent market transactions for identical assets and liabilities are considered, if available. If no such transactions can be identified, internal information that is consistent with what market participants will assume as at the measurement date is used. The key assumptions applied in the determination of the purchase price allocation are disclosed and further explained in Notes 14 and 16 to the financial statements.

There are no significant judgements during the current financial year.

3. Significant accounting estimates and judgements (cont'd)

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was 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.

(i) *Impairment of goodwill*

As disclosed in Note 13 to the financial statements, the recoverable amounts of the cash-generating units which goodwill has been allocated to are determined based on value in use calculations. The value in use calculations are based on 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 and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use, are disclosed and further explained in Note 13 to the financial statements.

The carrying amount of the goodwill as at 31 December 2022 is $123,413,000 (2021: $123,413,000).

(ii) *Impairment of non-financial assets*

The Group assesses impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets requires assessment as to whether the carrying amount of assets exceeds the recoverable amount. Recoverable amount is defined as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. The Group evaluates the value in use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

Forecasts of future cash flows are based on the Group's estimates using historical and industry trends, general market and economic conditions, changes in technology and other available information.

The carrying amounts of the Company's property, plant and equipment, intangible assets, right-of-use assets, investment in subsidiaries, joint ventures and associates are disclosed in Notes 12 to 16, and 25 of the financial statements.

4. Revenue

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

Segments	Health 2022 $'000	Health 2021 $'000	Diagnostic and Aesthetics 2022 $'000	Diagnostic and Aesthetics 2021 $'000	Others 2022 $'000	Others 2021 $'000	Total 2022 $'000	Total 2021 $'000
Type of good or service								
Rendering of services	44,731	40,738	40,559	35,960	394	286	85,684	76,984
Sale of medicine and related products	24,664	21,384	2,884	2,472	–	–	27,548	23,856
Total revenue	69,395	62,122	43,443	38,432	394	286	113,232	100,840
Timing of transfer of good or service								
At a point in time	69,395	62,122	39,428	34,273	322	201	109,145	96,596
Over time	–	–	4,015	4,159	72	85	4,087	4,244
Total revenue	69,395	62,122	43,443	38,432	394	286	113,232	100,840

Revenue from transfer of good or service is attributed to Singapore.

4. Revenue (cont'd)

(b) ***Receivables and contract liabilities***

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

	Group		
	31 December		1 January
	2022	2021	2021
	$'000	$'000	$'000
Receivables from contracts with customers (Note 18)	7,575	5,968	5,268
Contract liabilities	(3,061)	(3,196)	(2,945)

During the financial year, the Group recognised impairment losses on receivables arising from contracts with customers amounting to $120,000. In prior year, the Group reversed impairment losses previously recognised on receivables arising from contracts with customers amounting to $14,000.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers.

Contract liabilities are recognised as revenue as the Group performs under the contract.

Set out below is the amount of revenue recognised from:

	Group	
	2022	2021
	$'000	$'000
Amounts included in contract liabilities at the beginning of the year	3,196	2,945

All performance obligations are expected to be recognised within one year.

5. Finance income/(expenses)

	Group	
	2022	2021
	$'000	$'000
Interest income from:		
- bank balances	15	22
- loan to associate	14	8
	29	30
Interest expense on:		
- loans and borrowings	(44)	(159)
- lease liabilities (Note 25)	(471)	(319)
Amortisation of loan costs	–	(15)
	(515)	(493)

6. Other income

	Group 2022 $'000	Group 2021 $'000
Gain on disposal of property, plant and equipment	–	22
Others	165	82
	165	104

7. Other gain

	Note	Group 2022 $'000	Group 2021 $'000
Gain on remeasuring previously held equity in joint venture entity to fair value on business combination	14	–	2,664
Gain on dilution of interests in subsidiary to non-controlling interests with a change in control	14	2,346	–
Impairment loss on loans to an associate	19	–	(1,164)
Impairment loss on amounts due from associate	19	(2,291)	–
		55	1,500

8. Profit before tax

The following items have been included in arriving at profit before tax:

	Note	Group 2022 $'000	Group 2021 $'000
Depreciation of property, plant and equipment	12	3,235	3,137
Depreciation of right-of-use assets	25	5,840	5,778
Amortisation of intangible assets	13	354	453
Loss on disposal of property, plant and equipment		54	–
Cost of inventories recognised as an expense	17	14,422	12,596
Lease expenses	25	1,183	904
Provision/(reversal of provision) for expected credit loss on financial assets:			
- trade receivables	18	120	(14)
Bad debts written off		11	12
Personnel expenses*	9	39,552	35,327

* Includes directors' remuneration and remuneration of key management personnel as disclosed in Note 10.

9. Personnel expenses

	Group 2022 $'000	Group 2021 $'000
Included in cost of sales:		
Salaries and bonuses	20,815	19,766
Central Provident Fund contributions	653	567
Included in administrative expenses:		
Salaries and bonuses	14,392	12,063
Central Provident Fund contributions	1,872	1,471
Share-based compensation expense	91	233
Short-term employee benefits	1,729	1,227
	39,552	35,327

In 2021, government grants relating to the Jobs Support Scheme of $556,000 had been deducted in reporting the related salaries and bonuses.

10. Related party transactions

Compensation of key management personnel

	Group 2022 $'000	Group 2021 $'000
Remuneration paid to key management personnel		
Salaries and bonuses	3,994	3,978
Central Provident Fund contributions	120	124
Share-based compensation expense	67	167
	4,181	4,269
Comprises amounts paid to:		
- Directors of the Company *	2,703	2,754
- Other key management personnel	1,478	1,515
	4,181	4,269

* Included in amounts paid to directors of the Company are directors' fees of $175,000 (2021: $145,000).

10. Related party transactions (cont'd)

Key management personnel interests' in SMG Share Option Scheme and SMG Share Plan

During the financial year, there were no performance shares granted to directors of the Company. In prior year, 10,231 performance shares were granted to a director of the Company. There are no share options granted to key management personnel during the financial year (2021: Nil).

	Group and Company	
	2022	**2021**
	No. of performance shares '000	No. of performance shares '000
Performance shares granted to:		
- Director of the Company	–	10

During the financial year, no options were exercised by key management personnel. In prior year, key management personnel exercised options for 100,000 ordinary shares of the Company at a price of $0.303 each, with a total consideration of $30,000 paid to the Company.

At the end of the reporting period, there were no outstanding share options (2021: 6,220,000) granted by the Company to key management personnel under the SMG Share Option Scheme. There were no outstanding performance shares granted by the Company to key management personnel under the SMG Share Plan as at 31 December 2022 and 2021.

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:

	Group	
	2022	**2021**
	$'000	$'000
Rental paid to companies related to directors	339	332
Professional fees paid to companies related to directors	222	336
Rental paid to joint venture	70	–
Management fee from associate	34	36

10. Related party transactions (cont'd)

Companies related to directors:

The Group had the following transactions with companies related to directors:

(i) The Group had entered into lease agreements with K S Beng Pte. Ltd. ("KSB"), a company owned by an immediate family member of one of the directors of the Company, to lease commercial premises for rental of $186,000 (2021: $179,000). The Group also paid professional fees of $178,000 (2021: $180,000) in relation to medical services rendered by the same entity. Other than the security deposits of $29,000 (2021: $29,000), there is no balance outstanding with KSB as at the reporting date (2021: $Nil).

(ii) The Group had entered into a lease agreement with MW Medical Holdings Pte. Ltd. ("MWMH"), a company related to one of the directors of the Company, to lease a commercial premise for rental of $153,000 (2021: $153,000). The Group also engaged MW Medical Pte. Ltd. ("MWM"), a company related to the same director, for nursing services of $9,000 (2021: $7,000). Other than the security deposits of $28,000 (2021: $28,000), there is no balance outstanding with MWMH and MWM as at the reporting date (2021: $Nil).

(iii) The Group had engaged Tricor Singapore Pte. Ltd., Tricor WP Corporate Services Pte. Ltd. and TSMP Law Corporation, which are companies related to directors of the Company, for secretarial and legal services. The Group incurred professional fees of $35,000 (2021: $149,000) and the balance outstanding as at the reporting date was $Nil (2021: $20,000).

11. Income tax expense

Major components of income tax expense

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

	Group	
	2022	**2021**
	$'000	$'000
Statement of comprehensive income:		
Current income tax		
- current income taxation	2,337	2,294
- over provision in respect of previous years	(29)	(114)
	2,308	2,180
Deferred income tax		
- origination and reversal of temporary differences	235	174
	235	174
Income tax expense recognised in statement of comprehensive income	2,543	2,354

11. Income tax expense (cont'd)

Relationship between tax expense and accounting profit

A reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate are as follows:

	Group	
	2022	**2021**
	$'000	$'000
Accounting profit before tax	16,479	18,070
Tax at the applicable tax rate of 17% (2021: 17%)	2,801	3,072
Tax effects of:		
- non-deductible expenses	718	545
- income not subject to taxation	(346)	(758)
- deferred tax assets not recognised	193	197
- effect of partial tax exemption and tax relief	(361)	(294)
- deferred tax assets from previously unrecognised temporary differences	(220)	(98)
- utilisation of tax losses and temporary differences previously not recognised	(22)	(61)
- over provision in respect of prior years	(29)	(114)
- share of results of joint ventures and associates	(295)	(153)
- others	104	18
Income tax expense recognised in statement of comprehensive income	2,543	2,354

12. Property, plant and equipment

Group	Office equipment $'000	Medical equipment $'000	Furniture and fittings $'000	Construction in progress $'000	Total $'000
Cost:					
At 1 January 2021	1,527	12,066	8,340	138	22,071
Additions	218	3,221	286	32	3,757
Disposals	(375)	(702)	(1,792)	–	(2,869)
Reclassification	–	–	170	(170)	–
Reclassification from right-of-use assets [1]	–	1,941	–	–	1,941
At 31 December 2021 and 1 January 2022	1,370	16,526	7,004	–	24,900
Additions	221	1,827	615	214	2,877
Disposals	(28)	(157)	(37)	–	(222)
Derecognition arising from dilution of interests in subsidiary to non-controlling interests with a change in control (Note 14)	(36)	(2)	–	–	(38)
Reclassification from right-of-use assets [1]	–	185	–	–	185
At 31 December 2022	1,527	18,379	7,582	214	27,702
Accumulated depreciation:					
At 1 January 2021	1,327	8,255	5,734	–	15,316
Depreciation charge for the year	141	1,936	1,060	–	3,137
Disposals	(375)	(682)	(1,792)	–	(2,849)
At 31 December 2021 and 1 January 2022	1,093	9,509	5,002	–	15,604
Depreciation charge for the year	191	2,124	920	–	3,235
Disposals	(22)	(82)	(6)	–	(110)
Derecognition arising from dilution of interests in subsidiary to non-controlling interests with a change in control (Note 14)	(33)	*	–	–	(33)
At 31 December 2022	1,229	11,551	5,916	–	18,696
Net carrying amount:					
At 31 December 2021	277	7,017	2,002	–	9,296
At 31 December 2022	298	6,828	1,666	214	9,006

12. Property, plant and equipment (cont'd)

	Office equipment $'000	Medical equipment $'000	Furniture and fittings $'000	Total $'000
Company				
Cost:				
At 1 January 2021	457	1,191	2,322	3,970
Additions	30	–	–	30
Disposals	(248)	–	(836)	(1,084)
Reclassification from right-of-use assets [1]	–	346	–	346
At 31 December 2021 and 1 January 2022	239	1,537	1,486	3,262
Additions	46	415	130	591
Disposals	(10)	(84)	–	(94)
At 31 December 2022	275	1,868	1,616	3,759
Accumulated depreciation:				
At 1 January 2021	437	1,011	1,869	3,317
Depreciation charge for the year	14	219	252	485
Disposals	(248)	–	(836)	(1,084)
At 31 December 2021 and 1 January 2022	203	1,230	1,285	2,718
Depreciation charge for the year	23	274	219	516
Disposals	(10)	(69)	–	(79)
At 31 December 2022	216	1,435	1,504	3,155
Net carrying amount:				
At 31 December 2021	36	307	201	544
At 31 December 2022	59	433	112	604

* *Amount less than $1,000.*

[1] During the financial year, the Group and Company had transferred costs of $185,000 (2021: $1,941,000) and $Nil (2021: $346,000) from right-of-use assets to property, plant and equipment at the end of the lease term (Note 25).

In prior year, the Group reclassified construction in progress to furniture and fittings amounting to $170,000 upon completion of renovation works.

13. Intangible assets

	Goodwill	Computer software	Trademarks	Software development in progress	Total
	$'000	$'000	$'000	$'000	$'000
Group					
Cost:					
At 1 January 2021	126,101	1,381	19	162	127,663
Additions	–	52	2	151	205
Acquisition of a subsidiary (Note 14)	312	–	–	–	312
Reclassification	–	313	–	(313)	–
At 31 December 2021 and 1 January 2022	126,413	1,746	21	–	128,180
Additions	–	15	–	–	15
Derecognition arising from dilution of interests in subsidiary to non-controlling interests with a change in control (Note 14)	–	(695)	(2)	–	(697)
At 31 December 2022	126,413	1,066	19	–	127,498
Accumulated amortisation and impairment:					
At 1 January 2021	3,000	747	4	–	3,751
Amortisation charge for the year	–	451	2	–	453
At 31 December 2021 and 1 January 2022	3,000	1,198	6	–	4,204
Amortisation charge for the year	–	352	2	–	354
Derecognition arising from dilution of interests in subsidiary to non-controlling interests with a change in control (Note 14)	–	(554)	*	–	(554)
At 31 December 2022	3,000	996	8	–	4,004
Net carrying amount:					
At 31 December 2021	123,413	548	15	–	123,976
At 31 December 2022	123,413	70	11	–	123,494

13. Intangible assets (cont'd)

	Computer software $'000
Company	
Cost:	
At 1 January 2021	413
Additions	19
At 31 December 2021, 1 January 2022 and 31 December 2022	432
Accumulated amortisation:	
At 1 January 2021	220
Amortisation charge for the year	114
At 31 December 2021 and 1 January 2022	334
Amortisation charge for the year	86
At 31 December 2022	420
Net carrying amount:	
At 31 December 2021	98
At 31 December 2022	12

** Amount less than $1,000.*

Computer software pertains to computer software licenses purchased from vendors.

In prior year, the Group reclassified software development in progress to computer software amounting to $313,000 upon completion of software development.

<u>Amortisation expense</u>

The amortisation of computer software and trademarks is included in the "Administrative expenses" line item in profit or loss.

Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to five (2021: five) cash-generating units ("CGU"), Women's Health business, Paediatrics business, Diagnostic business, Aesthetics business and Vietnam business, for impairment testing.

13. Intangible assets (cont'd)

Impairment testing of goodwill (cont'd)

The carrying amount of goodwill allocated to each CGU is as follows:

	Women's Health business		Paediatrics business		Diagnostic business		Aesthetics business		Vietnam business	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Goodwill	74,379	74,379	32,316	32,316	9,593	9,593	6,813	6,813	312	312

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 discount rate applied to the cash flow projections and the forecasted future growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	Women's Health business		Paediatrics business		Diagnostic business		Aesthetics business		Vietnam business	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Long-term growth rates	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	4.0%	4.0%
Discount rate	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%	12.0%	12.0%

13. Intangible assets (cont'd)

Key assumptions used in the value in use calculation

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Growth rates – Budgeted revenue is forecasted after considering factors like general market conditions, macroeconomic cycle, industry-specific and other relevant information. The growth rates are based on the targeted revenue growth, after considering the Company's available capacity, that are approved by management covering a period of 5 years. The future growth rates do not exceed the long-term average growth rate for the industries relevant to the CGUs.

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.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

14. Investment in subsidiaries

	Company	
	2022	**2021**
	$'000	$'000
Shares, at cost	27,741	27,741
Amounts due from subsidiaries	117,831	120,920
Impairment losses	(7,203)	(5,991)
	138,369	142,670

The movement in provision for impairment losses are as follows:

	Company	
	2022	**2021**
	$'000	$'000
At 1 January	5,991	8,340
Charge for the year	1,212	–
Reversal	–	(629)
Write-off	–	(1,720)
At 31 December	7,203	5,991

14. Investment in subsidiaries (cont'd)

The Company had the following subsidiaries as at 31 December:

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest 2022	2021
Cancer Centre Pte. Ltd. (a)	Singapore	Provision of oncology services	90	90
LSC Eye Clinic Pte. Ltd. (a)	Singapore	Provision of LASIK and general ophthalmological services	100	100
The Dental Studio Pte. Ltd. (a)	Singapore	Provision of dental services	65	65
SMG Specialist Centre Pte. Ltd. (a)	Singapore	Provision of multi-disciplines specialist medical services	100	100
SMG International Partners Pte. Ltd. (a)	Singapore	Provision of business consultancy services	100	100
The Obstetrics & Gynaecology Centre Pte. Ltd. (a)	Singapore	Provision of obstetrics and gynaecology services	100	100
The Medical Suite Pte. Ltd. (a)	Singapore	Provision of family medicine and health screening services	100	100
SMG Orthopaedic Group Pte. Ltd. (a)	Singapore	Dormant company	100	100
Centre for Wellness & Healthy Aging Pte. Ltd. (b)	Singapore	Dormant company	100	100
SMG Dental Pte. Ltd.	Singapore	Dormant company	80	80
Wellness & Gynaecology Centre Pte. Ltd. (a)	Singapore	Provision of obstetrics and gynaecology services	100	100
SMG Dermatology Centre Pte. Ltd. (a)	Singapore	Dormant company	100	100
TOGC @Gleneagles Pte. Ltd. (a)	Singapore	Provision of obstetrics and gynaecology services	100	100
Novena Radiology Pte. Ltd. (a)	Singapore	Provision of radiology/diagnostic imaging services	100*	100*

14. Investment in subsidiaries (cont'd)

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest	
			2022	2021
Lifescan Imaging Pte. Ltd.[(a)]	Singapore	Provision of radiology/diagnostic imaging services	100	100
SMG Astra Women's Specialists Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services and investment holding	100	100
SMG Astra O&G Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	88	88
SMG Kids Clinic Pte. Ltd. [(a)]	Singapore	Provision of paediatrics services and investment holding	100	100
SMG Aesthetics & Plastic Surgery Pte. Ltd. [(a)]	Singapore	Provision of aesthetics services and investment holding	85	85
SMG Heart Centre Pte. Ltd. [(a)]	Singapore	Provision of cardiology services	80	80
SMG Astra Women's Health Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	88	88
HiDoc Pte. Ltd. [(a)]	Singapore	Development of software/e-commerce applications for medical related services	–**	53
The Breast Clinic Pte. Ltd. [(a)]	Singapore	Provision of breast related medical services	60	60
Skin Republic Pte. Ltd. [(a)]	Singapore	Provision of aesthetics and spa services	80	80
SMG International (Vietnam) Pte. Ltd. [(a)]	Singapore	Investment holding	100	100
SMG Astra Centre for Women Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	–
SMG O&G Centre Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	80	–
SMG Kids Orthopaedic Pte. Ltd. [(a)]	Singapore	Provision of orthopaedic services for children	100	–

14. Investment in subsidiaries (cont'd)

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest 2022	2021
Held through SMG Astra Women's Specialists Pte. Ltd.				
Alpha Healthcare International Pte. Ltd. (a)(1)	Singapore	Provision of obstetrics and gynaecology services	100	100
Astra Centre for Women & Fertility Pte. Ltd. (a)(1)	Singapore	Provision of obstetrics and gynaecology services	100	100
Astra Women's Specialists (JL) Pte. Ltd. (a)(1)	Singapore	Provision of obstetrics and gynaecology services	100	100
Astra Women's Specialists (WB) Pte. Ltd. (a)(1)	Singapore	Provision of obstetrics and gynaecology services	100	100
Fong's Clinic (TB) Pte. Ltd. (a)(1)	Singapore	Dormant company	100	100
TCK @Novena Pte. Ltd. (a)(1)	Singapore	Provision of obstetrics and gynaecology services	100	100
The Women's Specialists Centre (HC) Pte. Ltd. (a)(1)	Singapore	Provision of obstetrics and gynaecology services	100	100
Held through SMG Kids Clinic Pte. Ltd.				
Children's Clinic Central Pte. Ltd. (a)	Singapore	Provision of paediatrics services	100	100
Kids Clinic @ Bishan Pte. Ltd. (a)	Singapore	Provision of paediatrics services	100	100
Babies and Children Specialist Clinic Pte. Ltd. (a)	Singapore	Provision of paediatrics services	100	100

14. Investment in subsidiaries (cont'd)

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest 2022	2021
Held through SMG Aesthetics & Plastic Surgery Pte. Ltd.				
Pheniks Pte. Ltd. [(a)]	Singapore	Provision of aesthetics services	85	85
SW1 (Vietnam) Pte. Ltd. [(a)]	Singapore	Investment holding	68***	68***
SMG Aesthetic (Downtown) Pte. Ltd. [(a)]	Singapore	Provision of aesthetics services	51	–
Held through Pheniks Pte. Ltd.				
SW1 Plastic Surgery Pte. Ltd. [(a)]	Singapore	Provision of aesthetics services	68	68

(a) Audited by Ernst & Young LLP, Singapore

(b) The subsidiary is placed under member's voluntary liquidation on 30 March 2022.

(1) These subsidiaries are collectively known as the Astra Companies.

* The Group holds 100% ownership interest in Novena Radiology Pte. Ltd. through the 51% interest held directly by the Company and the 49% interest held by Lifescan Imaging Pte. Ltd., a wholly-owned subsidiary of the Company.

** As at 31 December 2022, the Group holds 34% ownership interest in HiDoc Pte. Ltd. and accounted for it as an associate (Note 16).

*** The Group holds 68% ownership interest in SW1 (Vietnam) Pte. Ltd. through the 60% interest held by SMG Aesthetics & Plastic Surgery Pte. Ltd., an 85% owned subsidiary of the Company, and the 40% interest held by CityClinic Asia Investments Pte. Ltd., an associated company, which the Company holds an effective interest of 42% comprising a direct and indirect interest of 10% and 32% respectively.

14. Investment in subsidiaries (cont'd)

Amounts due from subsidiaries are unsecured, non-interest bearing and repayable at the discretion of the subsidiaries, only when the cash flows of the subsidiaries permit. These amounts relate to contributions from the Company, which form a part of the Company's net investments in subsidiaries and are accounted for at cost less accumulated impairment losses.

For subsidiaries with indicators of impairment, the recoverable amounts were determined based on value in use calculations using cash flow projections from financial budgets approved by management covering 5 years. The discount rates applied to the cash flow projections range from 10.5% to 12.0% (2021: 10.5% to 12.0%) depending on the jurisdiction of the CGU resides in. Management had applied growth rates ranging from 1.7% to 4.0% (2021: 1.7% to 4.0%) to extrapolate cash flow projections beyond the five-year period for 2022 depending on the jurisdiction of the CGU resides in.

As at 31 December 2022, the recoverable amounts of certain subsidiaries were determined to be $2,025,000. As the carrying amounts of the subsidiaries exceeded the recoverable amounts, impairment losses of $1,212,000 were recognised by the Company. In prior year, the recoverable amounts of certain subsidiaries were determined to be $8,797,000. As the recoverable amounts of the subsidiaries exceeded the carrying amounts, impairment losses of $629,000 that were previously recognised by the Company were reversed.

In prior year, the Company had written off its cost of investment and accumulated impairment losses of $1,720,000 for a subsidiary, Centre for Wellness & Health Aging Pte. Ltd., as the subsidiary was placed under member's voluntary liquidation after 31 December 2021.

Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has a subsidiary which has NCI that is material to the Group.

Name of Subsidiary	**Principal activities and place of business**	**Proportion of ownership interest held by non-controlling interest**	**Profit allocated to NCI during the reporting period**	**Accumulated NCI at the end of reporting period**	**Dividends paid/payable to NCI**
			$'000	$'000	$'000
31 December 2022:					
Cancer Centre Pte. Ltd. ("CCPL")	Provision of oncology services (Singapore)	10%	271	693	300
31 December 2021:					
Cancer Centre Pte. Ltd.	Provision of oncology services (Singapore)	10%	227	722	500

14. Investment in subsidiaries (cont'd)

Summarised financial information about subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of the subsidiary with material non-controlling interests are as follows:

Summarised balance sheet

	CCPL	
	2022	**2021**
	$'000	$'000
Current		
Assets	7,385	5,956
Liabilities	(2,737)	(2,209)
Net current assets	4,648	3,747
Non-current		
Assets	2,287	3,478
Liabilities	(3)	(3)
Net non-current assets	2,284	3,475
Net assets	6,932	7,222

Summarised statement of comprehensive income

	CCPL	
	2022	**2021**
	$'000	$'000
Revenue	15,690	14,445
Profit before income tax	3,245	2,608
Income tax expense	(535)	(335)
Profit for the year, representing total comprehensive income for the year	2,710	2,273

Other summarised information

	CCPL	
	2022	**2021**
	$'000	$'000
Net cash flows from operations	4,278	5,990
Acquisition of significant property, plant and equipment	2	3

14. Investment in subsidiaries (cont'd)

Acquisition in 2021

Acquisition of subsidiary

Acquisition of SMG International (Vietnam) Pte. Ltd. ("SIV")

On 13 September 2021, the Group acquired an additional 50% equity interest in SIV for a purchase consideration of $3,040,000, which the Group had an existing equity interest of 50%. As a result, the Group's equity interest in SIV increased from 50% to 100%, making SIV a wholly-owned subsidiary of the Group. The Group also reclassified $1,240,000 equity shares at cost from investment in joint ventures to investment in subsidiaries.

Gain on remeasuring previously held equity interest in SIV to fair value at date of acquisition

The Group recognised a gain of $2,664,000 as a result of measuring at fair value its 50% equity interest in SIV held before the business combination. The gain was included in the "Other gain" line item in the Group's profit or loss for the year ended 31 December 2021.

Transaction costs

Transaction costs related to the acquisition of $35,000 and $23,000 have been recognised in "Administrative expenses" line item in the Group's profit or loss for the year ended 31 December 2021 and in equity as share issuance expenses for issuance of the Company's shares for the acquisition of the subsidiary respectively.

Goodwill arising from the acquisition of SIV

The goodwill of $312,000 comprise the value of strengthening the Group's position in Vietnam and synergies expected to arise from integrating the Vietnam's operations into the Group's existing business. Goodwill is allocated to the Vietnam business cash-generating unit. None of the goodwill recognised is expected to be deductible for income tax purposes.

Impact of the acquisition on profit or loss

From the acquisition date, SIV had contributed no revenue and loss of $12,000 to the Group's results. If the business combination had taken place at the beginning of the year, the consolidated revenue and consolidated profit for the year would have been $100,840,000 and $15,308,000 respectively.

14. Investment in subsidiaries (cont'd)

Acquisition in 2021 (cont'd)

Acquisition of subsidiary (cont'd)

Acquisition of SMG International (Vietnam) Pte. Ltd. ("SIV") (cont'd)

The fair value of identifiable assets and liabilities and the effects of the acquisition of SIV as at the date of acquisition were:

	Fair value recognised on acquisition SIV
	$'000
Investment in associate	5,818
Prepayments	1
Cash and cash equivalents	33
	5,852
Other payables	(84)
Total identifiable net assets at fair value	5,768
Goodwill arising from acquisition	312
	6,080
Consideration transferred for the acquisition of SIV	
Cash paid	1,949
Equity instruments issued (3,398,203 ordinary shares of the Company)	1,091
Total consideration transferred	3,040
Effect of the acquisition of SIV on cash flows	
Total consideration for equity interest acquired	3,040
Less: Non-cash consideration	(1,091)
Consideration settled in cash	1,949
Less: Cash and cash equivalents of subsidiary acquired	(33)
Net cash outflow on acquisition	(1,916)

Equity instruments issued as consideration transferred

In connection with the acquisition of the remaining 50% equity interest in SIV, the Company issued 3,398,203 ordinary shares with a fair value of $0.321 each (Note 28). The fair value of these shares was the published price of the shares at the date of acquisition.

The attributable cost of the issuance of the shares as consideration of $23,000 had been recognised directly in equity as a deduction from share capital.

14. Investment in subsidiaries (cont'd)

Dilution of ownership interest in subsidiary, with loss of control

On 30 December 2022, HiDoc Pte. Ltd. ("HiDoc") allotted and issued 170 new ordinary shares to a non-controlling shareholder following the capitalisation of cash advances amounting to $830,000 provided by the non-controlling shareholder to HiDoc (the "Share Issuance"). Upon the completion of the Share Issuance, the Company's interest in HiDoc was diluted from 53% to 34% and control of HiDoc was passed to the non-controlling shareholder.

The value of assets and liabilities of HiDoc recorded in the consolidated financial statements as at 30 December 2022, and the effect of the dilution were:

	2022
	$'000
Property, plant and equipment	5
Intangible assets	143
Trade and other receivables	72
Prepayments	14
Cash and cash equivalents	107
	341
Trade and other payables	(3,295)
Carrying value of net liabilities	(2,954)
Non-controlling interests measured at the non-controlling interests' proportionate share of net liabilities	1,389
Fair value of retained interest	(781)
Gain on dilution	(2,346)
Effect of the dilution on cash flows	
Cash and cash equivalents of the subsidiary	(107)
Net cash outflow on dilution	(107)

The gain on dilution attributable to measuring the retained interest amounted to $2,346,000 is included in "Other gain" line item in profit or loss for the year ended 31 December 2022.

14. Investment in subsidiaries (cont'd)

Transfer of ownership interest in subsidiaries, without loss of control

On 22 August 2022, pursuant to an employment agreement, the Company transferred 20% of the issued and paid-up capital of SMG O&G Centre Pte. Ltd. ("OGC") to the medical director for a cash consideration of $20. Following the share transfer, the Company still controls OGC, retaining 80% of the equity interest. The carrying amount of the net assets of OGC as at the date of share transfer was $210,000. The share transfer resulted in an increase in non-controlling interests of $42,000 and a decrease in equity attributable to owners of the Company of $42,000.

On 10 May 2021, the Company transferred 4% of the issued and paid-up capital of SMG Astra Women's Health Pte. Ltd. ("AWH") to the medical director for a cash consideration of $1 upon the medical director achieving the performance targets and completing the third year of service. Following the share transfer, the Company still controls AWH, retaining 88% of the equity interest. The carrying amount of the net assets of AWH as at the date of share transfer was $678,000. The share transfer resulted in an increase in non-controlling interests of $47,000 and a decrease in equity attributable to owners of the Company of $47,000.

On 12 July 2021, the Company transferred 12% of the issued and paid-up capital of SMG Astra O&G Pte. Ltd. ("AOG") to the medical director for a cash consideration of $3 upon the medical director achieving the performance targets and completing 3 years of service. Following the share transfer, the Company still controls AOG, retaining 88% of the equity interest. The carrying amount of the net assets of AOG as at the date of share transfer was $521,000. The share transfer resulted in an increase in non-controlling interests of $63,000 and a decrease in equity attributable to owners of the Company of $63,000.

Dilution of ownership interest in subsidiary, without loss of control

On 1 July 2021, pursuant to a subscription agreement entered into by HiDoc and an external party, HiDoc issued 102 new ordinary shares to the external party for a cash consideration of $498,000. Following the share issuance, the Company's equity interest in HiDoc was reduced from 80% to 53%. The carrying amount of the net liabilities of HiDoc as at the date of share issuance was $1,903,000. The share issuance resulted in a decrease in non-controlling interests of $16,000 and an increase in equity attributable to owners of the Company of $514,000.

The following summarises the effect of the change in the Group's ownership interest in the subsidiaries on the equity attributable to owners of the Company:

	2022 OGC $'000	 AWH $'000	2021 AOG $'000	 HiDoc $'000
Carrying amount of interests in subsidiary disposed off/diluted	(42)	(47)	(63)	514
Consideration received from disposal of interests in subsidiary	*	*	*	–
(Decrease)/increase in equity attributable to owners of the Company	(42)	(47)	(63)	514

** Amount less than $1,000.*

15. Investment in joint ventures

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Equity shares, at cost	1,951	1,376	1,951	1,376
Share of post-acquisition reserves	1,170	873	–	–
	3,121	2,249	1,951	1,376

The joint venture companies of the Group as at 31 December are as follows:

Name of company (Country of incorporation and place of business)	Principal activities	Cost		Percentage of equity held by the Group	
		2022	2021	2022	2021
		$'000	$'000	%	%
PT Ciputra SMG (Indonesia) ("PTCS")	Provision of LASIK and general ophthalmological services	851	851	40	40
Aurum SMG Pte. Ltd. (Singapore)	Provision of co-working space for fitness, wellness and medical specialist care	1,100	525	50	50

During the financial year, the Company subscribed to 575,000 new shares issued by Aurum SMG Pte. Ltd. ("ASPL") for a cash consideration of $575,000. There was no change to the Company's interest after the additional capital contribution.

In 2021, the Company entered into a joint venture agreement and incorporated a jointly-controlled entity, ASPL, with an external party and made a capital contribution of $525,000 to the share capital of ASPL. The Company holds a 50% interest in the share capital of ASPL.

15. Investment in joint ventures (cont'd)

The summarised financial information of the joint ventures, based on its IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	ASPL		PTCS	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Summarised statement of comprehensive income				
Revenue	585	–	11,819	6,760
Operating expenses	(773)	(66)	(7,296)	(4,115)
Depreciation and amortisation	(590)	–	(422)	(395)
(Loss)/profit before tax	(778)	(66)	4,101	2,250
Income tax expense	–	–	(959)	(495)
(Loss)/profit for the year	(778)	(66)	3,142	1,755
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	–	–	(232)	25
Total comprehensive income for the year	(778)	(66)	2,910	1,780
Summarised balance sheet				
Current assets [(i)]	522	743	6,213	4,216
Non-current assets	2,540	270	1,765	1,430
Total assets	3,062	1,013	7,978	5,646
Current liabilities	(105)	(29)	(1,961)	(1,272)
Non-current liabilities	(1,602)	–	(98)	(103)
Total liabilities	(1,707)	(29)	(2,059)	(1,375)
Net assets	1,355	984	5,919	4,271
Proportion of the Group's ownership	50%	50%	40%	40%
Group's share of net assets	678	492	2,368	1,708
Other adjustments	–	–	75	49
Carrying amount of the investment	678	492	2,443	1,757
[(i)] Includes:				
Cash and cash equivalents	246	508	1,182	1,558
Trade receivables	80	20	83	53

The joint ventures require the Group's consent to distribute its profits. The Group does not foresee giving such consent at the reporting date.

The joint ventures had no contingent liabilities or capital commitments as at 31 December 2022 and 2021.

16. Investment in associates

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Equity shares, at cost	10,617	10,617	10,617	10,617
Fair value remeasurement	6,741	5,960	142	142
Loan to associate	300	300	300	300
Amounts due from associate	226	226	226	226
Share of post-acquisition reserves	857	434	–	–
	18,741	17,537	11,285	11,285

The associated companies of the Group as at 31 December are as follows:

Name of company (Country of incorporation and place of business)	Principal activities	Cost		Percentage of equity held by the Group	
		2022	**2021**	**2022**	**2021**
		$'000	$'000	%	%
HiDoc Pte. Ltd. (Singapore)	Development of software/e-commerce applications for medical related services	*	–	34	–**
CHA SMG (Australia) Pte. Ltd. and its subsidiaries (Singapore and Australia)	Investment holding#	7,919	7,919	20	20
CardioScan Asia Pte. Ltd. and its subsidiary (Singapore and Malaysia)	Provision of cardiac monitoring and reporting services	210	210	40	40
CityClinic Asia Investments Pte. Ltd. and its subsidiary (Singapore and Vietnam)	Investment holding and business and management consultancy services, and provision of outpatient healthcare services	1,830	1,830	42***	42***
Annabelle Psychology Pte. Ltd. and its subsidiary (Singapore)	Provision of psychology services	800	800	20	20

16. Investment in associates (cont'd)

\# CHA SMG (Australia) Pte. Ltd. holds 100% (2021: 100%) ownership interest in CHA SMG Australia Holding Pty Ltd which holds an effective interest of 62% (2021: 62%) in CFC Global Pty Ltd ("CFC"). CFC operates a chain of clinics in Australia providing assisted reproduction services.

* Amount less than $1,000.

** Prior to the dilution of HiDoc on 30 December 2022, the Group accounted for this investment as a subsidiary. Upon the completion of the Share Issuance on 30 December 2022, the Group's ownership interest was diluted from 53% to 34% and has significant influence over HiDoc. Accordingly, the Group accounts for HiDoc as an associate (Note 14).

*** The Group holds 42% equity interest in CityClinic Asia Investments Pte. Ltd. ("CCAI") through the 10% interest held directly by the Company and the 32% interest held by SIV, a wholly-owned subsidiary of the Company. In 2021, the 10% interest held directly by the Company was re-designated from equity instrument designated at FVOCI to investment in associates as the Group had significant influence over CCAI. As a result, the Company reclassified this investment of $1,830,000 to investment in associates, which comprises equity shares at cost of $1,688,000 and remeasurement of 10% equity interest in CCAI of $142,000.

The loan to associate bears interest at 3.60% (2021: 3.60%) per annum and amounts due from associate are non-interest bearing. These amounts are unsecured and repayable at the discretion of the associate, only when the cash flows of the associates permit. These amounts relate to contribution from the Company, which forms a part of the Company's net investment in associates and is accounted for at cost less accumulated impairment losses.

In 2021:

(a) The Company subscribed to 1,620,000 Redeemable Convertible Preference Shares ("RCPS") of CHA SMG (Australia) Pte. Ltd. ("CSA") for a cash consideration of $2,176,000. The RCPS may be converted to ordinary shares on a 1:1 basis at any time at the option of the RCPS holder. The Company subsequently converted 1,564,000 RCPS of $2,100,000 into ordinary shares of CSA and redeemed the remaining 56,000 RCPS for cash of $76,000. Upon the subscription, conversion and redemption of the RCPS, the Company's interest in CSA remains unchanged at 20%.

(b) The Company subscribed to 160,000 new shares issued by CardioScan Asia Pte. Ltd. ("CAPL") for a cash consideration of $160,000. There was no change to the Company's interest after the additional capital contribution.

(c) CAPL subscribed to 286,000 new shares of its 65% owned subsidiary, CardioScan Malaysia Sdn Bhd ("CMSB"), for a cash consideration of $94,000 (equivalent to Ringgit Malaysia ("RM") 286,000). There was no change to CAPL's interest in CMSB following the additional capital contribution.

(d) SIV subscribed to 477,650 new shares issued by CCAI for a cash consideration of United States Dollar ("USD" or "US$") 1. Following the share subscription, SIV's ownership interest in CCAI increased from 24% to 32%.

16. Investment in associates (cont'd)

The summarised financial information of the associated companies, based on its IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	APPL		CCAI		CAPL		CSA		HiDoc
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Summarised statement of comprehensive income									
Revenue	2,524	180	10,384	4,043	1,945	1,137	61,218	50,743	211
Operating expenses	(3,015)	(161)	(9,916)	(2,892)	(1,796)	(1,089)	(55,640)	(47,541)	(966)
(Loss)/profit before tax	(491)	19	468	1,151	149	48	5,578	3,202	(755)
Income tax expense	–	–	–	–	–	–	(1,483)	(1,143)	–
(Loss)/profit after tax	(491)	19	468	1,151	149	48	4,095	2,059	(755)
Other comprehensive income:									
Items that may be reclassified subsequently to profit or loss									
Foreign currency translation differences	–	–	(98)	–	(57)	–	(446)	(504)	–
Total comprehensive (loss)/income for the year	(491)	19	370	1,151	92	48	3,649	1,555	(755)
Total comprehensive (loss)/income attributable to non-controlling interests	–	–	–	–	35	–	1,338	530	–
Total comprehensive (loss)/income attributable to the owners of the associate company	(491)	19	370	1,151	57	48	2,311	1,025	(755)

16. Investment in associates (cont'd)

	APPL		CCAI		CAPL		CSA		HiDoc
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000
Summarised balance sheet									
Current assets	1,049	1,813	5,331	3,335	773	606	12,504	10,937	193
Non-current assets excluding goodwill	1,146	773	2,525	2,540	286	522	110,601	91,681	149
Goodwill	590	590	1,210	1,210	–	–	–	–	–
Total assets	2,785	3,176	9,066	7,085	1,059	1,128	123,105	102,618	342
Current liabilities	(751)	(807)	(3,682)	(3,705)	(344)	(361)	(24,861)	(21,054)	(2,465)
Non-current liabilities	(883)	(646)	(233)	(234)	(12)	(57)	(28,641)	(22,273)	–
Total liabilities	(1,634)	(1,453)	(3,915)	(3,939)	(356)	(418)	(53,502)	(43,327)	(2,465)
Net assets/(liabilities)	1,151	1,723	5,151	3,146	703	710	69,603	59,291	(2,123)
Net assets/(liabilities) excluding goodwill	561	1,133	3,941	1,936	703	710	69,603	59,291	(2,123)
Less: Net assets attributable to non-controlling interests	–	–	–	–	(149)	(110)	(28,287)	(17,928)	–
	561	1,133	3,941	1,936	554	600	41,316	41,363	(2,123)
Proportion of the Group's ownership	20%	20%	42%	42%	40%	40%	20%	20%	34%
Group's share of net assets/(liabilities)	112	227	1,655	807	222	240	8,263	8,273	(722)
Remeasurement of previously held interest in associate	–	–	5,960	5,960	–	–	–	–	–
Goodwill on acquisition	590	590	1,210	1,210	–	–	–	–	–
Fair value of retained interest	–	–	–	–	–	–	–	–	781
Other adjustments	4	(13)	(508)	(117)	16	11	436	349	722
Carrying amount of the investment	706	804	8,317	7,860	238	251	8,699	8,622	781

The associates require the Group's consent to distribute its profits. The Group does not foresee giving such consent at the reporting date.

The associates had contingent liabilities of $2,567,000 (2021: $2,499,000) and no capital commitments as at 31 December 2022 (2021: $Nil).

16. Investment in associates (cont'd)

Acquisition of associate

Acquisition of Annabelle Psychology Pte. Ltd. ("APPL")

On 22 October 2021, the Group acquired 20% equity interest in AAPL, a mental health group practice providing clinical psychology and therapy, and other clinical services including child neurodevelopmental and psychoeducational assessments, administering neurocognitive and IQ tests along with the clinical and per supervision to adults, children, couples and families.

Transaction costs

Transaction costs related to the acquisition of $14,000 had been recognised in "Administrative expenses" line item in the Group's profit or loss for the year ended 31 December 2021.

Acquired receivables

The fair value of trade and other receivables was $168,000.

Goodwill arising from acquisition

The purchase price allocation of AAPL in the financial year ended 31 December 2021 were provisional as the Group was in the process of determining the valuation for the assets and liabilities of AAPL. The results of the valuation had not been received at the date the 2021 financial statements were authorised for issue. On the completion of the valuation in October 2022, there was no change to the provisional value of goodwill arising from the acquisition of $590,000.

Goodwill comprises the value of strengthening the Group's marketing position in Singapore and the synergies expected to arise from integrating AAPL into the Group's existing Paediatrics business.

The fair value of identifiable assets and liabilities and the effects of the acquisition of AAPL as at the date of acquisition were:

	Fair value recognised on acquisition AAPL
	$'000
Plant and equipment	135
Right-of-use assets	610
Investment in subsidiary	9
Trade and other receivables	168
Prepayments	18
Cash and cash equivalents	1,631
	2,571
Trade and other payables	(213)
Lease liabilities	(646)
Loans and borrowings	(660)
Total identifiable net assets at fair value	1,052
Share of identifiable net assets at fair value	210
Goodwill arising from acquisition	590
	800

16. Investment in associates (cont'd)

Acquisition of associate (cont'd)

Acquisition of Annabelle Psychology Pte. Ltd. ("APPL") (cont'd)

	Fair value recognised on acquisition AAPL $'000
Consideration transferred for the acquisition of AAPL	
Cash paid	800
Total consideration transferred	800
Net cash outflow on acquisition	(800)

17. Inventories

Inventories consist of drugs and medicines, and medical consumables which are stated at cost.

Inventories amounting to $14,422,000 (2021: $12,596,000) were recognised as an expense in cost of sales.

18. Trade receivables

	Group	
	2022	**2021**
	$'000	$'000
Trade receivables	7,575	5,968

Trade receivables are non-interest bearing. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2022	**2021**
	$'000	$'000
Movement in allowance accounts:		
At 1 January	174	446
Charge for the year	120	–
Reversal	–	(14)
Write off	(4)	(258)
At 31 December	290	174

19. Other receivables

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Non-current:				
Refundable deposits	1,607	1,639	816	850
Loans to an associate	–	1,164	–	–
	1,607	2,803	816	850
Less: Allowance for impairment	–	(1,164)	–	–
Non-current, net of allowance	1,607	1,639	816	850
Current:				
Refundable deposits	422	331	185	41
Amounts due from associates	2,298	23	2,149	23
Other receivables	346	172	9	12
	3,066	526	2,343	76
Less: Allowance for impairment	(2,291)	–	(2,139)	–
	775	526	204	76
Total other receivables	2,382	2,165	1,020	926
Movement in allowance account:				
At 1 January	1,164	–	–	–
Charge for the year	2,291	1,164	2,139	–
Write off	(1,164)	–	–	–
At 31 December	2,291	1,164	2,139	–

Loans to an associate were unsecured, non-interest bearing and repayable on demand. These loans were not expected to be repaid within the next 12 months and had been classified as non-current accordingly. In 2021, pursuant to an offsetting arrangement between a subsidiary and an associate, the Group offset the loan from an associate of $109,000 against the loans receivable from an associate. Following the offsetting arrangement, an impairment loss of $1,164,000 was recognised by the Group as the Group did not expect to recover the remaining loans in view of the cessation of the aesthetics business by the associate.

Amounts due from associates are unsecured, non-interest bearing, repayable on demand and are to be settled in cash. During the financial year, an impairment loss of $2,291,000 (2021: $Nil) and $2,139,000 (2021: $Nil) has been recognised on the amounts due from associates for the Group and Company in view of the continued losses incurred by one of the associates.

20. Due from/(to) related companies

	Company	
	2022	**2021**
	$'000	$'000
Due from related companies:		
Due from subsidiaries	17,663	15,645
Due to related companies:		
Due to subsidiaries:		
current	(9,477)	(9,633)
non-current	(2,281)	(3,468)
	(11,758)	(13,101)

Other than amounts due to subsidiaries of $2,281,000 (2021: $3,468,000) which bear interest at 0.050% (2021: 0.085%) per annum, these balances are unsecured, non-interest bearing, repayable on demand and are to be settled in cash. Amounts due to subsidiaries of $2,281,000 (2021: $3,468,000) are classified as non-current since the amounts are not due within a year.

21. Cash and cash equivalents

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Cash and cash equivalents	31,761	26,618	2,387	2,521

Other than $22,794,000 (2021: $19,808,000), cash at bank earns interest at floating rates based on daily bank deposit rates.

22. Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

23. Other payables and accruals

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current:				
Goods and services tax payables, net	1,308	1,227	80	90
Medisave payable to patients	161	170	–	–
Accrued operating expenses	9,575	9,406	551	583
Amounts due to joint venture	6	–	–	–
Amounts due to a related party	–	188	–	188
Sundry creditors	1,734	1,617	149	68
	12,784	12,608	780	929
Non-current:				
Provision for reinstatement (Note 24)	408	408	212	212
Total other payables and accruals	13,192	13,016	992	1,141

Amounts due to joint venture and a related party are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

The remaining balances are unsecured, non-interest bearing and are normally settled on 30 to 90 days' terms.

24. Provision

A provision is recognised for costs expected to be incurred to reinstate office or clinic premises to its original state at the end of the lease term.

Movements in provision for reinstatement are as follows:

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
At 1 January and 31 December	408	408	212	212

25. Leases

As lessee

The Group has lease contracts for medical equipment, and office and clinic premises used in its operations. These leases generally have lease terms between 2 and 5 years. The Group's and Company's obligations under its leases for medical equipment are secured by the lessor's title to the leased assets. The outstanding amount of obligations under its leases for medical equipment is secured by way of a charge over the lease assets and corporate guarantee by the Company.

Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options, and variable lease payments, which are further discussed below.

The Group also has certain leases of clinic premises with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Medical equipment $'000	**Office and clinic premises** $'000	**Total** $'000
Group			
At 1 January 2021	2,535	7,367	9,902
Additions	–	8,160	8,160
Depreciation charge for the year	(383)	(5,395)	(5,778)
Reclassification to property, plant and equipment (Note 12)	(1,941)	–	(1,941)
At 31 December 2021 and 1 January 2022	211	10,132	10,343
Additions	–	3,249	3,249
Lease modification	–	2,329	2,329
Depreciation charge for the year	(26)	(5,814)	(5,840)
Reclassification to property, plant and equipment (Note 12)	(185)	–	(185)
At 31 December 2022	–	9,896	9,896
Company			
At 1 January 2021	409	3,574	3,983
Additions	–	5,006	5,006
Depreciation charge for the year	(63)	(2,819)	(2,882)
Reclassification to property, plant and equipment (Note 12)	(346)	–	(346)
At 31 December 2021 and 1 January 2022	–	5,761	5,761
Additions	–	1,029	1,029
Lease modification	–	2,329	2,329
Depreciation charge for the year	–	(3,025)	(3,025)
At 31 December 2022	–	6,094	6,094

25. Leases (cont'd)

As lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
At 1 January	10,504	8,477	5,924	3,736
Additions	3,249	8,160	1,029	5,006
Lease modification	2,329	–	2,329	–
Accretion of interest	471	319	243	205
Rental relief	(70)	(68)	(4)	(19)
Payments	(6,135)	(6,384)	(3,206)	(3,004)
At 31 December	10,348	10,504	6,315	5,924
Current	5,093	4,804	2,827	2,755
Non-current	5,255	5,700	3,488	3,169
	10,348	10,504	6,315	5,924

The maturity analysis of lease liabilities are disclosed in Note 36(a).

The following are the amounts recognised in profit or loss:

	Group	
	2022	**2021**
	$'000	$'000
Depreciation of right-of-use assets	5,840	5,778
Interest expense on lease liabilities	471	319
Lease expenses not capitalised in lease liabilities:		
- Expenses relating to short-term leases (included in cost of sales)	1,009	756
- Expenses relating to leases of low-value assets (included in administrative expenses)	172	148
- Variable lease payments (included in cost of sales)	2	–
Total (Note 8)	1,183	904
Rental relief (included in cost of sales)	(70)	(68)
Rental support scheme (included in cost of sales)	–	(977)
Total amount recognised in profit or loss	7,424	5,956

Depreciation of right-of-use assets of $5,814,000 (2021: $5,395,000) and $26,000 (2021: $383,000) are included in the "Cost of sales" and "Administrative expenses" line items in profit or loss respectively.

25. Leases (cont'd)

As lessee (cont'd)

The Group had total cash outflows for leases of $7,318,000 (2021: $7,288,000) in 2022. The Group also had non-cash additions to right-of-use assets of $3,249,000 (2021: $8,160,000) and lease liabilities of $3,249,000 (2021: $8,160,000) in 2022. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 34.

The Group has a lease contract for clinic premise that contains variable payments based on a percentage of sales generated by the clinic. The terms are negotiated by management for a variety of reasons, including minimising the fixed costs base for newly established clinic. The variable lease payments are recognised in profit or loss when incurred and amounted to $2,000 (2021: $Nil) during the financial year.

The Group has several lease contracts for clinic premises that include extension and termination options, for which the related lease payments have not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. These options are negotiated by management to provide operational flexibility in terms of managing the assets used in the Group's operations.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Group		
	Within five years	**More than 5 years**	**Total**
	$'000	$'000	$'000
2022			
Extension options not reasonably certain to be exercised	6,646	511	7,157
2021			
Extension options not reasonably certain to be exercised	5,054	679	5,733

26. Loans and borrowings

Term loans	Effective interest rate	Maturity	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Current						
SGD Term loans:	2.00%	2025				
- secured			834	1,494	834	817
			834	1,494	834	817
Non-current						
SGD Term loans:	2.00%	2025				
- secured			1,354	2,188	1,354	2,188
			1,354	2,188	1,354	2,188
Total loans and borrowings			2,188	3,682	2,188	3,005

Loans and borrowings amounting to $2,188,000 (2021: $3,005,000), that were drawn down by the Company, are secured by corporate guarantees taken by two subsidiaries of the Group.

In 2021, loan balances of $677,000 were secured by:

(i) a charge over the share capital of eight wholly-owned subsidiaries;

(ii) an assignment of the sale and purchase agreements and the Deed of Profit Guarantee in relation to the Astra Companies;

(iii) a first fixed charge over the consultancy agreements of certain doctors of the Group;

(iv) a fixed and floating charge on all assets of the Astra Companies; and

(v) corporate guarantee taken by two subsidiaries of the Group.

26. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	1.1.2022	Cash flows	Non-cash changes					31.12.2022
			Acquisition	Lease modification	Interest accrued	Rental relief	Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Loans and borrowings:								
- current	1,494	(1,493)	–		(1)	–	834	834
- non-current	2,188	–	–		–	–	(834)	1,354
Lease liabilities:								
- current	4,804	(5,664)	889	275	–	(70)	4,859	5,093
- non-current	5,700	–	2,360	2,054	–	–	(4,859)	5,255
Total	14,186	(7,157)	3,249	2,329	(1)	(70)	–	12,536

	1.1.2021	Cash flows	Non-cash changes				31.12.2021
			Acquisition	Amortisation of loan costs and interest accrued	Rental relief	Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Loans and borrowings:							
- current	5,307	(5,279)	–	5	–	1,461	1,494
- non-current	3,649	–	–	–	–	(1,461)	2,188
Lease liabilities:							
- current	5,134	(6,065)	974	–	(68)	4,829	4,804
- non-current	3,343	–	7,186	–	–	(4,829)	5,700
Total	17,433	(11,344)	8,160	5	(68)	–	14,186

The "Other" column relates to reclassification of non-current portion of loans and borrowings including lease liabilities, due to passage of time.

27. Deferred tax

Deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2022	2021	2022	2021	2022	2021
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax assets:						
Unutilised tax losses	129	132	(3)	21	–	–
Excess of tax written down values over net book values of property, plant and equipment	654	694	(40)	78	348	384
Fair value adjustment on acquisition of subsidiary	–	3	(3)	–	–	–
	783	829	(46)	99	348	384
Deferred tax liabilities:						
Differences in depreciation for tax purposes	717	528	(189)	(322)	–	–
Fair value adjustment on acquisition of subsidiaries	4	4	–	49	–	–
	721	532	(189)	(273)	–	–
Deferred tax expense			(235)	(174)		

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately $4,125,000 (2021: $4,347,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with the relevant provisions of the tax legislation in Singapore. The tax losses have no expiry date.

Unrecognised temporary differences relating to joint venture

At the balance sheet date, no deferred tax liability (2021: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's joint ventures as the joint ventures of the Group cannot distribute its earnings until it obtains the consent of both the joint venturers. At the balance sheet date, the Group does not foresee giving such consent.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $2,025,000 (2021: 951,000). The deferred tax liability is estimated to be $344,000 (2021: $162,000).

28. Share capital

	Group and Company			
	2022		2021	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares:				
At 1 January	486,614	121,028	483,021	119,838
Issued for acquisition of subsidiary (Note a)	–	–	3,398	1,091
Share issuance expenses	–	–	–	(23)
Exercise of share options (Note b)	–	–	195	55
Reclassification from share option reserve for performance shares issued via transfer of treasury shares	–	–	–	50
Reclassification from share option reserve for share options exercised by employees	–	–	–	17
At 31 December	486,614	121,028	486,614	121,028

(a) On 13 September 2021, the Company issued a total of 3,398,203 ordinary shares to 2 individuals and a corporate entity, pursuant to the sale and purchase agreement between the Company, the 4 individuals and the corporate entity, as part of the consideration for the acquisition of the remaining 50% equity interest in SIV. Upon the completion of the acquisition, SIV became a wholly-owned subsidiary of the Company (Note 14).

(b) In 2021, the Company issued 195,000 ordinary shares following the exercise of share options under the SMG Share Option Scheme.

All the above issued ordinary shares are fully paid. The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

29. Treasury shares

	Group and Company			
	2022		2021	
	No. of shares '000	$'000	No. of shares '000	$'000
At 1 January	233	50	411	89
Re-issue of treasury shares pursuant to SMG Share Plan	–	–	(178)	(39)
At 31 December	233	50	233	50

Treasury shares relate to ordinary shares of the Company that is held by the Company.

29. Treasury shares (cont'd)

During the financial year, the Company did not acquire any of its shares through purchases on Singapore Exchange Securities Trading Limited ("SGX-ST") (2021: Nil).

In 2021, the Company re-issued 178,231 treasury shares pursuant to SMG Share Plan, which amounted to $39,000.

30. Share option reserve

Share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or cancellation or exercise of the share options.

31. Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

32. Dividends

	Group and Company	
	2022	**2021**
	$'000	$'000
Cash dividends on ordinary shares declared and paid:		
Final exempt (one-tier) dividend for year ended 2021: $0.009 (2020: $0.004) per share	4,377	1,930
Proposed dividends on ordinary shares:		
Final exempt (one-tier) dividend for year ended 2022: $Nil (2021: $0.009) per share	–	4,377

Proposed dividends on ordinary shares are subject to approval at the annual general meeting and are not recognised as a liability as at the balance sheet date.

33. Share-based payment arrangement

At 31 December 2022, the Group has the following share-based payment arrangement:

SMG Share Option Scheme

Under the SMG Share Option Scheme ("SSOS"), share options are granted to selected employees of the Group (including Executive Directors who are Controlling Shareholders and their associates). The exercise price of the options is determined at the average of the closing prices of the Company's shares as quoted on the Singapore Exchange for five consecutive market days immediately preceding the date of the grant. The options vest over a period of three years from the date of grant. The contractual life of each option granted is five years.

During the financial year, outstanding share options of 7,700,000 (2021: Nil) have been cancelled. There has been no modification to the SSOS during the financial year.

Movement of share options during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2022		2021	
	No. of share options	WAEP ($)	No. of share options	WAEP ($)
Outstanding at 1 January	7,940,000	–	10,440,000	0.426
- Granted	930,000	–	150,000	0.381
- Exercised	–	–	(195,000)	0.280
- Forfeited	(1,170,000)	–	(2,455,000)	0.307
- Cancelled	(7,700,000)	–	–	–
Outstanding at 31 December	–	–	7,940,000	0.465
Exercisable at 31 December	–	–	6,055,000	0.477

- The weighted average fair value of options granted during the financial year was $Nil (2021: $0.465).
- The weighted average share price at the date of exercise of the options exercised during the financial year was $Nil (2021: $0.310).
- The range of exercise prices for options outstanding at the end of the year was $Nil (2021: $0.255 to $0.544). The weighted average remaining contractual life for these options is Nil (2021: 1.62) years.

Fair value of share options granted

The fair value of the share options granted under the SSOS is estimated at the grant date using the Trinomial Option Pricing Model ("TOPM"), taking into account the terms and conditions upon which the share options were granted.

33. Share-based payment arrangement (cont'd)

SMG Share Option Scheme (cont'd)

Fair value of share options granted (cont'd)

The following table lists the inputs to the option pricing models for the years ended 31 December 2022 and 2021:

	2022	**2021**
Dividend yield	1.29%	1.57%
Expected volatility (weighted-average)	23.6%	26.4%
Risk free interest rate (weighted-average)	1.73%	1.93%
Expected life of options (weighted-average)	3.67 years	3.67 years
Weighted average share price	$0.315	$0.255

The expected life of the share options is estimated by management in the absence of historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

SMG Share Plan

Under the SMG Share Plan ("SSP"), share awards are granted to selected employees of the Group (including Executive Directors who are Controlling Shareholders and their associates). The share awards will vest in two equal tranches on the second and third anniversary from the date of grant when the Performance Targets are achieved, subjected to approval by the Remuneration Committee. There is no vesting period beyond the performance periods.

No performance shares were granted during the financial year. In 2021, additional 10,231 performance shares were granted upon meeting pre-determined performance targets and the market price of the Company's share on the date of grant was $0.500. There has been no cancellation or modification to the share awards during the years ended 31 December 2022 and 2021.

Movement of performance shares during the year

The following table illustrates the movements and number of performance shares during the financial year:

	2021
No. of performance shares	
Outstanding at 1 January	168,000
- Adjusted	10,231
- Vested	(178,231)
Outstanding at 31 December	–

34. Commitments

At 31 December 2022, the Group and the Company had commitments of $1,284,000 (2021: $287,000) and $326,000 (2021: $Nil) comprising $958,000 (2021: $241,000) and $Nil (2021: $Nil), $326,000 (2021: $Nil) and $326,000 (2021: $Nil), and $Nil (2021: $46,000) and $Nil (2021: $Nil), relating to purchase of medical equipment, renovation and software development respectively.

The Group and the Company has various lease contracts that have not yet commenced as at the balance sheet date. The future lease payments for these non-cancellable lease contracts are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Within 1 year	128	196	–	171
Later than 1 year but not later than 5 years	470	642	–	205
	598	838	–	376

35. Segment information

For management purposes, the Group is organised into business segments based on their products and services, and has three reportable segments as follows:

I. The Health Business comprises: (a) Obstetrical and gynaecological services caters to the wellness of women for every momentous stage of life; (b) Oncology services including the prevention, diagnosis and treatment of cancer, cancer screening and cancer genetic and risk assessment; (c) Paediatrics services; (d) General medicine and health screening services; (e) Cardiology services; and (f) Endocrinology services.

II. The Diagnostic & Aesthetics Business comprises: (a) Radiology and diagnostic imaging services; (b) Refractive surgery services; (c) Dental services including general dental services, prosthodontics, orthodontics, implant dentistry, oral surgery and gum treatment; and (d) Aesthetics medicine services which offer an extensive range of evidence-based healthcare services related to the improvement of physical appearances. These services include facial aesthetics, body aesthetics, facial and breast fillers, IPL, lasers, Botox, microdermabrasion minimally invasive Silhouette threadlift, VASER-assisted LipoSelection and Plastic surgery.

III. The Others segment comprises group-level corporate services as well as business consultancy functions and telemedicine services.

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 by the chief operating decision makers ("CODM"), Chief Executive Officer, solely based on gross profit or loss. Certain expenses, other income and income taxes are managed on a group basis and are not allocated to operating segments.

35. Segment information (cont'd)

Based on the management reporting to the CODM, the segment assets and liabilities are not regularly provided for their review of the financial performance. Therefore, the segment assets and liabilities amounts are not disclosed in the segment information.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Inter-segment revenues are eliminated on consolidation.

	Health	Diagnostic and Aesthetics	Others	Adjustments and eliminations	Total
	$'000	$'000	$'000	$'000	$'000
2022					
Revenue:					
External customers	69,395	43,443	394	–	113,232
Inter-segment	151	1,557	585	(2,293)	–
Total revenue	69,546	45,000	979	(2,293)	113,232
Segment results:					
Segment gross profit[1]	23,659	22,033	775	(318)	46,149
Depreciation of property, plant and equipment	(762)	(1,931)	(542)	–	(3,235)
Depreciation of right-of-use assets	–	(26)	–	–	(26)
Amortisation of intangible assets	(14)	(103)	(237)	–	(354)
(Loss)/gain on disposal of property, plant and equipment	(55)	1	–	–	(54)
Share-based compensation expense	–	–	(91)	–	(91)
Gain on dilution of interests in subsidiary to non-controlling interests with a change in control	–	–	2,346	–	2,346
Provision for expected credit loss on trade receivables	(60)	(60)	–	–	(120)
Bad debt written off	(11)	–	–	–	(11)
Impairment loss on amounts due from an associate	(152)	–	(2,139)	–	(2,291)
Finance income	–	–	29	–	29
Interest expenses	(113)	(105)	(297)	–	(515)
Share of results of joint ventures and associates	874	1,253	(389)	–	1,738
Unallocated expenses					(27,086)
Profit before tax					16,479

35. Segment information (cont'd)

	Health $'000	Diagnostic and Aesthetics $'000	Others $'000	Adjustments and eliminations $'000	Total $'000
2021					
Revenue:					
External customers	62,122	38,432	286	–	100,840
Inter-segment	26	1,425	553	(2,004)	–
Total revenue	62,148	39,857	839	(2,004)	100,840
Segment results:					
Segment gross profit[1]	24,265	19,621	687	(313)	44,260
Depreciation of property, plant and equipment	(914)	(1,726)	(497)	–	(3,137)
Depreciation of right-of-use assets	–	(320)	(63)	–	(383)
Amortisation of intangible assets	(17)	(109)	(327)	–	(453)
Gain on disposal of property, plant and equipment	3	19	–	–	22
Share-based compensation expense	–	–	(233)	–	(233)
Gain on remeasuring previously held equity in joint venture entity to fair value on business combination	–	–	2,664	–	2,664
Reversal of provision for expected credit loss on trade receivables	14	–	–	–	14
Bad debt written off	(11)	(1)	–	–	(12)
Impairment loss on loans to an associate	–	(1,164)	–	–	(1,164)
Finance income	–	–	30	–	30
Interest expenses	(111)	(90)	(277)	–	(478)
Amortisation of loan costs	(15)	–	–	–	(15)
Share of results of joint ventures and associates	235	663	–	–	898
Unallocated expenses					(23,943)
Profit before tax					18,070

[1] Included in segment gross profit is depreciation of right-of-use assets of $5,814,000 (2021: $5,395,000) of which $1,280,000 (2021: $1,148,000), $1,484,000 (2021: $1,423,000) and $3,050,000 (2021: $2,824,000) are allocated to Health Business, Diagnostic and Aesthetics Business and Others segment respectively.

Geographical information

The Group mainly derives its revenue from Singapore, except for its share of results from joint ventures and associates located in foreign jurisdictions of $2,238,000 (2021: $1,150,000) profits and $Nil (2021: $237,000) losses respectively.

35. Segment information (cont'd)

Geographical information (cont'd)

The share of results from joint ventures and associates based on geographical location are as follows:

	Group	
	2022	2021
	$'000	$'000
Share of (losses)/profits from joint ventures		
Singapore	(389)	(33)
Indonesia	1,253	663
Vietnam	–	(237)
Total net share of profits from joint ventures	864	393
Share of (losses)/profits from associates		
Singapore	(111)	18
Vietnam	464	212
Australia	521	275
Total net share of profits from associates	874	505
Total net share of profits from joint ventures and associates	1,738	898

36. Financial instruments risk management policies and objectives

The Group's principal financial instruments comprise lease liabilities, bank loans and borrowings, and cash and cash equivalents. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from their operations.

The key financial risks arising from the Group's financial instruments are liquidity risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

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 during the years ended 31 December 2022 and 2021.

It is, and has been throughout the years under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

36. Financial instruments risk management policies and objectives (cont'd)

(a) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

As part of its overall liquidity management, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	Note	One year or less $'000	One to five years $'000	Total $'000
Group				
2022				
Financial liabilities				
Trade payables	22	2,752	–	2,752
Other payables and accruals*	23	11,476	–	11,476
Lease liabilities		5,533	5,563	11,096
Loans and borrowings and related interest expense		870	1,377	2,247
Total undiscounted financial liabilities		20,631	6,940	27,571
2021				
Financial liabilities				
Trade payables	22	2,075	–	2,075
Other payables and accruals*	23	11,381	–	11,381
Lease liabilities		5,158	5,790	10,948
Loans and borrowings and related interest expense		1,555	2,247	3,802
Total undiscounted financial liabilities		20,169	8,037	28,206

36. Financial instruments risk management policies and objectives (cont'd)

(a) ***Liquidity risk (cont'd)***

	Note	One year or less $'000	One to five years $'000	Total $'000
Company				
2022				
Financial liabilities				
Trade payables	22	2	–	2
Other payables and accruals*	23	700	–	700
Due to related companies		9,477	2,281	11,758
Lease liabilities		3,107	3,698	6,805
Loans and borrowings and related interest expense		870	1,377	2,247
Total undiscounted financial liabilities		14,156	7,356	21,512
2021				
Financial liabilities				
Trade payables	22	2	–	2
Other payables and accruals*	23	839	–	839
Due to related companies		9,633	3,471	13,104
Lease liabilities		2,930	3,255	6,185
Loans and borrowings and related interest expense		870	2,247	3,117
Total undiscounted financial liabilities		14,274	8,973	23,247

* Other payables and accruals exclude "Goods and services tax payables" and "Provision for reinstatement".

36. Financial instruments risk management policies and objectives (cont'd)

(b) *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. 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 cash equivalents), the Group and the Company minimises 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. It is the Group's policy that all customers who wish to obtain services 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 and Company's exposure to bad debts is not significant.

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 of a financial asset to be when the counterparty fails to make contractual payments, within 180 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group 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. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the expected performance and behaviour of the borrower including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is a significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty.

36. Financial instruments risk management policies and objectives (cont'd)

(b) ***Credit risk (cont'd)***

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 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. When loans and receivables have been written off, the Group 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 management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Loans at amortised cost

The Group's current credit risk grading framework comprises three categories for loans, which reflect their credit risk and how loss provision is determined for each of those categories. The credit risk ratings are determined through incorporating both qualitative and quantitative information.

The Group computes expected credit loss for the above-mentioned group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and 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 credit risk grading framework in the computation of the Group's expected credit loss model for loans at amortised cost is as follows:

Category	Definition of category	Basis for recognising ECL	Basis for calculating interest revenue
I	Counterparty has a low risk of default and does not have any past due amounts.	12-month ECL	Gross carrying amount
II	Loans for which there is an increase in credit risk; an increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime ECL	Gross carrying amount
III	Interest and/or principal repayments are 180 days past due.	Lifetime ECL	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to the estimation techniques or assumptions made during the reporting period.

36. Financial instruments risk management policies and objectives (cont'd)

(b) *Credit risk (cont'd)*

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that other than amounts due from associates and loans to an associate, there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

For amounts due from associates and loans to an associate, there is a significant increase in the credit risk and the Group had recognised an impairment loss allowance measured using 12-month ECL. Information regarding the loss allowance provision for loans at amortised cost are disclosed in Note 19.

The gross carrying amount of loans at amortised cost based on 12-month ECL of the Group and the Company, without taking into account of any collaterals held or other credit enhancements, which represents the maximum exposure to loss is $2,382,000 and $18,683,000 (2021: $2,165,000 and $16,571,000) respectively as at 31 December 2022.

The gross carrying amounts of trade receivables of the Group are disclosed in Note 18.

<u>*Trade receivables*</u>

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 with days past due. The loss allowance provision as at the balance sheet date is determined below whereby, the expected credit losses have also incorporated forward looking information such as forecast of economic conditions.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

	Less than 30 days past due $'000	**More than 30 days past due** $'000	**More than 60 days past due** $'000	**More than 90 days past due** $'000	**Total** $'000
2022					
Gross carrying amount	2,773	1,527	785	2,780	7,865
Loss allowance provision	–	–	–	(290)	(290)
Net carrying amount	2,773	1,527	785	2,490	7,575
2021					
Gross carrying amount	2,650	1,370	607	1,515	6,142
Loss allowance provision	–	–	–	(174)	(174)
Net carrying amount	2,650	1,370	607	1,341	5,968

Information regarding the expected loss allowance movement of trade receivables are disclosed in Note 18.

36. Financial instruments risk management policies and objectives (cont'd)

(b) ***Credit risk (cont'd)***

During the financial year, the Group wrote off $11,000 (2021: $12,000) of trade receivables, which are more than 180 days past due as the Group does not expect to receive future cash flows from and there are no recoveries from collection of cash flows previously written off.

Excessive risk concentration

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.

The Group assessed the concentration of the credit risk and concluded it to be low.

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheet.

37. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(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 markets 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 and liability.

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Cash and cash equivalents (Note 21), current trade and other receivables (Note 18 and 19), current amounts due from/(to) related companies (Note 20), trade payables (Note 22), current other payables and accruals (Note 23), lease liabilities (Note 25), and loans and borrowings (Note 26)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

37. Fair value of financial instruments (cont'd)

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (cont'd)***

Determination of fair value

Other receivables (non-current) (Note 19), amounts due to related companies (non-current) (Note 20) and lease liabilities (non-current) (Note 25).

The fair values are estimated by comparing to similar types of lending and borrowing at market incremental lending rate as at the balance sheet date. As the financial instruments mature within 2 to 3 years and market interest rates as at year end are low, the carrying amounts of these financial assets and liabilities are not materially different from their fair values as at the balance sheet date.

(c) ***Classification of financial instruments***

Set out below is a comparison by category of carrying amounts of all the Group's and Company's financial instruments that are carried in the financial statements:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	$'000	$'000	$'000
Financial assets				
Debt instruments at amortised cost				
Trade receivables	7,575	5,968	–	–
Other receivables	2,382	2,165	1,020	926
Due from related companies	–	–	17,663	15,645
Cash and cash equivalents	31,761	26,618	2,387	2,521
	41,718	34,751	21,070	19,092
Financial liabilities				
Financial liabilities at amortised cost				
Trade payables	2,752	2,075	2	2
Other payables and accruals*	11,476	11,381	700	839
Due to related companies	–	–	11,758	13,101
Lease liabilities	10,348	10,504	6,315	5,924
Loans and borrowings	2,188	3,682	2,188	3,005
	26,764	27,642	20,963	22,871

* Other payables and accruals exclude "Goods and services tax payables" and "Provision for reinstatement".

38. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 2021.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total capital. The Group includes within borrowings, lease liabilities, and loans and borrowings. Capital consists of equity attributable to the equity holders of the Company.

	Group	
	2022	**2021**
	$'000	$'000
Lease liabilities (Note 25)	10,348	10,504
Loans and borrowings (Note 26)	2,188	3,682
Total borrowings	12,536	14,186
Equity attributable to shareholders of the Company	175,810	167,949
Total capital	175,810	167,949
Gearing ratio	7%	8%

39. Events occurring after the reporting date

On 2 January 2023, the Company incorporated a wholly-owned subsidiary, SMG Property Investment Trust Pte. Ltd. ("SPIT"), and made a capital contribution of $100 to the share capital of SPIT. On 17 March 2023, SPIT completed the acquisition of a commercial property for a cash consideration of $3,744,000.

On 27 February 2023, the Company fully repaid the secured term loans of $2,188,000.

On 2 March 2023, pursuant to the facility agreement entered into by TLW Success Ltd. and two financial institutions (the "Facility Agreement"), the Company accedes to the Facility Agreement and becomes a guarantor to the Facility Agreement. As at 2 March 2023, the loan amount drawn down under the Facility Agreement was $90,169,000.

40. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 28 April 2023.

Company Registration No. 200503187W

Singapore Medical Group Limited and its Subsidiaries

Annual Financial Statements
31 December 2023

Building a better working world

General information

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The directors are pleased to present their statement to the member together with the audited consolidated financial statements of Singapore Medical Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet 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 2023 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and

(ii) 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.

Directors

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

Tony Tan Choon Keat
Dr Beng Teck Liang
Dr Wong Seng Weng

Arrangements to enable directors to acquire shares and debentures

Except as disclosed 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 in or debentures of the Company or any other body corporate.

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 Companies Act 1967 (the "Act"), 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 the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the holding company (TLW Success Ltd.)				
Tony Tan Choon Keat	35,708,074	35,708,074	600,000	600,000
Dr Beng Teck Liang	33,626,330	33,626,330	–	–
Dr Wong Seng Weng	10,868,854	10,868,854	–	–

Directors' interests in shares or debentures (cont'd)

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.

Options and performance shares

At the Extraordinary General Meeting held on 30 April 2014, shareholders approved the SMG Share Option Scheme and SMG Share Plan (collectively, the "Scheme").

SMG Share Option Scheme ("SSOS")

The SSOS applies to all employees of the Group (including Executive Directors who are Controlling Shareholders and their associates) who have attained the age of 21 years on or before the relevant grant of the options, provided that none shall be an undischarged bankrupt.

Other information regarding the SSOS is set out below:

(a) The exercise price of the options is set at a price (the "Market Price") equal to the average of the last dealt prices for the Company's shares on the SGX-ST for the five consecutive market days immediately preceding the date of grant of such options.

(b) The options expire 5 years after the grant date, unless they have been cancelled or have lapsed prior to that date.

No option under the SSOS has been granted during the financial year and there were no unissued shares of the Company under options granted by the Company as at the end of the financial year.

SMG Share Plan ("SSP")

The SSP applies to all employees of the Group (including Executive Directors who are Controlling Shareholders and their associates) who have attained the age of 21 years on or before the relevant grant of the awards, provided that none shall be an undischarged bankrupt. The awards granted under SSP are conditional on Performance Targets set based on medium-term corporate objectives. Awards represent the right of a participant to receive fully paid shares, free of charge, upon the Company achieving prescribed Performance Target(s). Awards are released once the Board of Directors is satisfied that the prescribed target(s) have been achieved. There is no vesting period beyond the performance period.

No award under the SSP has been granted during the financial year and there were no unissued shares of the Company under awards granted by the Company as at the end of the financial year.

The options and performance shares granted by the Company do not entitle the holders of the options or performance shares, by virtue of such holding, to any rights to participate in any share issue of any other company.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Tony Tan Choon Keat Director	Dr Beng Teck Liang Director

23 July 2024

Independent auditor's report to the member of Singapore Medical Group Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2023, the statements of changes in equity of the Group and the Company and the consolidated income statement, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) 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 changes in equity of the Company for the year ended on that date.

Basis for Opinion

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 opinion.

Material uncertainty related to going concern

We draw attention to Note 2.1 to the consolidated financial statements. The Group and Company have current loans and borrowings amounted to $86,509,000, and cash and cash equivalents amounted to $27,130,000 and $5,383,000 respectively as at 31 December 2023. As disclosed in Note 26, the Group and Company had breached certain financial covenants of a facility agreement as at 31 December 2023, of which bank borrowings of $63,283,000 were reclassified from non-current liabilities to current liabilities as a result of the breach. This indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Group and Company to continue as a going concern.

As disclosed in Note 2.1, the ability of the Group and Company to continue as going concern depends on its ability to meet the financial covenants at the respective dates based on its financial performance, following the step-up acquisition of an associate to a subsidiary and continuing support from the lenders to not demand repayment of the loans and borrowings as immediately due and payable.

Material uncertainty related to going concern (cont'd)

If the Group and Company is unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and Company may have to reclassify all non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for other information. The other information comprises the Directors' Statement set out on pages 1 to 3.

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent auditor's report to the member of Singapore Medical Group Limited

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- 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.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

23 July 2024

Consolidated statement of comprehensive income
For the financial year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Revenue	4	122,859	113,232
Cost of sales		(75,127)	(67,083)
Gross profit		47,732	46,149
Finance income	5	20	29
Other income		220	165
Other (loss)/gain	6	(300)	55
Distribution and selling expenses		(4,972)	(3,976)
Administrative expenses		(29,079)	(27,166)
Finance expenses	5	(883)	(515)
Share of results of joint ventures and associates		881	1,738
Profit before tax	7	13,619	16,479
Income tax expense	10	(1,884)	(2,543)
Profit for the year		11,735	13,936
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(189)	(683)
Other comprehensive income for the year, net of tax		(189)	(683)
Total comprehensive income for the year		11,546	13,253
Profit attributable to:			
Owners of the Company		10,735	13,481
Non-controlling interests		1,000	455
		11,735	13,936
Total comprehensive income attributable to:			
Owners of the Company		10,546	12,798
Non-controlling interests		1,000	455
		11,546	13,253

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

Balance sheets
As at 31 December 2023

	Note	Group 2023	Group 2022	Company 2023	Company 2022
		$'000	$'000	$'000	$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	19,240	9,006	810	604
Intangible assets	12	129,174	123,494	32	12
Right-of-use assets	25	13,255	9,896	7,495	6,094
Investment in subsidiaries	13	–	–	137,950	138,369
Investment in joint ventures	14	3,295	3,121	2,151	1,951
Investment in associates	15	17,913	18,741	11,075	11,285
Due from related companies	19	8,841	–	8,841	–
Other receivables	18	1,606	1,607	777	816
Deferred tax assets	27	709	783	348	348
		194,033	166,648	169,479	159,479
Current assets					
Inventories	16	3,555	2,621	–	–
Trade receivables	17	8,045	7,575	–	–
Prepayments		2,188	1,379	262	378
Other receivables	18	1,463	775	501	204
Due from related companies	19	86,587	–	105,031	17,663
Cash and cash equivalents	20	27,130	31,761	5,383	2,387
		128,968	44,111	111,177	20,632
Total assets		323,001	210,759	280,656	180,111
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables	21	3,007	2,752	2	2
Other payables and accruals	22	21,279	12,784	914	780
Contract liabilities	4	5,227	3,061	–	–
Deferred purchase consideration	24	2,624	–	–	–
Due to related companies	19	–	–	16,336	9,477
Lease liabilities	25	6,098	5,093	3,363	2,827
Loans and borrowings	26	86,509	834	86,509	834
Income tax payable		1,367	2,368	–	–
		126,111	26,892	107,124	13,920
Non-current liabilities					
Other payables and accruals	22	408	408	212	212
Due to related companies	19	–	–	3,932	2,281
Lease liabilities	25	8,017	5,255	4,646	3,488
Loans and borrowings	26	–	1,354	–	1,354
Deferred tax liabilities	27	1,294	721	–	–
		9,719	7,738	8,790	7,335
Total liabilities		135,830	34,630	115,914	21,255
Net assets		187,171	176,129	164,742	158,856

Balance sheets
As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Equity attributable to owners of the Company					
Share capital	28	121,028	121,028	121,028	121,028
Treasury shares	29	(50)	(50)	(50)	(50)
Retained earnings		67,385	56,747	43,764	37,878
Foreign currency translation reserve	30	(1,495)	(1,306)	–	–
		186,868	176,419	164,742	158,856
Non-controlling interests		303	(290)	–	–
Total equity		187,171	176,129	164,742	158,856
Total equity and liabilities		323,001	210,759	280,656	180,111

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 2023

	Attributable to owners of the Company						
Group	Share capital (Note 28) $'000	Treasury shares (Note 29) $'000	Retained earnings $'000	Foreign currency translation reserve (Note 30) $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2023							
Balance at 1 January 2023	121,028	(50)	56,747	(1,306)	176,419	(290)	176,129
Profit for the year	–	–	10,735	–	10,735	1,000	11,735
Other comprehensive income							
Foreign currency translation differences	–	–	–	(189)	(189)	–	(189)
Other comprehensive income for the year, net of tax	–	–	–	(189)	(189)	–	(189)
Total comprehensive income for the year	–	–	10,735	(189)	10,546	1,000	11,546
Contributions by and distributions to owners							
Dividends paid by subsidiaries	–	–	–	–	–	(935)	(935)
Total contributions by and distributions to owners	–	–	–	–	–	(935)	(935)
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries (Note 13)	–	–	–	–	–	431	431
Acquisition of non-controlling interests without a change in control (Note 13)	–	–	95	–	95	(95)	–
Transfer of interests in subsidiaries to non-controlling interests without a change in control (Note 13)	–	–	(192)	–	(192)	192	–
Total changes in ownership interests in subsidiaries	–	–	(97)	–	(97)	528	431
Total transactions with owners in their capacity as owners	–	–	(97)	–	(97)	(407)	(504)
Balance at 31 December 2023	121,028	(50)	67,385	(1,495)	186,868	303	187,171

Singapore Medical Group Limited and its Subsidiaries

Statements of changes in equity
For the financial year ended 31 December 2023

	Attributable to owners of the Company							
Group	Share capital (Note 28) $'000	Treasury shares (Note 29) $'000	Retained earnings $'000	Share option reserve $'000	Foreign currency translation reserve (Note 30) $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
2022								
Balance at 1 January 2022	121,028	(50)	46,741	853	(623)	167,949	(1,411)	166,538
Profit for the year	–	–	13,481	–	–	13,481	455	13,936
Other comprehensive income								
Foreign currency translation differences	–	–	–	–	(683)	(683)	–	(683)
Other comprehensive income for the year, net of tax	–	–	–	–	(683)	(683)	–	(683)
Total comprehensive income for the year	–	–	13,481	–	(683)	12,798	455	13,253
Contributions by and distributions to owners								
Share-based payment transactions	–	–	–	91	–	91	–	91
Dividends on ordinary shares (Note 31)	–	–	(4,377)	–	–	(4,377)	–	(4,377)
Dividends paid by subsidiaries	–	–	–	–	–	–	(765)	(765)
Total contributions by and distributions to owners	–	–	(4,377)	91	–	(4,286)	(765)	(5,051)
Changes in ownership interests in subsidiaries					–			
Transfer of interests in subsidiary to non-controlling interests without a change in control (Note 13)	–	–	(42)	–	–	(42)	42	–
Dilution of interests in subsidiary to non-controlling interests with a change in control (Note 13)	–	–	–	–	–	–	1,389	1,389
Total changes in ownership interests in subsidiaries	–	–	(42)	–	–	(42)	1,431	1,389
Total transactions with owners in their capacity as owners	–	–	(4,419)	91	–	(4,328)	666	(3,662)
Others								
Expiry of employee share options	–	–	147	(147)	–	–	–	–
Cancellation of employee share options	–	–	797	(797)	–	–	–	–
Total others	–	–	944	(944)	–	–	–	–
Balance at 31 December 2022	121,028	(50)	56,747	–	(1,306)	176,419	(290)	176,129

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 2023

	Share capital (Note 28) $'000	Treasury shares (Note 29) $'000	Retained earnings $'000	Share option reserve $'000	Total $'000
Company					
2023					
Balance at 1 January 2023	121,028	(50)	37,878	–	158,856
Profit for the year	–	–	5,886	–	5,886
Balance at 31 December 2023	121,028	(50)	43,764	–	164,742
2022					
Balance at 1 January 2022	121,028	(50)	36,266	853	158,097
Profit for the year	–	–	5,045	–	5,045
Contributions by and distributions to owners					
Share-based payment transactions	–	–	–	91	91
Dividends on ordinary shares (Note 31)	–	–	(4,377)	–	(4,377)
Total transactions with owners in their capacity as owners	–	–	(4,377)	91	(4,286)
Others					
Expiry of employee share options	–	–	147	(147)	–
Cancellation of employee share options	–	–	797	(797)	–
Total others	–	–	944	(944)	–
Balance at 31 December 2022	121,028	(50)	37,878	–	158,856

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 2023

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from operating activities			
Profit before tax		13,619	16,479
Adjustments for:			
Depreciation of property, plant and equipment	11	2,864	3,235
Depreciation of right-of-use assets	25	6,469	5,840
Amortisation of intangible assets	12	68	354
Share-based compensation expense	8	–	91
Provision for expected credit loss on trade receivables	7	–	120
Bad debts written off	7	12	11
Rental relief		–	(70)
Interest income	5	(20)	(29)
Interest expenses	5	883	515
Loss on disposal of property, plant and equipment		36	54
Gain on termination of leases	7	(15)	–
Gain on disposal of associate	15	(419)	–
Gain on dilution of interests in subsidiary to non-controlling interests with a change in control	13	–	(2,346)
Impairment loss on investment in associate	15	630	–
Impairment loss on amounts due from an associate	18	89	2,291
Share of results of joint ventures and associates		(881)	(1,738)
Total adjustments		9,716	8,328
Operating cash inflows before changes in working capital		23,335	24,807
Changes in working capital:			
(Increase)/decrease in:			
Inventories		(524)	(660)
Trade and other receivables		(673)	(2,238)
Prepayments		(795)	(484)
Increase in:			
Trade payables		1,018	1,555
Contract liabilities, other payables and accruals		3,528	289
Total changes in working capital		2,554	(1,538)
Cash flows generated from operations		25,889	23,269
Interest received		20	29
Interest paid		(5,572)	(511)
Income tax paid		(2,313)	(2,234)
Net cash flows from operating activities		18,024	20,553
Cash flows from investing activities			
Purchase of property, plant and equipment		(8,139)	(2,760)
Purchase of intangible assets		(69)	(15)
Proceeds from disposal of property, plant and equipment		135	10
Investment in joint ventures		(200)	(575)
Proceeds from disposal of associate		700	–
Dividend received from joint venture		635	336
Net cash outflow from acquisition of subsidiaries	13	(2,257)	–
Net cash outflow from dilution of interests in subsidiary to non-controlling interests with a change in control	13	–	(107)
Net cash flows used in investing activities		(9,195)	(3,111)

Consolidated cash flow statement
For the financial year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from financing activities			
Dividends paid	31	–	(4,377)
Dividends paid to non-controlling interests		(935)	(765)
Due from related companies		4,713	–
Repayment of loans and borrowings	26	(11,131)	(1,493)
Payment of principal portion of lease liabilities	26	(6,107)	(5,664)
Net cash flows used in financing activities		(13,460)	(12,299)
Net (decrease)/increase in cash and cash equivalents		(4,631)	5,143
Cash and cash equivalents at beginning of financial year		31,761	26,618
Cash and cash equivalents at end of financial year	20	27,130	31,761

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

1. Corporate information

Singapore Medical Group Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and was delisted from the official list of SGX-Catalist on 20 January 2023. The immediate and ultimate holding company is TLW Success Ltd., a company incorporated in Singapore.

The registered office and principal place of business of the Company is located at 1004 Toa Payoh North, #06-03/07, Singapore 318995.

The principal activities of the Company are those relating to the operation of medical clinics, provision of general medical services and investment holdings. The principal activities of the subsidiaries, joint ventures and associates are disclosed in Notes 13 to 15 to the financial statements.

2. Material accounting policy information

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet 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 the historical cost basis except as disclosed in the accounting policies below.

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

Use of going concern assumption

The Group and Company have current loans and borrowings amounted to S$86,509,000, and cash and cash equivalents amounted to S$27,130,000 and S$5,383,000 respectively as at 31 December 2023. As disclosed in Note 26, the Group and Company had breached certain financial covenants of a facility agreement as at 31 December 2023, of which bank borrowings of $63,283,000 were reclassified from non-current liabilities to current liabilities as a result of the breach. This indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. As disclosed in Note 26, the Group received a temporary waiver subsequent to year-end on the financial covenant breaches from the lenders till 31 December 2024. The Group is expected to meet the financial covenants as at 31 December 2024 and 30 June 2025 subsequent to the completion of the step-up acquisition of an associate as disclosed in Note 38 to the financial statements, which is expected to significantly improve the Group's financial ratios. Additionally, the Group has been making quarterly repayments in accordance with the repayment schedule to the lenders since the loan was drawn down.

The ability of the Group and Company to continue as going concern depends on its ability to meet the financial covenants at the respective dates based on its financial performance following the step-up acquisition of an associate to subsidiary and continuing support from the lenders not to demand repayment of the loans and borrowings as immediately due and payable.

2. Material accounting policy information (cont'd)

2.1 *Basis of preparation (cont'd)*

Use of going concern assumption (cont'd)

If the Group and Company is unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and Company may have to reclassify all non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.2 *New accounting standards effective on 1 January 2023*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 *Standards issued but not yet effective*

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

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

2.4 *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.

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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other component of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2. Material accounting policy information (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method.

The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

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.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from 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.

2.5 *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. Material accounting policy information (cont'd)

2.6 *Foreign currency*

The Group's consolidated financial statements are presented in SGD, which is also the Company's functional currency. For each entity, the Group determines the 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 initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(b) *Consolidated financial statements*

On consolidation, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates. The exchange differences arising on translation for consolidation 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 reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.7 *Property, plant and equipment*

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Construction in progress is stated at cost, net of accumulated impairment losses, if any. All other repair and maintenance costs are recognised in profit or loss as incurred.

2. Material accounting policy information (cont'd)

2.7 *Property, plant and equipment (cont'd)*

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

	Years
Leasehold property	50
Office equipment	1 - 5
Medical equipment	5 - 10
Furniture and fittings	3 years or remaining lease term of clinic / office premise

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related 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 either finite or indefinite.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

2. Material accounting policy information (cont'd)

2.8 *Intangible assets (cont'd)*

Computer software

Research or maintenance costs of computer software are expensed as incurred. Development expenditures that are directly associated with identifiable and unique software products are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use, its intention to complete and its ability to use the asset, how the asset will generate future economic benefits beyond one year, the availability of resources to complete and the ability to measure reliably the expenditures during the development. This includes direct staff costs arising from the software development team and an appropriate portion of relevant overheads.

Expenditures which enhance or extend the performance of computer software programmes beyond their original specifications, are recognised as a capital improvement and accounted for as additions to computer software.

Following initial recognition of the computer software as an asset, the asset is carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on straight-line basis over the estimated useful lives of 3 to 5 years. During the period of development, the asset is tested for impairment annually.

Trademarks

Trademarks are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any. It is amortised on a straight-line basis over the estimated useful lives of 10 years, which is the shorter of their estimated useful lives and periods of contractual rights.

2.9 *Impairment of non-financial assets*

The Group assesses, at the 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 to sell and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group 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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2. Material accounting policy information (cont'd)

2.9 *Impairment of non-financial assets (cont'd)*

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value 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. When the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. Control is achieved when the Group 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. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

2. Material accounting policy information (cont'd)

2.11 *Associates and joint ventures*

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of results of joint ventures and associates' in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2. Material accounting policy information (cont'd)

2.12 *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified at amortised cost. The Company only has debt instruments at amortised cost.

<u>Financial assets at amortised cost</u>

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's balance sheet) when the rights to receive cash flows from the asset have expired.

2. Material accounting policy information (cont'd)

2.12 *Financial instruments (cont'd)*

Financial assets (cont'd)

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. 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).

For trade receivables, the Group applies 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 180 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.

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.

Subsequent measurement

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

2. Material accounting policy information (cont'd)

2.12 *Financial instruments (cont'd)*

Financial liabilities (cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.13 *Cash and cash equivalents*

Cash and cash equivalents in the balance sheets comprise cash at bank and on hand which are subject to an insignificant risk of changes in value.

2.14 *Inventories*

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

2.15 *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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when 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.

2.16 *Borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Material accounting policy information (cont'd)

2.17 *Government grants*

Government grants are recognised when there is a reasonable assurance that the grant will be received and all attached conditions will be compiled with. The grant is recognised in profit or loss on a systematic basis over the periods in which the entity 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 heading such as "Other income". Alternatively, they are deducted in reporting the related expenses.

Where the grant relates to an asset, the fair value is recognised as deferred grant income on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.18 *Employee benefits*

(a) *Defined contribution plans*

The Group participates in the national pension scheme as defined by the laws of countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. 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 compensation*

Employees of the Group receive remuneration in the form of share options and share awards, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of these equity-settled share-based payment transactions is determined by the fair value of the share options and share awards at the date when the share options and share awards are granted using an appropriate valuation model which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, together with a corresponding increase in the share option 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 share options and share awards that will ultimately vest. The expense 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 personnel expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of share options and share awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

2. Material accounting policy information (cont'd)

2.18 *Employee benefits (cont'd)*

(b) *Employee share-based compensation (cont'd)*

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When an award is cancelled by the Group, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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.

(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 estimated useful lives of the assets as follows:

	Years
Medical equipment	5 - 10
Office and clinic premises	2 - 5

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 policy for impairment of non-financial assets set out in Note 2.9.

2. Material accounting policy information (cont'd)

2.19 *Leases (cont'd)*

Group as a lessee (cont'd)

(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.

(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 clinic premises (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*

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.

2. Material accounting policy information (cont'd)

2.20 *Revenue (cont'd)*

(a) *Rendering of services*

The Group renders consultations, clinical treatments, medical tests and operations to customers, and telemedicine, software maintenance and development services. Revenue is recognised when the services to be provided are completed.

Revenue from the provision of package services, telemedicine subscription, maintenance services and management services are recognised upon completion of the series of distinct services rendered over time. The measure of progress is based on the number of sessions utilised as a percentage of the total sessions sold in a package.

(b) *Sale of medicine and related products*

Revenue from the sale of medicine and related products is recognised at the point in time when the goods are delivered to the customer and accepted by the customer.

<u>Contract balances</u>

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.21 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities 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 reporting date, in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. 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 reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

2. Material accounting policy information (cont'd)

2.21 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

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

- When the deferred tax liability arises from the initial recognition of goodwill or 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, associates and joint ventures, 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, carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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:

- When 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, associates and joint ventures, 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.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

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 reporting date.

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.

2. Material accounting policy information (cont'd)

2.21 *Taxes (cont'd)*

(b) *Deferred tax (cont'd)*

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) *Sales tax*

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

- When 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

- When receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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 *Treasury shares*

The Group's own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised directly in equity.

2. Material accounting policy information (cont'd)

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 balance sheet 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.

2.25 *Cash dividend*

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders and a corresponding amount is recognised directly in equity.

3. Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. 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.

3.1 *Judgements made in applying accounting policies*

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

Determination of purchase price allocation

During the financial year, the Group acquired 2 subsidiaries for a total purchase consideration of $6,085,000. The acquisitions are accounted for as business combinations and the Group is required to perform a purchase price allocation exercise for each acquisition as at the acquisition date. This involves judgement made in identifying all intangible assets and determining the fair values of all identifiable assets acquired and liabilities assumed as at the date of acquisition.

3. Significant accounting estimates and judgements (cont'd)

3.1 *Judgements made in applying accounting policies (cont'd)*

Determination of purchase price allocation (cont'd)

In assessing the fair value of all identifiable assets and liabilities, recent market transactions for identical assets and liabilities are considered, if available. If no such transactions can be identified, internal information that is consistent with what market participants will assume as at the measurement date is used. The key assumptions applied in the determination of the purchase price allocation are disclosed and further explained in Note 13 to the financial statements.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements was 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.

(i) *Impairment of goodwill*

As disclosed in Note 12 to the financial statements, the recoverable amounts of the cash-generating units which goodwill has been allocated to are determined based on value in use calculations. The value in use calculations are based on 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 and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use, are disclosed and further explained in Note 12 to the financial statements.

The carrying amount of the goodwill as at 31 December 2023 is $129,092,000 (2022: $123,413,000).

(ii) *Impairment of non-financial assets*

The Group assesses impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets requires assessment as to whether the carrying amount of assets exceeds the recoverable amount. Recoverable amount is defined as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. The Group evaluates the value in use which is supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate.

Forecasts of future cash flows are based on the Group's estimates using historical and industry trends, general market and economic conditions, changes in technology and other available information.

The carrying amounts of the Company's property, plant and equipment, intangible assets, right-of-use assets, investment in subsidiaries, joint ventures and associates are disclosed in Notes 11 to 15, and 25 of the financial statements.

4. Revenue

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

	Health		Diagnostic and Aesthetics		Others		Total	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segments								
Type of good or service								
Rendering of services	50,007	44,731	42,681	40,559	74	394	92,762	85,684
Sale of medicine and related products	26,948	24,664	3,149	2,884	–	–	30,097	27,548
Total revenue	76,955	69,395	45,830	43,443	74	394	122,859	113,232
Timing of transfer of good or service								
At a point in time	76,955	69,395	39,868	39,428	61	322	116,884	109,145
Over time	–	–	5,962	4,015	13	72	5,975	4,087
Total revenue	76,955	69,395	45,830	43,443	74	394	122,859	113,232

Revenue from transfer of good or service is attributed to Singapore.

4. Revenue (cont'd)

(b) *Receivables and contract liabilities*

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

	Group		
	31 December		1 January
	2023	2022	2022
	$'000	$'000	$'000
Receivables from contracts with customers (Note 17)	8,045	7,575	5,968
Contract liabilities	(5,227)	(3,061)	(3,196)

During the financial year, the Group recognised impairment losses on receivables arising from contracts with customers amounting to $Nil (2022: $120,000).

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers.

Contract liabilities are recognised as revenue as the Group performs under the contract.

Set out below is the amount of revenue recognised from:

	Group	
	2023	2022
	$'000	$'000
Amounts included in contract liabilities at the beginning of the year	3,061	3,196

All performance obligations are expected to be recognised within one year.

5. Finance income/(expenses)

	Group	
	2023	2022
	$'000	$'000
Interest income from:		
- bank balances	10	15
- loan to associate	10	14
	20	29
Interest expense on:		
- loans and borrowings	(11)	(44)
- lease liabilities (Note 25)	(872)	(471)
	(883)	(515)

6. Other (loss)/gain

	Note	Group 2023 $'000	Group 2022 $'000
Gain on disposal of associate	15	419	–
Gain on dilution of interests in subsidiary to non-controlling interests with a change in control	13	–	2,346
Impairment loss on investment in associate	15	(630)	–
Impairment loss on amounts due from associate	18	(89)	(2,291)
		(300)	55

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Note	Group 2023 $'000	Group 2022 $'000
Depreciation of property, plant and equipment	11	2,864	3,235
Depreciation of right-of-use assets	25	6,469	5,840
Amortisation of intangible assets	12	68	354
Loss on disposal of property, plant and equipment		36	54
Gain on termination of leases	25	(15)	–
Cost of inventories recognised as an expense	16	15,929	14,422
Lease expenses	25	1,105	1,183
Provision for expected credit loss on financial assets:			
- trade receivables	17	–	120
Bad debts written off		12	11
Personnel expenses*	8	60,286	39,552

* Includes directors' remuneration and remuneration of key management personnel as disclosed in Note 9.

8. Personnel expenses

	Group 2023 $'000	Group 2022 $'000
Included in cost of sales:		
Salaries and bonuses	39,530	20,815
Central Provident Fund contributions	691	653
Included in administrative expenses:		
Salaries and bonuses	16,431	14,392
Central Provident Fund contributions	1,881	1,872
Share-based compensation expense	–	91
Short-term employee benefits	1,753	1,729
	60,286	39,552

9. Related party transactions

Compensation of key management personnel

	Group 2023 $'000	Group 2022 $'000
Remuneration paid to key management personnel		
Salaries and bonuses	3,941	3,994
Central Provident Fund contributions	120	120
Share-based compensation expense	–	67
	4,061	4,181
Comprises amounts paid to:		
- Directors of the Company *	2,661	2,703
- Other key management personnel	1,400	1,478
	4,061	4,181

* Included in amounts paid to directors of the Company are directors' fees of $Nil (2022: $175,000).

9. Related party transactions (cont'd)

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:

	Group	
	2023	**2022**
	$'000	$'000
Rental paid to companies related to directors	423	339
Professional fees paid to companies related to directors	137	222
Rental paid to joint venture	73	70
Rental paid to associate	15	–
Management fee from joint venture	2	–
Management fee from associate	–	34
Software development costs paid to associate	46	–
Interest expense recharged to holding company	4,969	–

Companies related to directors:

The Group had the following transactions with companies related to directors:

(i) The Group had entered into lease agreements with K S Beng Pte. Ltd. ("KSB"), a company owned by an immediate family member of one of the directors of the Company, to lease commercial premises for rental of $203,000 (2022: $186,000). The Group also paid professional fees of $132,000 (2022: $178,000) in relation to medical services rendered by the same entity. Other than the security deposits of $35,000 (2022: $29,000), there is no balance outstanding with KSB as at the reporting date (2022: $Nil).

(ii) The Group had entered into a lease agreement with MW Medical Holdings Pte. Ltd. ("MWMH"), a company related to one of the directors of the Company, to lease a commercial premise for rental of $220,000 (2022: $153,000). The Group also engaged MW Medical Pte. Ltd. ("MWM"), a company related to the same director, for nursing services of $5,000 (2022: $9,000). Other than the security deposits of $72,000 (2022: $28,000), there is no balance outstanding with MWMH and MWM as at the reporting date (2022: $Nil).

(iii) In prior year, the Group had engaged Tricor Singapore Pte. Ltd., Tricor WP Corporate Services Pte. Ltd. and TSMP Law Corporation, which are companies related to directors of the Company, for secretarial and legal services. The Group incurred professional fees of $35,000 and there was no balance outstanding as at the reporting date.

10. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	Group 2023 $'000	Group 2022 $'000
Statement of comprehensive income:		
Current income tax		
- current income taxation	1,291	2,337
- over provision in respect of previous years	(54)	(29)
	1,237	2,308
Deferred income tax		
- origination and reversal of temporary differences	647	235
	647	235
Income tax expense recognised in statement of comprehensive income	1,884	2,543

Relationship between tax expense and accounting profit

A reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate are as follows:

	Group 2023 $'000	Group 2022 $'000
Accounting profit before tax	13,619	16,479
Tax at the applicable tax rate of 17% (2022: 17%)	2,315	2,801
Tax effects of:		
- non-deductible expenses	946	718
- income not subject to taxation	(437)	(346)
- deferred tax assets not recognised	159	193
- effect of partial tax exemption and tax relief	(901)	(361)
- deferred tax assets from previously unrecognised temporary differences	–	(220)
- utilisation of tax losses and temporary differences previously not recognised	(29)	(22)
- over provision in respect of prior years	(54)	(29)
- share of results of joint ventures and associates	(150)	(295)
- others	35	104
Income tax expense recognised in statement of comprehensive income	1,884	2,543

11. Property, plant and equipment

	Leasehold property $'000	Office equipment $'000	Medical equipment $'000	Furniture and fittings $'000	Construction in progress $'000	Total $'000
Group						
Cost:						
At 1 January 2022	–	1,370	16,526	7,004	–	24,900
Additions	–	221	1,827	615	214	2,877
Disposals	–	(28)	(157)	(37)	–	(222)
Derecognition arising from dilution of interests in subsidiary to non-controlling interests with a change in control (Note 13)	–	(36)	(2)	–	–	(38)
Reclassification from right-of-use assets [1]	–	–	185	–	–	185
At 31 December 2022 and 1 January 2023	–	1,527	18,379	7,582	214	27,702
Additions	3,854	310	7,755	1,226	188	13,333
Disposals	–	(58)	(1,130)	(266)	–	(1,454)
Acquisition of subsidiaries (Note 13)	–	10	177	9	–	196
Reclassification	–	–	–	127	(127)	–
At 31 December 2023	3,854	1,789	25,181	8,678	275	39,777
Accumulated depreciation:						
At 1 January 2022	–	1,093	9,509	5,002	–	15,604
Depreciation charge for the year	–	191	2,124	920	–	3,235
Disposals	–	(22)	(82)	(6)	–	(110)
Derecognition arising from dilution of interests in subsidiary to non-controlling interests with a change in control (Note 13)	–	(33)	*	–	–	(33)
At 31 December 2022 and 1 January 2023	–	1,229	11,551	5,916	–	18,696
Depreciation charge for the year	58	225	1,925	656	–	2,864
Disposals	–	(54)	(705)	(264)	–	(1,023)
At 31 December 2023	58	1,400	12,771	6,308	–	20,537
Net carrying amount:						
At 31 December 2022	–	298	6,828	1,666	214	9,006
At 31 December 2023	3,796	389	12,410	2,370	275	19,240

11. Property, plant and equipment (cont'd)

	Office equipment $'000	Medical equipment $'000	Furniture and fittings $'000	Construction in progress $'000	Total $'000
Company					
Cost:					
At 1 January 2022	239	1,537	1,486	–	3,262
Additions	46	415	130	–	591
Disposals	(10)	(84)	–	–	(94)
At 31 December 2022 and 1 January 2023	275	1,868	1,616	–	3,759
Additions	49	277	49	67	442
Disposals	(15)	(10)	–	–	(25)
At 31 December 2023	309	2,135	1,665	67	4,176
Accumulated depreciation:					
At 1 January 2022	203	1,230	1,285	–	2,718
Depreciation charge for the year	23	274	219	–	516
Disposals	(10)	(69)	–	–	(79)
At 31 December 2022 and 1 January 2023	216	1,435	1,504	–	3,155
Depreciation charge for the year	36	153	47	–	236
Disposals	(15)	(10)	–	–	(25)
At 31 December 2023	237	1,578	1,551	–	3,366
Net carrying amount:					
At 31 December 2022	59	433	112	–	604
At 31 December 2023	72	557	114	67	810

* *Amount less than $1,000.*

[1] In prior year, the Group had transferred costs of $185,000 from right-of-use assets to property, plant and equipment at the end of the lease term (Note 25).

During the financial year, the Group has additions to property, plant and equipment of $13,333,000 for which $3,611,000 and $1,323,000 of medical equipment and construction in progress for furniture and fittings respectively, remained unpaid as at 31 December 2023.

The Group reclassified construction in progress to furniture and fittings amounting to $127,000 upon completion of renovation works during the financial year.

12. Intangible assets

	Goodwill $'000	Computer software $'000	Trademarks $'000	Total $'000
Group				
Cost:				
At 1 January 2022	126,413	1,746	21	128,180
Additions	–	15	–	15
Derecognition arising from dilution of interests in subsidiary to non-controlling interests with a change in control (Note 13)	–	(695)	(2)	(697)
At 31 December 2022 and 1 January 2023	126,413	1,066	19	127,498
Additions	–	54	15	69
Disposals	–	(1)	–	(1)
Acquisition of subsidiaries (Note 13)	5,679	–	–	5,679
At 31 December 2023	132,092	1,119	34	133,245
Accumulated amortisation and impairment:				
At 1 January 2022	3,000	1,198	6	4,204
Amortisation charge for the year	–	352	2	354
Derecognition arising from dilution of interests in subsidiary to non-controlling interests with a change in control (Note 13)	–	(554)	*	(554)
At 31 December 2022 and 1 January 2023	3,000	996	8	4,004
Amortisation charge for the year	–	62	6	68
Disposals	–	(1)	–	(1)
At 31 December 2023	3,000	1,057	14	4,071
Net carrying amount:				
At 31 December 2022	123,413	70	11	123,494
At 31 December 2023	129,092	62	20	129,174

12. Intangible assets (cont'd)

	Computer software $'000
Company	
Cost:	
At 1 January 2022, 31 December 2022 and 1 January 2023	432
Additions	35
At 31 December 2023	467
Accumulated amortisation:	
At 1 January 2022	334
Amortisation charge for the year	86
At 31 December 2022 and 1 January 2023	420
Amortisation charge for the year	15
At 31 December 2023	435
Net carrying amount:	
At 31 December 2022	12
At 31 December 2023	32

** Amount less than $1,000.*

Computer software pertains to computer software licenses purchased from vendors.

Amortisation expense

The amortisation of computer software and trademarks is included in the "Administrative expenses" line item in profit or loss.

Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to six (2022: five) cash-generating units ("CGU"), Women's Health business, Paediatrics business, Diagnostic business, Aesthetics business, Oncology business and Vietnam business, for impairment testing.

12. Intangible assets (cont'd)

Impairment testing of goodwill (cont'd)

The carrying amount of goodwill allocated to each CGU is as follows:

	Women's Health business		Paediatrics business		Diagnostic business		Aesthetics business		Oncology business		Vietnam business	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Goodwill	74,379	74,379	32,316	32,316	9,593	9,593	9,817	6,813	2,675	–	312	312

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 discount rate applied to the cash flow projections and the forecasted future growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	Women's Health business		Paediatrics business		Diagnostic business		Aesthetics business		Oncology business		Vietnam business	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Long-term growth rates	2.5%	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	1.7%	2.5%	–	4.0%	4.0%
Discount rate	10.2%	10.5%	10.2%	10.5%	10.2%	10.5%	10.2%	10.5%	10.2%	–	12.0%	12.0%

12. Intangible assets (cont'd)

Key assumptions used in the value in use calculation

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

Growth rates – Budgeted revenue is forecasted after considering factors like general market conditions, macroeconomic cycle, industry-specific and other relevant information. The growth rates are based on the targeted revenue growth, after considering the Company's available capacity, that are approved by management covering a period of 5 years. The future growth rates do not exceed the long-term average growth rate for the industries relevant to the CGUs.

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.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

13. Investment in subsidiaries

	Company	
	2023	**2022**
	$'000	$'000
Shares, at cost	27,741	27,741
Amounts due from subsidiaries	117,766	117,831
Impairment losses	(7,557)	(7,203)
	137,950	138,369

The movement in provision for impairment losses are as follows:

	Company	
	2023	**2022**
	$'000	$'000
At 1 January	7,203	5,991
Charge for the year	1,118	1,212
Write-off	(764)	–
At 31 December	7,557	7,203

13. Investment in subsidiaries (cont'd)

The Company had the following subsidiaries as at 31 December:

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest 2023	2022
Cancer Centre Pte. Ltd. [(a)]	Singapore	Provision of oncology services	90	90
LSC Eye Clinic Pte. Ltd. [(a)]	Singapore	Provision of LASIK and general ophthalmological services	100	100
The Dental Studio Pte. Ltd. [(a)]	Singapore	Provision of dental services	65	65
SMG Specialist Centre Pte. Ltd. [(a)]	Singapore	Provision of multi-disciplines specialist medical services	100	100
SMG International Partners Pte. Ltd. [(a)]	Singapore	Provision of business consultancy services	100	100
The Obstetrics & Gynaecology Centre Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	100
The Medical Suite Pte. Ltd. [(a)]	Singapore	Provision of family medicine and health screening services	100	100
SMG Orthopaedic Group Pte. Ltd. [(b)]	Singapore	Dormant company	100	100
Centre for Wellness & Healthy Aging Pte. Ltd. [(c)]	Singapore	Dormant company	–	100
SMG Dental Pte. Ltd. [(d)]	Singapore	Dormant company	–	80
Wellness & Gynaecology Centre Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	100
SMG Dermatology Centre Pte. Ltd. [(b)]	Singapore	Dormant company	100	100
TOGC @Gleneagles Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	100
Novena Radiology Pte. Ltd. [(a)]	Singapore	Provision of radiology/diagnostic imaging services	100*	100*

13. Investment in subsidiaries (cont'd)

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest 2023	2022
Lifescan Imaging Pte. Ltd.[(a)]	Singapore	Provision of radiology/diagnostic imaging services	100	100
SMG Astra Women's Specialists Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services and investment holding	100	100
SMG Astra O&G Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	88	88
SMG Kids Clinic Pte. Ltd. [(a)]	Singapore	Provision of paediatrics services and investment holding	100	100
SMG Aesthetics & Plastic Surgery Pte. Ltd. [(a)]	Singapore	Provision of aesthetics services and investment holding	82	85
SMG Heart Centre Pte. Ltd. [(a)]	Singapore	Provision of cardiology services	80	80
SMG Astra Women's Health Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	88	88
The Breast Clinic Pte. Ltd. [(a)]	Singapore	Provision of breast related medical services	75	60
Skin Republic Pte. Ltd. [(a)]	Singapore	Provision of aesthetics and spa services	80	80
SMG International (Vietnam) Pte. Ltd. [(a)]	Singapore	Investment holding	100	100
SMG Astra Centre for Women Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	100
SMG O&G Centre Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	80	80
SMG Kids Orthopaedic Pte. Ltd. [(a)]	Singapore	Provision of orthopaedic services for children	80	100
SMG Property Investment Trust Pte. Ltd. [(a)]	Singapore	Investment holding	100	–
Farrer Park Radiology Pte. Ltd. [(a)]	Singapore	Provision of radiology/diagnostic imaging services	100	–

13. Investment in subsidiaries (cont'd)

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest 2023	2022
SMG Oncology Group Pte. Ltd. [(a)]	Singapore	Investment holding	80	–
Held through SMG Astra Women's Specialists Pte. Ltd.				
Alpha Healthcare International Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	100
Astra Centre for Women & Fertility Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	100
Astra Women's Specialists (JL) Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	100
Astra Women's Specialists (WB) Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	100
Fong's Clinic (TB) Pte. Ltd. [(b)]	Singapore	Dormant company	100	100
TCK @Novena Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	100
The Women's Specialists Centre (HC) Pte. Ltd. [(a)]	Singapore	Provision of obstetrics and gynaecology services	100	100
Held through SMG Kids Clinic Pte. Ltd.				
Children's Clinic Central Pte. Ltd. [(a)]	Singapore	Provision of paediatrics services	100	100
Kids Clinic @ Bishan Pte. Ltd. [(a)]	Singapore	Provision of paediatrics services	100	100
Babies and Children Specialist Clinic Pte. Ltd. [(a)]	Singapore	Provision of paediatrics services	100	100
Held through SMG Aesthetics & Plastic Surgery Pte. Ltd.				
Pheniks Pte. Ltd. [(a)]	Singapore	Provision of aesthetics services	82	85
SW1 (Vietnam) Pte. Ltd. [(a)]	Singapore	Investment holding	65**	68**
SMG Aesthetic (Downtown) Pte. Ltd. [(a)]	Singapore	Provision of aesthetics services	49	51
Vidaskin Pte. Ltd. [(a)]	Singapore	Provision of aesthetics services	37	–

13. Investment in subsidiaries (cont'd)

Name of company	Principal place of business	Principal activities	Proportion (%) of ownership interest 2023	2022
Held through Pheniks Pte. Ltd.				
SW1 Plastic Surgery Pte. Ltd. [(a)]	Singapore	Provision of aesthetics services	66	68
Held through Vidaskin Pte. Ltd.				
Vidaskin Aesthetics Pte. Ltd. [(a)]	Singapore	Provision of aesthetics and spa services	37	–
Held through SMG Kids Orthopaedic Pte. Ltd.				
SMG Physiotherapy Pte. Ltd. [(a)]	Singapore	Provision of physiotherapy services	80	–
Held through SMG Oncology Group Pte. Ltd.				
HSC Cancer Centre Pte. Ltd. [(a)]	Singapore	Provision of oncology services	41	–

(a) Audited by Ernst & Young LLP, Singapore

(b) These subsidiaries are placed under member's voluntary liquidation on 16 January 2024.

(c) The subsidiary was officially liquidated on 1 June 2023.

(d) The subsidiary was officially struck off from the register on 8 January 2024.

* The Group holds 100% ownership interest in Novena Radiology Pte. Ltd. through the 51% interest held directly by the Company and the 49% interest held by Lifescan Imaging Pte. Ltd., a wholly-owned subsidiary of the Company.

** The Group holds 65% (2022: 68%) ownership interest in SW1 (Vietnam) Pte. Ltd. through the 60% (2022: 60%) interest held by SMG Aesthetics & Plastic Surgery Pte. Ltd., an 82% (2022: 85%) owned subsidiary of the Company, and the 40% (2022: 40%) interest held by CityClinic Asia Investments Pte. Ltd., an associated company, which the Company holds an effective interest of 41% (2022: 42%) comprising a direct and indirect interest of 10% (2022: 10%) and 31% (2022: 32%) respectively.

13. Investment in subsidiaries (cont'd)

Amounts due from subsidiaries are unsecured, non-interest bearing and repayable at the discretion of the subsidiaries, only when the cash flows of the subsidiaries permit. These amounts relate to contributions from the Company, which form a part of the Company's net investments in subsidiaries and are accounted for at cost less accumulated impairment losses.

For subsidiaries with indicators of impairment, the recoverable amounts were determined based on value in use calculations using cash flow projections from financial budgets approved by management covering 5 years. The discount rates applied to the cash flow projections range from 10.2% to 12.0% (2022: 10.5% to 12.0%) depending on the jurisdiction of the CGU resides in. Management had applied growth rates ranging from 2.5% to 4.0% (2022: 1.7% to 4.0%) to extrapolate cash flow projections beyond the five-year period for 2023 depending on the jurisdiction of the CGU resides in.

As at 31 December 2023, the recoverable amounts of certain subsidiaries were determined to be $1,451,000 (2022: $2,025,000). As the carrying amounts of the subsidiaries exceeded the recoverable amounts, impairment losses of $1,118,000 (2022: $1,212,000) were recognised by the Company.

During the financial year, the Company had written off its total cost of investment and accumulated impairment losses of $764,000 (2022: $Nil) for one subsidiary, SMG Dermatology Centre Pte. Ltd., as the subsidiary was placed under member's voluntary liquidation after 31 December 2023.

Interest in subsidiaries with material non-controlling interest ("NCI")

The Group has a subsidiary which has NCI that is material to the Group.

Name of Subsidiary	Principal activities and place of business	Proportion of ownership interest held by non-controlling interest	Profit allocated to NCI during the reporting period $'000	Accumulated NCI at the end of reporting period $'000	Dividends paid/ payable to NCI $'000
31 December 2023:					
Cancer Centre Pte. Ltd. ("CCPL")	Provision of oncology services (Singapore)	10%	271	504	460
31 December 2022:					
Cancer Centre Pte. Ltd. ("CCPL")	Provision of oncology services (Singapore)	10%	271	693	300

13. Investment in subsidiaries (cont'd)

Summarised financial information about subsidiaries with material NCI

Summarised financial information including consolidation adjustments but before intercompany eliminations of the subsidiary with material non-controlling interests are as follows:

Summarised balance sheet

	CCPL	
	2023	**2022**
	$'000	$'000
Current		
Assets	3,825	7,385
Liabilities	(2,748)	(2,737)
Net current assets	1,077	4,648
Non-current		
Assets	3,964	2,287
Liabilities	(3)	(3)
Net non-current assets	3,961	2,284
Net assets	5,038	6,932

Summarised statement of comprehensive income

	CCPL	
	2023	**2022**
	$'000	$'000
Revenue	16,997	15,690
Profit before income tax	3,192	3,245
Income tax expense	(486)	(535)
Profit for the year, representing total comprehensive income for the year	2,706	2,710

Other summarised information

	CCPL	
	2023	**2022**
	$'000	$'000
Net cash flows from operations	1,077	4,278
Acquisition of significant property, plant and equipment	35	2

13. Investment in subsidiaries (cont'd)

Acquisition of subsidiaries

Acquisition of Vidaskin Pte. Ltd. ("Vidaskin")

On 31 August 2023, the Group acquired 45% equity interest in Vidaskin, a provider of aesthetics services in Singapore. Upon the acquisition, Vidaskin became a subsidiary of the Group.

The Group had acquired Vidaskin in order to grow its aesthetics practice and strengthen its market position, and provide synergies with its existing aesthetics business.

The Group had elected to measure the non-controlling interest at the non-controlling interest's proportionate share of Vidaskin's net identifiable assets.

Transaction costs

Transaction costs related to the acquisition of $40,000 have been recognised in "Administrative expenses" line item in the Group's profit or loss for the year ended 31 December 2023.

Acquired receivables

The fair value of trade and other receivables was $121,000 and includes trade receivables with a fair value of $51,000. The gross contractual amount for trade receivables due was $51,000 and all trade receivables are expected to be collectible.

Goodwill arising from the acquisition of Vidaskin

The goodwill of $3,004,000 comprise the value of strengthening the Group's market position in Singapore and synergies expected to arise from integrating Vidaskin's operations into the Group's existing aesthetics business. Goodwill is allocated to the Aesthetics business cash-generating unit. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Group is in the process of determining the fair value of assets and liabilities arising from the acquisition. As at 31 December 2023, goodwill arising from this acquisition has been determined on a provisional basis as the fair valuation process is still in progress as at the date the financial statements were authorised for issue. Thus, goodwill arising from acquisition will be adjusted accordingly on a retrospective basis when the valuation is finalised.

Impact of the acquisition on profit or loss

From the acquisition date, Vidaskin had contributed revenue of $1,388,000 and profit of $311,000 to the Group's results. If the business combination had taken place at the beginning of the year, the consolidated revenue and consolidated profit for the year would have been $4,344,000 and $932,000 respectively.

13. Investment in subsidiaries (cont'd)

Acquisition of subsidiaries (cont'd)

Acquisition of HSC Cancer Centre Pte. Ltd. ("HCC")

On 31 August 2023, the Group acquired 51% equity interest in HCC, a provider of oncology services in Singapore. Upon the acquisition, HCC became a subsidiary of the Group.

The Group had acquired HCC in order to grow its oncology practice and strengthen its market position, and provide synergies with its existing oncology business.

The Group had elected to measure the non-controlling interest at the non-controlling interest's proportionate share of HCC's net identifiable assets.

Transaction costs

Transaction costs related to the acquisition of $30,000 have been recognised in "Administrative expenses" line item in the Group's profit or loss for the year ended 31 December 2023.

Acquired receivables

The fair value of trade and other receivables was $478,000 and includes trade receivables with a fair value of $438,000. The gross contractual amount for trade receivables due was $438,000 and all trade receivables are expected to be collectible.

Goodwill arising from the acquisition of HCC

The goodwill of $2,675,000 comprise the value of strengthening the Group's market position in Singapore and synergies expected to arise from integrating HCC's operations into the Group's existing oncology business. Goodwill is allocated to the Oncology business cash-generating unit. None of the goodwill recognised is expected to be deductible for income tax purposes.

The Group is in the process of determining the fair value of assets and liabilities arising from the acquisition. As at 31 December 2023, goodwill arising from this acquisition has been determined on a provisional basis as the fair valuation process is still in progress as at the date the financial statements were authorised for issue. Thus, goodwill arising from acquisition will be adjusted accordingly on a retrospective basis when the valuation is finalised.

Impact of the acquisition on profit or loss

From the acquisition date, HCC had contributed revenue of $1,531,000 and profit of $342,000 to the Group's results. If the business combination had taken place at the beginning of the year, the consolidated revenue and consolidated profit for the year would have been $5,288,000 and $616,000 respectively.

13. Investment in subsidiaries (cont'd)

Acquisition of subsidiaries (cont'd)

The fair value of identifiable assets and liabilities and the effects of the acquisition of Vidaskin and HCC as at the date of acquisition were:

	Fair value recognised on acquisition		
	Vidaskin $'000	**HCC** $'000	**Total** $'000
Property, plant and equipment	193	3	196
Right-of-use assets	500	162	662
Inventories	251	159	410
Trade and other receivables	121	478	599
Cash and cash equivalents	1,037	167	1,204
	2,102	969	3,071
Trade and other payables	(137)	(273)	(410)
Contract liabilities	(1,026)	–	(1,026)
Lease liabilities	(518)	(205)	(723)
Income tax payable	(68)	(7)	(75)
	(1,749)	(485)	(2,234)
Total identifiable net assets at fair value	353	484	837
Non-controlling interest measured at the non-controlling interest's proportionate share of net identifiable assets	(194)	(237)	(431)
Goodwill arising from acquisition	3,004	2,675	5,679
	3,163	2,922	6,085
<u>Consideration transferred for the acquisitions</u>			
Cash paid	2,000	1,461	3,461
Deferred purchase consideration	1,163	1,461	2,624
Total consideration transferred	3,163	2,922	6,085
<u>Effect of acquisitions on cash flows</u>			
Total consideration for equity interest acquired	3,163	2,922	6,085
Less: Deferred purchase consideration	(1,163)	(1,461)	(2,624)
Consideration settled in cash	2,000	1,461	3,461
Less: Cash and cash equivalents of subsidiaries acquired	(1,037)	(167)	(1,204)
Net cash outflow on acquisitions	(963)	(1,294)	(2,257)

13. Investment in subsidiaries (cont'd)

Dilution of ownership interest in subsidiary, with loss of control

On 30 December 2022, HiDoc Pte. Ltd. ("HiDoc") allotted and issued 170 new ordinary shares to a non-controlling shareholder following the capitalisation of cash advances amounting to $830,000 provided by the non-controlling shareholder to HiDoc (the "Share Issuance"). Upon the completion of the Share Issuance, the Company's interest in HiDoc was diluted from 53% to 34% and control of HiDoc was passed to the non-controlling shareholder on <date>.

The value of assets and liabilities of HiDoc recorded in the consolidated financial statements as at 30 December 2022, and the effect of the dilution were:

	2022
	$'000
Property, plant and equipment	5
Intangible assets	143
Trade and other receivables	72
Prepayments	14
Cash and cash equivalents	107
	341
Trade and other payables	(3,295)
Carrying value of net liabilities	(2,954)
Non-controlling interests measured at the non-controlling interests' proportionate share of net liabilities	1,389
Fair value of retained interest	(781)
Gain on dilution	(2,346)
<u>Effect of the dilution on cash flows</u>	
Cash and cash equivalents of the subsidiary	(107)
Net cash outflow on dilution	(107)

The gain on dilution attributable to measuring the retained interest amounted to $2,346,000 was included in "Other (loss)/gain" line item in the Group's profit or loss for the year ended 31 December 2022.

Acquisition of ownership interest in subsidiary, without loss of control

On 31 October 2023, the Company acquired an additional 15% equity interest in The Breast Clinic Pte. Ltd. ("TBC") from its non-controlling interest for a cash consideration of $1, increasing its ownership from 60% to 75%. The carrying amount of the net assets of TBC as at 31 October 2023 was $633,000. The Group recognised a decrease in non-controlling interests of $95,000 and an increase in retained earnings of $95,000.

13. Investment in subsidiaries (cont'd)

Acquisition of ownership interest in subsidiary, without loss of control (cont'd)

The following summarises the effect of the change in the Group's ownership interest in the subsidiary on the equity attributable to owners of the Company:

	2023
	TBC
	$'000
Non-controlling interests acquired	*
Decrease in equity attributable to non-controlling interests	(95)
Increase in equity attributable to owners of the Company	95

** Amount less than $1,000.*

Transfer of ownership interest in subsidiaries, without loss of control

On 22 August 2022, pursuant to an employment agreement, the Company transferred 20% of the issued and paid-up capital of SMG O&G Centre Pte. Ltd. ("OGC") to the medical director for a cash consideration of $20. Following the share transfer, the Company still controls OGC, retaining 80% of the equity interest. The carrying amount of the net assets of OGC as at the date of share transfer was $210,000. The share transfer resulted in an increase in non-controlling interests of $42,000 and a decrease in equity attributable to owners of the Company of $42,000.

On 4 August 2023, the Company transferred a total of 3% of the issued and paid-up capital of SMG Aesthetics & Plastic Surgery Pte. Ltd. ("APS") to the medical directors for a total cash consideration of $2 upon the medical directors achieving the performance targets. Following the share transfer, the Company still controls APS, retaining 82% of the equity interest. The carrying amount of the net assets of APS as at the date of share transfer was $7,793,000. The share transfer resulted in an increase in non-controlling interests of $250,000 and a decrease in equity attributable to owners of the Company of $250,000.

On 12 September 2023, pursuant to an employment agreement, the Company transferred 20% of the issued and paid-up capital of SMG Kids Orthopaedic Pte. Ltd. ("SKO") to the medical director for a cash consideration of $1. Following the share transfer, the Company still controls SKO, retaining 80% of the equity interest. The carrying amount of the net liabilities of SKO as at the date of share transfer was $291,000. The share transfer resulted in a decrease in non-controlling interests of $58,000 and an increase in equity attributable to owners of the Company of $58,000.

13. Investment in subsidiaries (cont'd)

Transfer of ownership interest in subsidiaries, without loss of control (cont'd)

The following summarises the effect of the change in the Group's ownership interest in the subsidiaries on the equity attributable to owners of the Company:

	2023		2022
	APS	**SKO**	**OGC**
	$'000	$'000	$'000
Carrying amount of interests in subsidiary disposed off	(250)	58	(42)
Consideration received from disposal of interests in subsidiary	*	*	*
(Decrease)/increase in equity attributable to owners of the Company	(250)	58	(42)

** Amount less than $1,000.*

14. Investment in joint ventures

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Equity shares, at cost	2,151	1,951	2,151	1,951
Share of post-acquisition reserves	1,144	1,170	–	–
	3,295	3,121	2,151	1,951

The joint venture companies of the Group as at 31 December are as follows:

Name of company (Country of incorporation and place of business)	**Principal activities**	**Cost**		**Percentage of equity held by the Group**	
		2023	**2022**	**2023**	**2022**
		$'000	$'000	%	%
PT Ciputra SMG (Indonesia) ("PTCS")	Provision of LASIK and general ophthalmological services	851	851	40	40
Aurum SMG Pte. Ltd. (Singapore)	Provision of co-working space for fitness, wellness and medical specialist care	1,300	1,100	50	50

During the financial year, the Company subscribed to 200,000 (2022: 575,000) new shares issued by Aurum SMG Pte. Ltd. ("ASPL") for a cash consideration of $200,000 (2022: $575,000). There was no change to the Company's interest after the additional capital contribution.

14. Investment in joint ventures (cont'd)

The summarised financial information of the joint ventures, based on its IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	ASPL		PTCS	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Summarised statement of comprehensive income				
Revenue	938	585	11,780	11,819
Operating expenses	(680)	(773)	(8,130)	(7,296)
Depreciation and amortisation	(781)	(590)	(669)	(422)
(Loss)/profit before tax	(523)	(778)	2,981	4,101
Income tax expense	–	–	(658)	(959)
(Loss)/profit for the year	(523)	(778)	2,323	3,142
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences	–	–	(51)	(232)
Total comprehensive income for the year	(523)	(778)	2,272	2,910
Summarised balance sheet				
Current assets [(i)]	690	522	4,642	6,213
Non-current assets	1,775	2,540	3,319	1,765
Total assets	2,465	3,062	7,961	7,978
Current liabilities	(194)	(105)	(1,757)	(1,961)
Non-current liabilities	(1,056)	(1,602)	(128)	(98)
Total liabilities	(1,250)	(1,707)	(1,885)	(2,059)
Net assets	1,215	1,355	6,076	5,919
Proportion of the Group's ownership	50%	50%	40%	40%
Group's share of net assets	608	678	2,430	2,368
Other adjustments	–	–	257	75
Carrying amount of the investment	608	678	2,687	2,443
[(i)] Includes:				
Cash and cash equivalents	300	246	2,132	1,182
Trade receivables	36	80	51	83

The joint ventures require the Group's consent to distribute its profits. The Group does not foresee giving such consent at the reporting date.

The joint ventures had no contingent liabilities or capital commitments as at 31 December 2023 and 2022.

15. Investment in associates

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Equity shares, at cost	10,407	10,617	10,407	10,617
Fair value remeasurement	6,741	6,741	142	142
Loan to associate	300	300	300	300
Amounts due from associate	226	226	226	226
Share of post-acquisition reserves	869	857	–	–
Impairment loss	(630)	–	–	–
	17,913	18,741	11,075	11,285

The movement in provision for impairment losses are as follows:

	Group	
	2023	2022
	$'000	$'000
At 1 January	–	–
Charge for the year	630	–
At 31 December	630	–

The associated companies of the Group as at 31 December are as follows:

Name of company (Country of incorporation and place of business)	Principal activities	Cost		Percentage of equity held by the Group	
		2023	2022	2023	2022
		$'000	$'000	%	%
HiDoc Pte. Ltd. (Singapore)	Development of software/e-commerce applications for medical related services	*	*	34	34
CHA SMG (Australia) Pte. Ltd. and its subsidiaries (Singapore and Australia)	Investment holding#	7,919	7,919	20	20
CardioScan Asia Pte. Ltd. and its subsidiary (Singapore and Malaysia)	Provision of cardiac monitoring and reporting services	–	210	–	40

15. Investment in associates (cont'd)

Name of company (Country of incorporation and place of business)	Principal activities	Cost		Percentage of equity held by the Group	
		2023 $'000	2022 $'000	2023 %	2022 %
CityClinic Asia Investments Pte. Ltd. and its subsidiary (Singapore and Vietnam)	Investment holding and business and management consultancy services, and provision of outpatient healthcare services	1,830	1,830	41**	42**
Annabelle Psychology Pte. Ltd. and its subsidiary ("APPL") (Singapore)	Provision of psychology services	800	800	20	20

\# CHA SMG (Australia) Pte. Ltd. ("CSA") holds 61% (2022: 62%) ownership interest in CHA SMG Australia Holding Pty Ltd which holds 100% (2022: 100%) ownership interest in CHA SMG Australia Corporate Pty Ltd ("CSAC"). CSAC operates a chain of clinics in Australia providing assisted reproduction services.

* Amount less than $1,000.

** The Group holds 41% (2022: 42%) equity interest in CityClinic Asia Investments Pte. Ltd. ("CCAI") through the 10% (2022: 10%) interest held directly by the Company and the 31% (2022: 32%) interest held by SMG International (Vietnam) Pte. Ltd., a wholly-owned subsidiary of the Company.

The loan to associate bears interest at 3.60% (2022: 3.60%) per annum and amounts due from associate are non-interest bearing. These amounts are unsecured and repayable at the discretion of the associate, only when the cash flows of the associates permit. These amounts relate to contribution from the Company, which forms a part of the Company's net investment in associates and is accounted for at cost less accumulated impairment losses.

During the financial year, in view of the continued losses incurred by HiDoc, impairment loss of $630,000 (2022: $Nil) was recognised for the Group's investment in HiDoc. The impairment loss was recognised in the Group's profit or loss under the line item "Other (loss)/gain".

On 31 May 2023, the Company sold its entire equity interest in CardioScan Asia Pte. Ltd. ("CAPL") for a cash consideration of $700,000. A gain on disposal of $419,000 was recognised in the Group's profit or loss under the line item "Other (loss)/gain".

15. Investment in associates (cont'd)

The summarised financial information of the associated companies, based on its IFRS financial statements and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	APPL		CCAI		CAPL		CSA		HiDoc	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Summarised statement of comprehensive income										
Revenue	3,077	2,524	10,036	10,384	–	1,945	66,225	61,218	123	211
Operating expenses	(3,389)	(3,015)	(10,741)	(9,916)	–	(1,796)	(58,517)	(55,640)	(828)	(966)
(Loss)/profit before tax	(312)	(491)	(705)	468	–	149	7,708	5,578	(705)	(755)
Income tax credit/(expense)	4	–	–	–	–	–	(2,458)	(1,483)	–	–
(Loss)/profit after tax	(308)	(491)	(705)	468	–	149	5,250	4,095	(705)	(755)
Other comprehensive income:										
Items that may be reclassified subsequently to profit or loss										
Foreign currency translation differences	–	–	(49)	(98)	–	(57)	(660)	(446)	–	–
Total comprehensive (loss)/income for the year	(308)	(491)	(754)	370	–	92	4,590	3,649	(705)	(755)
Total comprehensive (loss)/income attributable to non-controlling interests	23	–	–	–	–	35	2,025	1,338	–	–
Total comprehensive (loss)/income attributable to the owners of the associate company	(285)	(491)	(754)	370	–	57	2,565	2,311	(705)	(755)

15. Investment in associates (cont'd)

	APPL		CCAI		CAPL		CSA		HiDoc	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Summarised balance sheet										
Current assets	683	1,049	3,755	5,331	–	773	15,136	12,504	38	193
Non-current assets excluding goodwill	672	1,146	3,655	2,525	–	286	119,637	110,601	29	149
Goodwill	590	590	1,210	1,210	–	–	–	–	–	–
Total assets	1,945	2,785	8,620	9,066	–	1,059	134,773	123,105	67	342
Current liabilities	(651)	(751)	(1,581)	(3,682)	–	(344)	(27,786)	(24,861)	(2,973)	(2,465)
Non-current liabilities	(516)	(883)	(59)	(233)	–	(12)	(37,336)	(28,641)	–	–
Total liabilities	(1,167)	(1,634)	(1,640)	(3,915)	–	(356)	(65,122)	(53,502)	(2,973)	(2,465)
Net assets/(liabilities)	778	1,151	6,980	5,151	–	703	69,651	69,603	(2,906)	(2,123)
Net assets/(liabilities) excluding goodwill	188	561	5,770	3,941	–	703	69,651	69,603	(2,906)	(2,123)
Less: Net assets attributable to non-controlling interests	54	–	–	–	–	(149)	(26,161)	(28,287)	–	–
	242	561	5,770	3,941	–	554	43,490	41,316	(2,906)	(2,123)
Proportion of the Group's ownership	20%	20%	41%	42%	–	40%	20%	20%	34%	34%
Group's share of net assets/(liabilities)	48	112	2,366	1,655	–	222	8,698	8,263	(988)	(722)
Remeasurement of previously held interest in associate	–	–	5,960	5,960	–	–	–	–	–	–
Goodwill on acquisition	590	590	1,210	1,210	–	–	–	–	–	–
Fair value of retained interest	–	–	–	–	–	–	–	–	781	781
Impairment loss	–	–	–	–	–	–	–	–	(630)	–
Other adjustments	34	4	(1,436)	(508)	–	16	443	436	837	722
Carrying amount of the investment	672	706	8,100	8,317	–	238	9,141	8,699	–	781

The associates require the Group's consent to distribute its profits. The Group does not foresee giving such consent at the reporting date.

The associates had contingent liabilities of $2,653,000 (2022: $2,567,000) and no capital commitments as at 31 December 2023 (2022: $Nil).

16. Inventories

Inventories consist of drugs and medicines, and medical consumables which are stated at cost.

Inventories amounting to $15,929,000 (2022: $14,422,000) were recognised as an expense in cost of sales.

17. Trade receivables

	Group	
	2023	**2022**
	$'000	$'000
Trade receivables	8,045	7,575

Trade receivables are non-interest bearing. Sales are normally settled on a cash basis with credit sales terms determined on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	
	2023	**2022**
	$'000	$'000
Movement in allowance accounts:		
At 1 January	290	174
Charge for the year	–	120
Write off	(18)	(4)
At 31 December	272	290

18. Other receivables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Non-current:				
Refundable deposits	1,606	1,607	777	816
Current:				
Refundable deposits	874	422	491	185
Amounts due from associates	2,383	2,298	2,231	2,149
Other receivables	586	346	7	9
	3,843	3,066	2,729	2,343
Less: Allowance for impairment	(2,380)	(2,291)	(2,228)	(2,139)
	1,463	775	501	204
Total other receivables	3,069	2,382	1,278	1,020
Movement in allowance account:				
At 1 January	2,291	1,164	2,139	–
Charge for the year	89	2,291	89	2,139
Write off	–	(1,164)	–	–
At 31 December	2,380	2,291	2,228	2,139

Amounts due from associates are unsecured, non-interest bearing, repayable on demand and are to be settled in cash. During the financial year, an impairment loss of $89,000 (2022: $2,291,000) and $89,000 (2022: $2,139,000) has been recognised on the amounts due from associates for the Group and Company in view of the continued losses incurred by one of the associates.

19. Due from/(to) related companies

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Due from related companies (non-current):				
Due from holding company	8,841	–	8,841	–
Due from related companies (current):				
Due from holding company	86,587	–	86,587	–
Due from subsidiaries	–	–	18,444	17,663
	86,587	–	105,031	17,663
	95,428	–	113,872	17,663
Due to related companies:				
Due to subsidiaries				
Current	–	–	(16,336)	(9,477)
Non-current	–	–	(3,932)	(2,281)
	–	–	(20,268)	(11,758)

Other than amounts due to subsidiaries of $3,932,000 (2022: $2,281,000) which bear interest at 0.05% (2022: 0.05%) per annum, these balances are unsecured, non-interest bearing, repayable on demand and are to be settled in cash. Amounts due from holding company for the Group and Company of $8,841,000 (2022: $Nil) and amounts due to subsidiaries for the Company of $3,932,000 (2022: $2,281,000) are classified as non-current since the amounts are not due within a year.

20. Cash and cash equivalents

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Cash and cash equivalents	27,130	31,761	5,383	2,387

Cash at bank of $3,320,000 (2022: $8,967,000) earns interest at floating rates based on daily bank deposit rates. The remaining cash balance of $23,810,000 (2022: $22,794,000) is non-interest bearing.

21. Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

22. Other payables and accruals

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current:				
Goods and services tax payables, net	1,503	1,308	127	80
Medisave payable to patients	163	161	–	–
Accrued operating expenses	16,465	9,575	688	551
Amounts due to joint venture	–	6	–	–
Sundry creditors	3,148	1,734	99	149
	21,279	12,784	914	780
Non-current:				
Provision for reinstatement (Note 23)	408	408	212	212
Total other payables and accruals	21,687	13,192	1,126	992

Amounts due to joint venture were unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

The remaining balances are unsecured, non-interest bearing and are normally settled on 30 to 90 days' terms.

23. Provision

A provision is recognised for costs expected to be incurred to reinstate office or clinic premises to its original state at the end of the lease term.

Movements in provision for reinstatement are as follows:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
At 1 January and 31 December	408	408	212	212

24. Deferred purchase consideration

	Group	
	2023	2022
	$'000	$'000
Deferred purchase consideration:		
- current	2,624	–

Deferred purchase consideration relates to outstanding cash consideration arising from the acquisition of Vidaskin and HCC.

25. Leases

As lessee

The Group has lease contracts for medical equipment, and office and clinic premises used in its operations. These leases generally have lease terms between 2 and 5 years. The Group's and Company's obligations under its leases for medical equipment were secured by the lessor's title to the leased assets. The outstanding amount of obligations under its leases for medical equipment was secured by way of a charge over the lease assets and corporate guarantee by the Company.

Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options, and variable lease payments, which are further discussed below.

The Group also has certain leases of clinic premises with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Medical equipment	Office and clinic premises	Total
	$'000	$'000	$'000
Group			
At 1 January 2022	211	10,132	10,343
Additions	–	3,249	3,249
Depreciation charge for the year	(26)	(5,814)	(5,840)
Lease modification	–	2,329	2,329
Reclassification to property, plant and equipment (Note 11)	(185)	–	(185)
At 31 December 2022 and 1 January 2023	–	9,896	9,896
Additions	–	5,371	5,371
Depreciation charge for the year	–	(6,469)	(6,469)
Lease modification	–	4,032	4,032
Acquisition of subsidiaries (Note 13)	–	662	662
Termination of leases	–	(237)	(237)
At 31 December 2023	–	13,255	13,255
Company			
At 1 January 2022	–	5,761	5,761
Additions	–	1,029	1,029
Depreciation charge for the year	–	(3,025)	(3,025)
Lease modification	–	2,329	2,329
At 31 December 2022 and 1 January 2023	–	6,094	6,094
Additions	–	3,193	3,193
Depreciation charge for the year	–	(3,426)	(3,426)
Lease modification	–	1,634	1,634
At 31 December 2023	–	7,495	7,495

25. Leases (cont'd)

As lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
At 1 January	10,348	10,504	6,315	5,924
Additions	5,371	3,249	3,193	1,029
Acquisition of subsidiaries (Note 13)	723	–	–	–
Lease modification	4,032	2,329	1,634	2,329
Termination of leases	(252)	–	–	–
Accretion of interest	872	471	457	243
Rental relief	–	(70)	–	(4)
Payments	(6,979)	(6,135)	(3,590)	(3,206)
At 31 December	14,115	10,348	8,009	6,315
Current	6,098	5,093	3,363	2,827
Non-current	8,017	5,255	4,646	3,488
	14,115	10,348	8,009	6,315

The maturity analysis of lease liabilities are disclosed in Note 35(a).

The following are the amounts recognised in profit or loss:

	Group	
	2023	2022
	$'000	$'000
Depreciation of right-of-use assets	6,469	5,840
Gain on termination of leases	(15)	–
Interest expense on lease liabilities	872	471
Lease expenses not capitalised in lease liabilities:		
- Expenses relating to short-term leases (included in cost of sales)	874	1,009
- Expenses relating to leases of low-value assets (included in administrative expenses)	228	172
- Variable lease payments (included in cost of sales)	3	2
Total (Note 7)	1,105	1,183
Rental relief (included in cost of sales)	–	(70)
Total amount recognised in profit or loss	8,431	7,424

25. Leases (cont'd)

As lessee (cont'd)

Depreciation of right-of-use assets of $6,469,000 (2022: $5,814,000) and $Nil (2022: $26,000) are included in the "Cost of sales" and "Administrative expenses" line items in profit or loss respectively.

The Group had total cash outflows for leases of $8,084,000 (2022: $7,318,000) in 2023. The Group also had non-cash additions to right-of-use assets of $5,371,000 (2022: $3,249,000) and lease liabilities of $5,371,000 (2022: $3,249,000) in 2023. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 33.

The Group has a lease contract for clinic premise that contains variable payments based on a percentage of sales generated by the clinic. The terms are negotiated by management for a variety of reasons, including minimising the fixed costs base for newly established clinic. The variable lease payments are recognised in profit or loss when incurred and amounted to $3,000 (2022: $2,000) during the financial year.

The Group has several lease contracts for clinic premises that include extension and termination options, for which the related lease payments have not been included in lease liabilities as the Group is not reasonably certain to exercise these extension options. These options are negotiated by management to provide operational flexibility in terms of managing the assets used in the Group's operations.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Group		
	Within five years	**More than 5 years**	**Total**
	$'000	$'000	$'000
2023			
Extension options not reasonably certain to be exercised	5,481	3,319	8,800
2022			
Extension options not reasonably certain to be exercised	6,646	511	7,157

26. Loans and borrowings

Term loans	Effective interest rate	Maturity	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Current						
SGD Term loans: - secured	2.000% - 6.709	2024 - 2027	86,509	834	86,509	834
Non-current						
SGD Term loans: - secured	2.000%	2024	–	1,354	–	1,354
Total loans and borrowings			86,509	2,188	86,509	2,188

During the financial year, pursuant to the facility agreement entered into by the holding company and two financial institutions (the "Facility Agreement"), the Company accedes to the Facility Agreement and became a borrower to the Facility Agreement. The loan amount drawn under the Facility Agreement on the date of accession was $90,169,000 with an additional loan amount of $5,003,000 drawn down by the holding company subsequent to the date of accession. These loans are secured by:

(i) a fixed charge over the share capital of the Company and certain subsidiaries;

(ii) a fixed and floating charge on all assets of the Company and certain subsidiaries; and

(iii) an assignment of the present and future rights, title, interest and benefits in, under and to on all insurances, investments in the form of scripless securities, and letter of credit, bill of exchange and other negotiable instruments, of the Company and certain subsidiaries.

The Group is required by financial institutions to maintain certain gearing ratio and other financial ratios. Loans and borrowings contain 3 covenants stating that at the end of each half year, the Group's total loans and borrowings and total cash flows cannot exceed 4.5 times the Group's earnings before income taxes, depreciation and amortisation, and 1.1 times the Group's aggregate of finance charges, scheduled repayments of loans and borrowings, and cash dividends paid for the relevant period respectively, and the consolidated total equity is not less than $110,000,000, otherwise the financial institutions may declare the loans and borrowings be immediately due and payable.

The Group exceeded its maximum leverage and cash flows threshold for the half year ended 31 December 2023 and as at 31 December 2023. However, the Group has obtained a waiver for covenant testing from the financial institutions subsequent to 31 December 2023 for a period of 12 months and the financial institutions will not declare the loans and borrowings amounts outstanding be immediately due and payable. The next financial covenant testing will be on 31 December 2024. Loans and borrowings are classified as current liabilities as at 31 December 2023.

In 2022, loan balances of $2,188,000, that were drawn down by the Company, were secured by corporate guarantees taken by two subsidiaries of the Group. The loan was fully repaid during the financial year.

26. Loans and borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	1.1.2023	Cash flows	Non-cash changes						31.12.2023
			Acquisition	Lease modification	Termination of lease	Acquisition of subsidiaries	Interest accrued	Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group									
Loans and borrowings:									
- current	834	(11,131)	22,180	–	–	–	280	74,346	86,509
- non-current	1,354	–	72,992	–	–	–	–	(74,346)	–
Lease liabilities:									
- current	5,093	(6,107)	1,434	692	(252)	384	–	4,854	6,098
- non-current	5,255	–	3,937	3,340	–	339	–	(4,854)	8,017
Total	12,536	(17,238)	100,543	4,032	(252)	723	280	–	100,624

	1.1.2022	Cash flows	Non-cash changes					31.12.2022
			Acquisition	Lease modification	Interest accrued	Rental relief	Other	
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Loans and borrowings:								
- current	1,494	(1,493)	–	–	(1)	–	834	834
- non-current	2,188	–	–	–	–	–	(834)	1,354
Lease liabilities:								
- current	4,804	(5,664)	889	275	–	(70)	4,859	5,093
- non-current	5,700	–	2,360	2,054	–	–	(4,859)	5,255
Total	14,186	(7,157)	3,249	2,329	(1)	(70)	–	12,536

The "Other" column relates to reclassification of non-current portion of loans and borrowings including lease liabilities, due to passage of time.

27. Deferred tax

Deferred tax as at 31 December relates to the following:

	Group				Company	
	Consolidated balance sheet		Consolidated income statement		Balance sheet	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred tax assets:						
Unutilised tax losses	88	129	(41)	(3)	–	–
Excess of tax written down values over net book values of property, plant and equipment	621	654	(33)	(40)	348	348
Fair value adjustment on acquisition of subsidiary	–	–	–	(3)	–	–
	709	783	(74)	(46)	348	348
Deferred tax liabilities:						
Differences in depreciation for tax purposes	1,290	717	(573)	(189)	–	–
Fair value adjustment on acquisition of subsidiaries	4	4	–	–	–	–
	1,294	721	(573)	(189)	–	–
Deferred tax expense			(647)	(235)		

Unrecognised tax losses

At the balance sheet date, the Group has tax losses of approximately $4,125,000 (2022: $4,125,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with the relevant provisions of the tax legislation in Singapore. The tax losses have no expiry date.

Unrecognised temporary differences relating to joint venture

At the balance sheet date, no deferred tax liability (2022: $Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's joint ventures as the joint ventures of the Group cannot distribute its earnings until it obtains the consent of both the joint venturers. At the balance sheet date, the Group does not foresee giving such consent.

Such temporary differences for which no deferred tax liability has been recognised aggregate to $1,745,000 (2022: $2,025,000). The deferred tax liability is estimated to be $297,000 (2022: $344,000).

28. Share capital

	Group and Company			
	2023		2022	
	No. of shares '000	$'000	No. of shares '000	$'000
Issued and fully paid ordinary shares:				
At 1 January and 31 December	486,614	121,028	486,614	121,028

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

29. Treasury shares

	Group and Company			
	2023		2022	
	No. of shares '000	$'000	No. of shares '000	$'000
At 1 January and 31 December	233	50	233	50

Treasury shares relate to ordinary shares of the Company that is held by the Company.

30. Foreign currency translation reserve

Foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

31. Dividends

	Group and Company	
	2023	2022
	$'000	$'000
Cash dividends on ordinary shares declared and paid:		
Final exempt (one-tier) dividend for year ended 2022: $Nil (2021: $0.009) per share	–	4,377

32. Share-based payment arrangement

At 31 December 2023, the Group has the following share-based payment arrangement:

SMG Share Option Scheme

Under the SMG Share Option Scheme ("SSOS"), share options are granted to selected employees of the Group (including Executive Directors who are Controlling Shareholders and their associates). The exercise price of the options is determined at the average of the closing prices of the Company's shares as quoted on the Singapore Exchange for five consecutive market days immediately preceding the date of the grant. The options vest over a period of three years from the date of grant. The contractual life of each option granted is five years.

In 2022, outstanding share options of 7,700,000 had been cancelled. There has been no modification to the SSOS during the years ended 31 December 2023 and 2022.

Movement of share options during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	2023		2022	
	No. of share options	WAEP ($)	No. of share options	WAEP ($)
Outstanding at 1 January	–	–	7,940,000	–
- Granted	–	–	930,000	–
- Exercised	–	–	–	–
- Forfeited	–	–	(1,170,000)	–
- Cancelled	–	–	(7,700,000)	–
Outstanding at 31 December	–	–	–	–
Exercisable at 31 December	–	–	–	–

- The weighted average fair value of options granted during the financial year was $Nil (2022: $Nil).
- The weighted average share price at the date of exercise of the options exercised during the financial year was $Nil (2022: $Nil).
- The range of exercise prices for options outstanding at the end of the year was $Nil (2022: $Nil). The weighted average remaining contractual life for these options is Nil (2022: Nil) years.

Fair value of share options granted

The fair value of the share options granted under the SSOS is estimated at the grant date using the Trinomial Option Pricing Model ("TOPM"), taking into account the terms and conditions upon which the share options were granted.

32. Share-based payment arrangement (cont'd)

SMG Share Option Scheme (cont'd)

Fair value of share options granted (cont'd)

The following table lists the inputs to the option pricing models for the years ended 31 December 2023 and 2022:

	2023	**2022**
Dividend yield	–	1.29%
Expected volatility (weighted-average)	–	23.6%
Risk free interest rate (weighted-average)	–	1.73%
Expected life of options (weighted-average)	–	3.67 years
Weighted average share price	–	$0.315

The expected life of the share options is estimated by management in the absence of historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

SMG Share Plan

Under the SMG Share Plan ("SSP"), share awards are granted to selected employees of the Group (including Executive Directors who are Controlling Shareholders and their associates). The share awards will vest in two equal tranches on the second and third anniversary from the date of grant when the Performance Targets are achieved, subjected to approval by the Remuneration Committee. There is no vesting period beyond the performance periods.

No performance shares were granted during the financial year (2022: Nil). There has been no cancellation or modification to the share awards during the years ended 31 December 2023 and 2022.

33. Commitments

At 31 December 2023, the Group and Company had commitments of $6,871,000 (2022: $1,284,000) and $Nil (2022: $326,000) comprising $4,295,000 (2022: $958,000) and $Nil (2022: $Nil), and $2,576,000 (2022: $326,000) and $Nil (2022: $326,000), relating to purchase of medical equipment and renovation respectively.

The Group has various lease contracts that have not yet commenced as at the balance sheet date. The future lease payments for these non-cancellable lease contracts are as follows:

	Group	
	2023	**2022**
	$'000	$'000
Within 1 year	–	128
Later than 1 year but not later than 5 years	–	470
	–	598

34. Segment information

For management purposes, the Group is organised into business segments based on their products and services, and has three reportable segments as follows:

I. The Health Business comprises: (a) Obstetrical and gynaecological services caters to the wellness of women for every momentous stage of life; (b) Oncology services including the prevention, diagnosis and treatment of cancer, cancer screening and cancer genetic and risk assessment; (c) Paediatrics services; (d) General medicine and health screening services; (e) Cardiology services; (f) Endocrinology services; (g) Orthopaedic services; and (h) Physiotherapy services.

II. The Diagnostic & Aesthetics Business comprises: (a) Radiology and diagnostic imaging services; (b) Refractive surgery services; (c) Dental services including general dental services, prosthodontics, orthodontics, implant dentistry, oral surgery and gum treatment; and (d) Aesthetics medicine services which offer an extensive range of evidence-based healthcare services related to the improvement of physical appearances. These services include facial aesthetics, body aesthetics, facial and breast fillers, IPL, lasers, Botox, microdermabrasion minimally invasive Silhouette threadlift, VASER-assisted LipoSelection and Plastic surgery.

III. The Others segment comprises group-level corporate services as well as business consultancy functions and telemedicine services.

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 by the chief operating decision makers ("CODM"), Chief Executive Officer, solely based on gross profit or loss. Certain expenses, other income and income taxes are managed on a group basis and are not allocated to operating segments.

34. Segment information (cont'd)

Based on the management reporting to the CODM, the segment assets and liabilities are not regularly provided for their review of the financial performance. Therefore, the segment assets and liabilities amounts are not disclosed in the segment information.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Inter-segment revenues are eliminated on consolidation.

	Health $'000	Diagnostic and Aesthetics $'000	Others $'000	Adjustments and eliminations $'000	Total $'000
2023					
Revenue:					
External customers	76,955	45,830	74	–	122,859
Inter-segment	1,438	164	261	(1,863)	–
Total revenue	78,393	45,994	335	(1,863)	122,859
Segment results:					
Segment gross profit[1]	24,474	23,055	177	26	47,732
Depreciation of property, plant and equipment	(567)	(2,001)	(296)	–	(2,864)
Amortisation of intangible assets	(7)	(34)	(27)	–	(68)
Loss on disposal of property, plant and equipment	(3)	(33)	–	–	(36)
Gain/(loss) on termination of leases	27	(12)	–	–	15
Gain on disposal of associate	–	–	419	–	419
Bad debt written off	(12)	–	–	–	(12)
Impairment loss on investment in associate	–	–	(630)	–	(630)
Impairment loss on amounts due from an associate	–	–	(89)	–	(89)
Finance income	–	–	20	–	20
Interest expenses	(194)	(220)	(469)	–	(883)
Share of results of joint ventures and associates	221	929	(269)	–	881
Unallocated expenses					(30,866)
Profit before tax					13,619

34. Segment information (cont'd)

	Health $'000	Diagnostic and Aesthetics $'000	Others $'000	Adjustments and eliminations $'000	Total $'000
2022					
Revenue:					
External customers	69,395	43,443	394	–	113,232
Inter-segment	151	1,557	585	(2,293)	–
Total revenue	69,546	45,000	979	(2,293)	113,232
Segment results:					
Segment gross profit[1]	23,659	22,033	775	(318)	46,149
Depreciation of property, plant and equipment	(762)	(1,931)	(542)	–	(3,235)
Depreciation of right-of-use assets	–	(26)	–	–	(26)
Amortisation of intangible assets	(14)	(103)	(237)	–	(354)
(Loss)/gain on disposal of property, plant and equipment	(55)	1	–	–	(54)
Share-based compensation expense	–	–	(91)	–	(91)
Gain on dilution of interests in subsidiary to non-controlling interests with a change in control	–	–	2,346	–	2,346
Provision for expected credit loss on trade receivables	(60)	(60)	–	–	(120)
Bad debt written off	(11)	–	–	–	(11)
Impairment loss on amounts due from an associate	(152)	–	(2,139)	–	(2,291)
Finance income	–	–	29	–	29
Interest expenses	(113)	(105)	(297)	–	(515)
Share of results of joint ventures and associates	874	1,253	(389)	–	1,738
Unallocated expenses					(27,086)
Profit before tax					16,479

[1] Included in segment gross profit is depreciation of right-of-use assets of $6,469,000 (2022: $5,814,000) of which $1,456,000 (2022: $1,280,000), $1,588,000 (2022: $1,484,000) and $3,425,000 (2022: $3,050,000) are allocated to Health Business, Diagnostic and Aesthetics Business and Others segment respectively.

Geographical information

The Group mainly derives its revenue from Singapore, except for its share of results from joint ventures and associates located in foreign jurisdictions of $1,504,000 (2022: $2,238,000) profits and $212,000 (2022: $Nil) losses respectively.

34. Segment information (cont'd)

Geographical information (cont'd)

The share of results from joint ventures and associates based on geographical location are as follows:

	Group	
	2023	**2022**
	$'000	$'000
Share of (losses)/profits from joint ventures		
Singapore	(270)	(389)
Indonesia	929	1,253
Total net share of profits from joint ventures	659	864
Share of (losses)/profits from associates		
Singapore	(142)	(111)
Vietnam	(211)	464
Australia	575	521
Total net share of profits from associates	222	874
Total net share of profits from joint ventures and associates	881	1,738

35. Financial instruments risk management policies and objectives

The Group's principal financial instruments comprise lease liabilities, bank loans and borrowings, and cash and cash equivalents. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from their operations.

The key financial risks arising from the Group's financial instruments are liquidity risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below.

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 during the years ended 31 December 2023 and 2022.

It is, and has been throughout the years under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

35. Financial instruments risk management policies and objectives (cont'd)

(a) ***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

As part of its overall liquidity management, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	Note	**One year or less** $'000	**One to five years** $'000	**Total** $'000
Group				
2023				
Financial liabilities				
Trade payables	21	3,007	–	3,007
Other payables and accruals*	22	19,776	–	19,776
Deferred purchase consideration	24	2,624	–	2,624
Lease liabilities		6,857	8,693	15,550
Loans and borrowings and related interest expense		99,758	–	99,758
Total undiscounted financial liabilities		132,022	8,693	140,715
2022				
Financial liabilities				
Trade payables	21	2,752	–	2,752
Other payables and accruals*	22	11,476	–	11,476
Lease liabilities		5,533	5,563	11,096
Loans and borrowings and related interest expense		870	1,377	2,247
Total undiscounted financial liabilities		20,631	6,940	27,571

35. Financial instruments risk management policies and objectives (cont'd)

(a) *Liquidity risk (cont'd)*

	Note	One year or less $'000	One to five years $'000	Total $'000
Company				
2023				
Financial liabilities				
Trade payables	21	2	–	2
Other payables and accruals*	22	787	–	787
Due to related companies		16,336	3,932	20,268
Lease liabilities		3,818	5,064	8,882
Loans and borrowings and related interest expense		99,758	–	99,758
Total undiscounted financial liabilities		120,701	8,996	129,697
2022				
Financial liabilities				
Trade payables	21	2	–	2
Other payables and accruals*	22	700	–	700
Due to related companies		9,477	2,281	11,758
Lease liabilities		3,107	3,698	6,805
Loans and borrowings and related interest expense		870	1,377	2,247
Total undiscounted financial liabilities		14,156	7,356	21,512

* Other payables and accruals exclude "Goods and services tax payables" and "Provision for reinstatement".

35. Financial instruments risk management policies and objectives (cont'd)

(b) *Credit risk*

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. 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 cash equivalents), the Group and the Company minimises 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. It is the Group's policy that all customers who wish to obtain services 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 and Company's exposure to bad debts is not significant.

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 of a financial asset to be when the counterparty fails to make contractual payments, within 180 days when they fall due, which are derived based on the Group's historical information.

To assess whether there is a significant increase in credit risk, the Group 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. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increases in credit risk on other financial instruments of the same borrower
- Significant changes in the expected performance and behaviour of the borrower including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is a significant difficulty of the issuer or the borrower
- A breach of contract, such as a default or past event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty.

35. Financial instruments risk management policies and objectives (cont'd)

(b) *Credit risk (cont'd)*

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 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. When loans and receivables have been written off, the Group 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 management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

<u>Loans at amortised cost</u>

The Group's current credit risk grading framework comprises three categories for loans, which reflect their credit risk and how loss provision is determined for each of those categories. The credit risk ratings are determined through incorporating both qualitative and quantitative information.

The Group computes expected credit loss for the above-mentioned group of financial assets using the probability of default approach. In calculating the expected credit loss rates, the Group considers implied probability of default from external rating agencies where available and 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 credit risk grading framework in the computation of the Group's expected credit loss model for loans at amortised cost is as follows:

Category	**Definition of category**	**Basis for recognising ECL**	**Basis for calculating interest revenue**
I	Counterparty has a low risk of default and does not have any past due amounts.	12-month ECL	Gross carrying amount
II	Loans for which there is an increase in credit risk; an increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime ECL	Gross carrying amount
III	Interest and/or principal repayments are 180 days past due.	Lifetime ECL	Amortised cost of carrying amount (net of credit allowance)

There are no significant changes to the estimation techniques or assumptions made during the reporting period.

35. Financial instruments risk management policies and objectives (cont'd)

(b) *Credit risk (cont'd)*

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that other than amounts due from associates and loans to an associate, there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

For amounts due from associates, there is a significant increase in the credit risk and the Group had recognised an impairment loss allowance measured using 12-month ECL. Information regarding the loss allowance provision for loans at amortised cost are disclosed in Note 18.

The gross carrying amount of loans at amortised cost based on 12-month ECL of the Group and the Company, without taking into account of any collaterals held or other credit enhancements, which represents the maximum exposure to loss is $98,497,000 and $115,150,000 (2022: $2,382,000 and $18,683,000) respectively as at 31 December 2023.

The gross carrying amounts of trade receivables of the Group are disclosed in Note 17.

<u>*Trade receivables*</u>

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 with days past due. The loss allowance provision as at the balance sheet date is determined below whereby, the expected credit losses have also incorporated forward looking information such as forecast of economic conditions.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

	Less than 30 days past due $'000	**More than 30 days past due** $'000	**More than 60 days past due** $'000	**More than 90 days past due** $'000	**Total** $'000
2023					
Gross carrying amount	2,572	1,825	1,265	2,655	8,317
Loss allowance provision	–	–	–	(272)	(272)
Net carrying amount	2,572	1,825	1,265	2,383	8,045
2022					
Gross carrying amount	2,773	1,527	785	2,780	7,865
Loss allowance provision	–	–	–	(290)	(290)
Net carrying amount	2,773	1,527	785	2,490	7,575

Information regarding the expected loss allowance movement of trade receivables are disclosed in Note 17.

35. Financial instruments risk management policies and objectives (cont'd)

(b) ***Credit risk (cont'd)***

During the financial year, the Group wrote off $12,000 (2022: $11,000) of trade receivables, which are more than 180 days past due as the Group does not expect to receive future cash flows from and there are no recoveries from collection of cash flows previously written off.

Excessive risk concentration

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.

The Group assessed the concentration of the credit risk and concluded it to be low.

Exposure to credit risk

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheet.

36. Fair value of financial instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(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 markets 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 and liability.

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Cash and cash equivalents (Note 20), current trade and other receivables (Note 17 and 18), current amounts due from/(to) related companies (Note 19), trade payables (Note 21), current other payables and accruals (Note 22), deferred purchase consideration (Note 24), and loans and borrowings (Note 26)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

36. Fair value of financial instruments (cont'd)

(b) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (cont'd)***

Determination of fair value

Other receivables (non-current) (Note 18) and amounts due from/(to) related companies (non-current) (Note 19).

The fair values are estimated by comparing to similar types of lending and borrowing at market incremental lending rate as at the balance sheet date. As the financial instruments mature within 2 to 3 years and market interest rates as at year end are low, the carrying amounts of these financial assets and liabilities are not materially different from their fair values as at the balance sheet date.

(c) ***Classification of financial instruments***

Set out below is a comparison by category of carrying amounts of all the Group's and Company's financial instruments that are carried in the financial statements:

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	$'000	$'000	$'000
Financial assets				
Debt instruments at amortised cost				
Trade receivables	8,045	7,575	–	–
Other receivables	3,069	2,382	1,278	1,020
Due from related companies	95,428	–	113,872	17,663
Cash and cash equivalents	27,130	31,761	5,383	2,387
	133,672	41,718	120,533	21,070
Financial liabilities				
Financial liabilities at amortised cost				
Trade payables	3,007	2,752	2	2
Other payables and accruals*	19,776	11,476	787	700
Deferred purchase consideration	2,624	–	–	–
Due to related companies	–	–	20,268	11,758
Lease liabilities	14,115	10,348	8,009	6,315
Loans and borrowings	86,509	2,188	86,509	2,188
	126,031	26,764	115,575	20,963

* Other payables and accruals exclude "Goods and services tax payables" and "Provision for reinstatement".

37. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 2022.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total capital. The Group includes within borrowings, lease liabilities, and loans and borrowings. Capital consists of equity attributable to the equity holders of the Company.

	Group	
	2023	**2022**
	$'000	$'000
Lease liabilities (Note 25)	14,115	10,348
Loans and borrowings (Note 26)	86,509	2,188
Total borrowings	100,624	12,536
Equity attributable to shareholders of the Company	186,868	176,419
Total capital	186,868	176,419
Gearing ratio	54%	7%

38. Events occurring after the reporting date

On 11 June 2024, the Company drawn down a total loan amount of $3,500,000, pursuant to the facility agreements entered into with three shareholders of the holding company, who are also directors of the Company. These loans are unsecured, bear interest at 6% per annum and repayable 6 months from the date of drawdown.

Subsequent to year-end, the Group is currently in the process of performing a step-up acquisition of an associate to a subsidiary. As at the date of the financial statements, the acquisition is still on-going and is expected to be completed by 30 September 2024.

39. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 23 July 2024.

REGISTERED OFFICE OF THE ISSUER

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