



Company Registration No. 200404283C

Livingstone Health Holdings Limited

Unaudited Condensed Interim Financial Statements
For the six-month financial period ended 30 September 2022 ("HY2023")

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr David Yeong at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, Telephone (65) 6232 3210.

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Livingstone Health Holdings Limited

**Condensed interim consolidated statement of profit or loss and other comprehensive income
For the six-month financial period ended 30 September 2022**

			Group	
	Note	30.9.2022	30.9.2021	Increase/ (decrease)
		S\$'000	S\$'000	
Revenue	4	16,370	15,967	3%
Other income		395	602	(34%)
Consumables and medical supplies used		(3,033)	(2,900)	5%
Employees benefits expense		(8,723)	(7,795)	12%
Depreciation expense		(894)	(708)	26%
Other operating expenses		(2,620)	(2,186)	20%
Finance costs		(123)	(215)	(43%)
Share of results from joint ventures		-	(69)	N.M.
Profit before tax	5	1,372	2,696	(49%)
Income tax expense	7	(240)	(551)	(56%)
Profit for the period		1,132	2,145	(47%)
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences		-	1	N.M.
Other comprehensive income for the period, net of tax		-	1	N.M.
Total comprehensive income for the period, net of tax		1,132	2,146	(47%)
Profit attributable to:				
Owners of the Company		892	2,052	(57%)
Non-controlling interests		240	93	>100%
		1,132	2,145	(47%)
Total comprehensive income attributable to:				
Owners of the Company		892	2,053	(57%)
Non-controlling interests		240	93	>100%
		1,132	2,146	(47%)
Earnings per share attributable to owners of the Company (cents per share)				
Basic	8	0.20	0.65	
Diluted	8	0.20	0.65	

N.M.: Not meaningful

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

Livingstone Health Holdings Limited

Condensed interim statements of financial position
As at 30 September 2022

		Group		Company	
	Note	30.9.2022 S\$'000	31.3.2022 S\$'000	30.9.2022 S\$'000	31.3.2022 S\$'000
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	10	4,940	3,369	-	-
Goodwill arising on consolidation	11	3,636	3,636	-	-
Investment in subsidiaries		-	-	73,000	73,000
Investment in joint ventures		-	-	-	-
Loan to a joint venture		375	375	-	-
Deferred tax asset		414	412	66	26
Total non-current assets		9,365	7,792	73,066	73,026
<u>Current assets</u>					
Trade receivables		6,339	5,905	-	-
Other receivables		1,689	1,378	21	256
Inventories		555	658	-	-
Cash and cash equivalents		3,445	5,353	34	24
Total current assets		12,028	13,294	55	280
Total assets		21,393	21,086	73,121	73,306
EQUITY AND LIABILITIES					
<u>Equity attributable to owners of the Company</u>					
Share capital	14	22,764	22,764	69,091	45,591
Merger reserve		57	57	-	-
Foreign currency translation reserve		5	5	-	-
Other reserves		22	22	-	-
(Accumulated loss)/retained profit ¹		(17,483)	(17,851)	15	733
Equity attributable to owners of the Company		5,365	4,997	69,106	46,324
Non-controlling interests		811	693	-	-
Total equity		6,176	5,690	69,106	46,324
<u>Non-current liabilities</u>					
Other payables		1,500	1,500	1,500	1,500
Loans and borrowings	13	2,300	2,986	-	-
Lease liabilities		1,865	871	-	-
Deferred tax liabilities		33	33	-	-
Total non-current liabilities		5,698	5,390	1,500	1,500
<u>Current liabilities</u>					
Trade payables		576	660	-	-
Other payables		3,999	4,273	1,740	24,617
Loans and borrowings	13	2,287	2,528	775	865
Lease liabilities		1,300	981	-	-
Deferred revenue		850	868	-	-
Income tax payable		507	696	-	-
Total current liabilities		9,519	10,006	2,515	25,482
Total liabilities		15,217	15,396	4,015	26,982
Total equity and liabilities		21,393	21,086	73,121	73,306

¹ Included one-off exceptional expenses relating to loss on reverse acquisition and RTO related expenses amounting to \$20,315,000.

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

Livingstone Health Holdings Limited

Condensed interim statement of changes in equity
For the six-month financial period ended 30 September 2022

Group	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Other reserve S\$'000	(Accumulated loss)/ Retained profit S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
30 September 2022								
Balance as at 1 April 2022	22,764	57	5	22	(17,851)	4,997	693	5,690
Profit for the period	-	-	-	-	892	892	240	1,132
<u>Other comprehensive income</u>								
Foreign currency translation differences	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	892	892	240	1,132
Dividend paid	-	-	-	-	(524)	(524)	(122)	(646)
Balance as at 30 September 2022	22,764	57	5	22	(17,483)	5,365	811	6,176
30 September 2021								
Balance as at 1 April 2021	22,305	57	4	22	(20,876)	1,512	393	1,905
Profit for the period	-	-	-	-	2,052	2,052	93	2,145
<u>Other comprehensive income</u>								
Foreign currency translation differences	-	-	1	-	-	1	-	1
Total comprehensive income for the period	-	-	1	-	2,052	2,053	93	2,146
Balance as at 30 September 2021	22,305	57	5	22	(18,824)	3,565	486	4,051

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

Livingstone Health Holdings Limited

**Condensed interim statement of changes in equity
For the six-month financial period ended 30 September 2022**

Company	Share capital S\$'000	Retained profit/ (Accumulated losses) S\$'000	Total Equity S\$'000
<u>30 September 2022</u>			
Balance as at 1 April 2022	45,591	733	46,324
Loss for the period, representing total comprehensive loss for the period	-	(194)	(194)
<u>Transaction with owner recognised directly in equity</u>			
Issuance of share capital	23,500	-	23,500
Dividend paid	-	(524)	(524)
Balance as at 30 September 2022	69,091	15	69,106
<u>30 September 2021</u>			
Balance as at 1 April 2021	256,244	(211,112)	45,132
Profit for the period, representing total comprehensive income for the period	-	864	864
<u>Transaction with owner recognised directly in equity</u>			
Cancellation of share capital	(211,112)	211,112	-
Balance as at 30 September 2021	45,132	864	45,996

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

Livingstone Health Holdings Limited

Condensed interim consolidated statement of cash flows
For the six-month financial period ended 30 September 2022

	Note	Group 30.9.2022 S\$'000	30.9.2021 S\$'000
Cash flows from operating activities			
Profit before tax		1,372	2,696
Adjustments for:			
Depreciation expense		894	708
Finance costs		123	215
Provision of performance bonus		-	965
Share of result of joint ventures, net of tax		-	69
Unrealised exchange differences		-	8
Write-off of plant and equipment		53	2
Write-off of bad debts		42	-
Gain on disposal of plant and equipment, net		(1)	(26)
Total adjustments		1,111	1,941
Operating cash inflows before changes in working capital		2,483	4,637
Changes in working capital:			
Trade and other receivables		(787)	(2,945)
Inventories		103	(947)
Trade and other payables		(358)	688
Deferred revenue		(18)	(147)
Total changes in working capital		(1,060)	(3,351)
Cash flows generated from operations		1,423	1,286
Interest paid		(49)	(78)
Income tax paid		(431)	(889)
Net cash flows from operating activities		943	319
Cash flows from investing activities			
Investment in a joint venture		-	(28)
Advances to joint venture		-	(465)
Purchase of plant and equipment	10	(438)	(549)
Payment of deferred consideration		-	(1,379)
Proceeds from disposal of plant and equipment		1	5
Net cash flows used in investing activities		(437)	(2,416)
Cash flows from financing activities			
Dividend paid to NCI		(122)	-
Dividends paid		(524)	-
Proceeds from loans and borrowings		-	1,622
Repayment of loans and borrowings		(926)	(450)
Payment of principal portion of lease liabilities		(768)	(522)
Payment of interest portion of lease liabilities		(74)	(64)
Net cash flows (used in)/generated from financing activities		(2,414)	586
Net decrease in cash and cash equivalents		(1,908)	(1,511)
Cash and cash equivalents at the beginning of financial period		5,353	6,775
Cash and cash equivalents at the end of financial period		3,445	5,264

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

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 September 2022

1. Corporate information

Livingstone Health Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). These condensed interim financial statements as at and for the six-month financial period ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company is that of investment holding company. Through its operating member companies, the Group is engaged in the provision of medical treatment and consultancy services.

The Company is a subsidiary of Livingstone Health Consolidated Pte. Ltd. (formerly known as Ardmore Consolidated Pte. Ltd.) ("LVS") incorporated in Singapore, which is also the Company's ultimate holding company.

2. Basis of preparation

The condensed interim financial statements for the six-month financial period ended 30 September 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars ("SGD" or "S\$"), which is the Company's functional currency, and all values are rounded to the nearest thousand ("S\$'000") except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 March 2022.

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following note:

- Note 11: Impairment testing of goodwill - Key assumptions underlying recoverable amounts

3. Seasonal operations

The Group was not materially affected by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

For management purposes and resource allocation, the Group is organised into business operating units based on reports reviewed by management team that are used to make strategic decisions:

(a) Aesthetics and Wellness

Provision of a range of services including laser and resurfacing therapies, radiofrequency, light and ultrasound-based treatments botulinum toxin and filler injections, chemical peels and various facial and body wellness treatments.

(b) Anaesthesiology and Pain Management

Provision of comprehensive anaesthetic services and perioperative care for a wide range of surgeries and procedures, assisting to manage high risk and unstable patients who have undergone high risk surgeries, and who may need high dependency or intensive care monitoring in the intensive care unit. The Group also specialises in the management of chronic and acute pain conditions in the neck, back, nerve, abdominal, pelvic regions as well as cancer pain and fibromyalgia. Apart from medication and physical therapy, the Group also provides interventional pain procedures and ultrasound-guided chronic pain interventions.

(c) Family Medicine

Provision of vaccination and general medicine services that include, amongst others, the management of general acute conditions such as simple respiratory/gastrointestinal infections, musculoskeletal complaints, headaches and dermatological conditions as well as chronic conditions such as diabetes, hypertension, dyslipidemia and asthma.

4. Segment and revenue information (cont'd)

For management purposes and resource allocation, the Group is organised into business operating units based on reports reviewed by management team that are used to make strategic decisions: (cont'd)

(d) Internal Medicine

Provision of cardiology and endocrinology services. Cardiac services range from screening to interventional treatment procedures, while adopting reliable and accurate technology to provide the highest quality of care for all patients. Endocrinology includes the provision of specialised expertise in both type 1 and 2 diabetes (including gestational diabetes), treatment of thyroid, pituitary and adrenal problems, holistic care for osteoporosis, obesity and metabolic issues, and the diagnosis and management of hormone-related infertility.

(e) Orthopaedic surgery

Provision of specialised care for patients with orthopaedic problems, the Group offers treatment techniques such as computer-guided, robotic, percutaneous and minimally invasive surgery/keyhole surgery. These help to potentially reduce complications and allows faster and more functional recovery for the patients. Other than general orthopaedics in areas such as neck and back pain, the Group also provides a range of services for a variety of orthopaedic problems, including without limitation, upper and lower limb conditions, trauma, sports surgery, and arthritis (conservative and surgical management).

These operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker ("CODM") who is also the Chief Executive Officer ("CEO"), who are responsible for allocating resources and assessing performance of the operating segments. Certain expenses, other income and income taxes are managed on a group basis and are not allocated to operating segments.

Based on the management reporting to the CODM, the segment assets and liabilities are not key information pertaining to financial performance of the Group that are regularly provided for his review. Therefore, the segment assets and liabilities amounts are not disclosed in the segment information.

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Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 September 2022

4. Segment and revenue information (cont'd)

The following is an analysis of the Group's revenue and results by reportable segments:

	<u>Aesthetics and Wellness</u> S\$'000	<u>Anaesthesiology and Pain Management</u> S\$'000	<u>Family Medicine</u> S\$'000	<u>Internal Medicine</u> S\$'000	<u>Orthopaedic Surgery</u> S\$'000	<u>Others</u> S\$'000	<u>Total</u> S\$'000
30 SEPTEMBER 2022							
Segment revenue	1,111	3,276	3,165	1,071	7,126	621	16,370
Segment profit/(loss)	131	1,031	336	5	1,223	(78)	2,648
Unallocated loss							(1,516)
							1,132
Depreciation	187	54	311	94	104	1	751
Unallocated depreciation							143
							894
Share of losses from joint ventures	-	-	-	-	-	-	-
Finance costs	11	3	31	2	3	-	50
Unallocated finance cost							73
							123
Income tax expense/(credit)	2	125	60	(55)	116	53	301
Unallocated income tax expense							(61)
							240

Livingstone Health Holdings Limited

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 September 2022

4. Segment and revenue information (cont'd)

The following is an analysis of the Group's revenue and results by reportable segments: (cont'd)

	Aesthetics and <u>Wellness</u> S\$'000	Anaesthesiology and Pain <u>Management</u> S\$'000	Family <u>Medicine</u> S\$'000	Internal <u>Medicine</u> S\$'000	Orthopaedic <u>Surgery</u> S\$'000	<u>Others</u> S\$'000	<u>Total</u> S\$'000
<u>30 SEPTEMBER 2021</u>							
Segment revenue	1,245	3,118	3,609	822	7,013	160	15,967
Segment profit/(loss)	230	1,226	215	(216)	1,968	(81)	3,342
Unallocated loss							(1,197)
							<u>2,145</u>
Depreciation	181	28	284	108	61	-	662
Unallocated depreciation							46
							<u>708</u>
Share of losses from joint ventures	-	-	-	-	-	(69)	(69)
Finance costs	7	1	53	15	2	-	78
Unallocated finance cost							137
							<u>215</u>
Income tax expense/(credit)	39	112	105	(76)	302	-	482
Unallocated income tax expense							69
							<u>551</u>

Geographical information

The Group mainly derives its revenue from Singapore, except for its share of results in the previous financial period of which S\$18,000 losses of the total share of results was derived from a joint venture incorporated in Cambodia.

Livingstone Health Holdings Limited

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 September 2022

4. Segment and revenue information (cont'd)

(a) Disaggregation of revenue

Group	Aesthetics and Wellness		Anaesthesiology and Pain Management		Family Medicine		Internal Medicine		Orthopaedic Surgery		Others	
	30.09.22 S\$'000	30.09.21 S\$'000	30.09.22 S\$'000	30.09.21 S\$'000	30.09.22 S\$'000	30.09.21 S\$'000	30.09.22 S\$'000	30.09.21 S\$'000	30.09.22 S\$'000	30.09.21 S\$'000	30.09.22 S\$'000	30.09.21 S\$'000
Type of good or service												
Treatment services	1,039	1,174	3,276	3,118	3,165	3,609	1,071	822	7,126	7,013	531	128
Sale of medicine and products	72	71	-	-	-	-	-	-	-	-	-	-
Management fee from joint venture	-	-	-	-	-	-	-	-	-	-	90	32
Total Revenue	1,111	1,245	3,276	3,118	3,165	3,609	1,071	822	7,126	7,013	621	160
Timing of transfer of good or service												
At a point in time	72	71	-	-	-	-	-	-	-	-	-	-
Over time	1,039	1,174	3,276	3,118	3,165	3,609	1,071	822	7,126	7,013	621	160
Total Revenue	1,111	1,245	3,276	3,118	3,165	3,609	1,071	822	7,126	7,013	621	160

Revenue from transfer of good or service is attributed to Singapore.

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 September 2022

5. Profit before tax

The following items have been included in arriving at profit before tax:

	30.9.2022	Group 30.9.2021
	S\$'000	S\$'000
Wage and other employment credit schemes	(289)	(228)
Gain on disposal of plant and equipment	(1)	(26)
Rental income	(25)	(18)
Rental rebate	-	(61)
Other grant ¹	(83)	(224)
Marketing expenses	1,178	966
Rental expenses	145	65
Hospital administrative charges	243	278
Bank and credit card charges	108	97
Repair and maintenance	46	60
Property, plant and equipment written off	53	2
Bad debts written off	42	-
Interest expense on:		
- loans and borrowings	48	83
- lease liabilities	73	59
Accretion of interest on deferred purchase consideration	-	73

¹ Included is grant received for Reverse Take-Over ("RTO") expenses incurred by the Company in relation to the RTO exercise.

6. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial period:

	<u>30.9.2022</u>	<u>30.9.2021</u>
	S\$'000	S\$'000
Sales of services to a company related to key management personnel	439	230
Purchase of services from a company related to key management personnel	24	50
Professional fees paid to a company related to key management personnel	1	12
Rental paid to a key management personnel	-	74
Rental paid to a substantial shareholder	36	16

Companies related to directors

The Group had the following transactions with companies related to directors:

- (i) The Group had engaged or being engaged by SN Orthopaedic Pte Ltd, a company related to Dr Rachel Lim Pang Yen, Chief Operating Officer and shareholder of the Company and Dax Ng Yung Sern, Chief Business Officer and shareholder of the Company, for medical related services. The Group generated S\$439,000 (30.9.2021: S\$230,000) for rendering the medical services. The Group also paid S\$24,000 (30.9.2021: S\$50,000) for the medical services purchased.

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 September 2022

6. Related party transactions (continued)

- (ii) The Group had entered into a lease agreement with VS Investment Pte. Ltd., a company related to Dr Rachel Lim Pang Yen, Chief Operating Officer and shareholder of the Company and Dax Ng Yung Sern, Chief Business Officer and shareholder of the Company, to lease a commercial premise for rental of Nil (30.9.2021: S\$74,000). The Group also engaged SN Orthopaedic Pte. Ltd., a company related to both aforementioned key management personnel, for nursing services of S\$1,000 (30.9.2021: S\$12,000).
- (iii) The Group had entered into lease agreements with Dr Edwin Tan, the Company's Head of Orthopaedics and a substantial shareholder of the Company, to lease commercial premises for rental of S\$36,000 (30.9.2021: S\$16,000).

7. Income tax expense

The Group calculates the period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense for the financial periods ended 30 September 2022 and 2021 are:

	<u>Group</u> <u>30.9.2022</u> <u>S\$'000</u>	<u>30.9.2021</u> <u>S\$'000</u>
<i>Condensed interim consolidated statement of profit or loss and other comprehensive income</i>		
Current income tax		
- current income taxation	242	475
- over provision in respect of previous years	-	-
	242	475
Deferred income tax		
- origination and reversal of temporary differences	(2)	76
Income tax expense	240	551

8. Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 436,391,448 (30.9.2021: 315,947,748) during the financial period.

9. Net assets value

	<u>Group</u>		<u>Company</u>
	<u>30.09.2022</u>	<u>31.03.2022</u>	<u>30.09.2022</u> <u>31.03.2022</u>
Net assets value per share. (cents)	1.23	1.57	n.m. n.m.

n.m. – not meaningful

Net asset value per ordinary share is calculated based on 436,391,448 and 318,891,448 outstanding as at 30 September 2022 and 31 March 2022 respectively.

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 September 2022

10. Property, plant and equipment

During the financial period, the Group acquired plant and equipment for an aggregate of approximately S\$438,000 (30.09.2021: S\$716,000) of which Nil (30.09.2021: S\$167,000) was acquired by means of leases and other non-cash arrangement.

11. Intangible assets

As at 30 September 2022, intangible assets include goodwill of S\$3,635,651 (31.3.2022: S\$3,635,651).

Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to two cash- generating units ("CGU"), Family medicine and Orthopaedic surgery business, for impairment testing.

The carrying amount of goodwill allocated to each CGU is as follows:

	<u>Family Medicine</u>		<u>Orthopaedic Surgery</u>	
	30.09.2022	31.03.2022	30.09.2022	31.03.2022
	S\$'000	S\$'000	S\$'000	S\$'000
Goodwill	989	989	2,647	2,647

The recoverable amounts of the CGUs have been determined based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted future growth rates used to extrapolate cash flow projections beyond the five-year period are as follows:

	<u>Family Medicine</u>		<u>Orthopaedic Surgery</u>	
	30.09.2021	31.03.2021	30.09.2021	31.03.2021
Long-term growth rates	-17.2% to 6.7%	3.0% to 15.0%	1.64%	2.2%
Pre-tax discount rate	8.6%	9.0%	8.6%	9.0%
Budgeted gross margin	69.2%	71.7%	79.8%	77.5%
Terminal value growth rates	2.7%	1.2%	2.7%	1.2%

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 – The forecasted growth rates are based on published industry research relevant to the CGUs, taking into account of the forecasted growth rates relevant to the environment where the CGUs operate in.

Pre-tax discount rates – The discount rates used are based on the weighted average cost of the CGU's capital (the "WACC"), adjusted for the specific circumstances of the CGU and based on management's experience, and re-grossed back to arrive at the pre-tax rates.

Budgeted gross margins – Budgeted gross margins are determined based on past performance and its expectations of market developments.

Terminal value growth rates – The terminal growth rates are determined based on management's estimate of the long-term industry growth rates.

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 September 2022

11. Intangible assets (continued)*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.

12. Financial assets and financial liabilities

	Group		Company	
	30.9.2022	31.3.2022	30.9.2022	31.3.2022
	S\$'000	S\$'000	S\$'000	S\$'000
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	6,339	5,905	-	-
- Other receivables excluding prepayment	1,230	1,019	-	234
- Loan to a joint venture	375	375	-	-
- Cash and bank balances	3,445	5,353	34	24
	<u>11,389</u>	<u>12,652</u>	<u>34</u>	<u>258</u>
Financial liabilities				
Financial liabilities at amortised cost:				
- Trade payables	576	660	-	-
- Other payables and accruals excluding GST	5,156	5,415	3,239	2,617
- Lease liabilities	3,165	1,852	-	-
- Loans and borrowings	4,587	5,514	775	865
	<u>13,484</u>	<u>13,441</u>	<u>4,014</u>	<u>3,482</u>

13. Loans and borrowings

	Group		Company	
	30.9.2022	31.3.2022	30.9.2022	31.3.2022
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Amounts repayable within one year</u>				
Secured ¹	1,610	1,777	-	-
Unsecured	775	865	775	865
<u>Amounts repayable after one year</u>				
Secured ¹	2,331	3,057	-	-
Unsecured	-	-	-	-
	<u>4,716</u>	<u>5,699</u>	<u>775</u>	<u>865</u>

¹ Includes finance lease of medical equipment by the Group which are recorded under "Lease liabilities" amounting to S\$98,000 (31.3.2022: S\$114,000) for amounts repayable within one year and S\$31,000 (31.3.2022: S\$ 71,000) for amounts repayable after one year. The finance lease are secured by the Group's medical equipment with net carrying amount of S\$228,000 (31.3.2022: S\$261,000).

Total loans and borrowings amounted to S\$3,872,000 (31.3.2022: S\$4,686,000) are secured by corporate guarantee taken by eleven subsidiaries of the Group.

Notes to the condensed interim consolidated financial statements
For the six-month financial period ended 30 September 2022

14. Share capital

<u>Group</u>	<u>30.9.2022</u>		<u>31.3.2022</u>	
	Number of shares '000	S\$'000	Number of shares '000	S\$'000
<u>Issued and fully paid ordinary shares:</u>				
Beginning of period	318,892	22,764	315,948	22,305
Issue of new ordinary shares	117,500	-	2,944	459
	436,392	22,764	318,892	22,764
Effect of share consolidation	-	-	-	-
At the end of financial period	436,392	22,764	318,892	22,764

<u>Company</u>	<u>30.9.2022</u>		<u>31.3.2022</u>	
	Number of shares '000	S\$'000	Number of shares '000	S\$'000
<u>Issued and fully paid ordinary shares:</u>				
Beginning of period	318,892	45,591	315,948	256,244
Issue of new ordinary shares	117,500	23,500	2,944	459
	436,392	69,091	318,892	256,703
Effect of share consolidation	-	-	-	-
Effect of capital reduction	-	-	-	(211,112)
At the end of financial period	436,392	69,091	318,892	45,591

During an extraordinary general meeting held on 30 July 2021, the shareholders have approved the capital reduction exercise to reduce the share capital of the Company by cancellation of the share capital of the Company that has been lost or is unrepresented by available assets to the extent of the amount of the accumulated losses of the Company as at 31 March 2021 of S\$211,112,106. The proposed capital reduction exercise was completed on 15 September 2021.

On 15 September 2021, the Company has complied with the requirement under Section 78(1)(C) of the Companies Act, and that no application for the cancellation of the Special Resolution for the Proposed Capital Reduction has been made by any creditor of the Company within the timeframe prescribed by the Companies Act. Please refer to the Company's announcements dated 4 June 2021, 8 July 2021, 30 July 2021 and 27 August 2021, 15 September 2021 and the circular to Shareholders dated 8 July 2021 for more details of the capital reduction exercise.

As announced on 20 May 2022, in accordance with the SPA and as set out in Section 2.5.2 of the circular dated 31 December 2020 ("Circular"), the Total Consideration payable to the Vendors (comprising Livingstone Health Consolidated Pte. Ltd ("LVS"), ICH Capital Pte Ltd., Dax Ng, and Dr. Chua Hshan Cher) includes a Deferred Consideration component of up to S\$25,000,000, the exact amount of which is to be determined based on the 2021 Adjusted NPAT of the Company. Specifically, if the 2021 Adjusted NPAT of the Company is "no less than S\$4,800,000, the amount of the Deferred Consideration payable shall be S\$25,000,000. For the avoidance of doubt, the amount of the Deferred Consideration shall be capped at S\$25,000,000 even if the 2021 Adjusted NPAT is higher than S\$4,800,000."

On 20 May 2022, the Company has achieved the 2021 Adjusted NPAT, the amount of which is S\$5,395,418, which comprises Adjusted NPAT for year 2021 of S\$4,324,802 and adjusted NPAT excess amount brought forward from year 2020 of S\$1,070,616, it is determined that the Deferred Consideration payable to the Vendors is S\$25,000,000. Accordingly, the deferred consideration shares have been allotted to the Vendors. Please refer to the Circular, the announcements dated 20 May 2022 and 1 June 2022 for more information.

At Group level, no additional share capital to be recognised as the issuance of deferred consideration share has been taken up as of date of completion of reverse takeover.

14. Share capital (continued)

The Company does not hold any treasury shares in the Company as at 30 September 2022 and 31 March 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2022 and 31 March 2022.

15. Fair value measurement

The carrying amounts of financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim financial statements.

Other Information Required by Appendix 7C of the Catalist Rules

Other Information

1. Review

The condensed interim statements of financial position of Livingstone Health Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) as at 30 September 2022 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Company’s latest audited financial statements for financial year ended 31 March 2021 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of performance of the Group

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
(HY2023 vs HY2022)

Revenue

Revenue increased by S\$0.4 million to S\$16.4 million for HY2023.

Revenue from Anaesthesiology and Pain Management segment and Orthopaedic surgery segment increased by S\$0.2 million and S\$0.1 million respectively mainly due to higher patient volume in HY2023.

Revenue from Internal Medicine segment increased by S\$0.2 million due to revenue contribution from an additional doctor in HY2023 as compared to HY2022.

Revenue from Aesthetics and Wellness segment decreased by S\$0.1 million due to lower utilisation of purchased packages by customers during HY2023.

Revenue from Family Medicine segment decreased by S\$0.4 million for HY2023 mainly in the absence of revenue generated from one-off sale and administration of Sinovac Vaccine in September 2021, which was partially offset by an increase in clinic revenue due to higher patient traffic arising from returning of office workforce.

Revenue from Others segment comprised (i) management fee income from joint venture company and (ii) revenue from managed healthcare solutions business.

Other income

Other income comprised mainly government grants and other reliefs, gain on disposal of asset and grants received upon completion of our Reverse Take-over exercise ("RTO"), decreased mainly in the absence of rental rebate and grant received for listing purposes as compared to prior financial period.

Consumables and medical supplies used

Consumables and medical supplies used increased by S\$0.1 million to S\$3.0 million in HY2023 on the back of higher revenue from all segments.

Employee benefits expenses

Employee benefits expenses increased by S\$0.9 million to S\$8.7 million in HY2023 mainly due to expansion of our operations with the addition of new medical doctors and overall headcount increase.

Depreciation expenses

Depreciation expenses increased by S\$0.2 million to S\$0.9 million in HY2023 mainly due to (i) the addition of new premises and new HQ building; (ii) new equipment for the orthopaedic surgery segment and internal medicine segment; and (iii) renovation for new HQ during the financial period under review.

Other operating expenses

Other operating expenses increased by S\$0.4 million to \$2.6 million in HY2023 as a result of (i) higher revenue and our expansion plans; and (ii) assets written off.

Finance costs

Finance costs decreased by S\$0.1 million to S\$0.1 million in H2023 mainly in the absence of accounting adjustment pertaining to time value of money arising from purchase consideration payable for acquisition of businesses in year 2019 during the financial period under review.

Share of results from joint ventures

Share of results from joint ventures, as attributed to the newly incorporated Atlas Podiatry Pte Ltd and our operations in Cambodia, decreased mainly due to ceased operation in Cambodia.

Net profit attributable to owners of the Company ("Net Profit")

Given the above-mentioned, the Net Profit attributable to owners of the Company decreased by S\$1.2 million to S\$0.9 million for HY2023.

Condensed Interim Statements of Financial Position

(30 September 2022 vs 31 March 2022)

Non-current assets increased by S\$1.6 million to S\$9.4 million as at 30 September 2022, mainly due to the additional new lease for HQ located in Henderson Industrial Park and renovation cost incurred for the new HQ.

Current assets decreased by S\$1.3 million to S\$12.0 million as at 30 September 2022, mainly due to lower cash and cash equivalent as a result of dividend payments and cost incurred for renovation of new HQ, offset by increases in trade and other receivables of S\$0.7 million, which is in tandem with higher revenue.

Current liabilities decreased by S\$0.5 million to S\$9.5 million as at 30 September 2022 mainly due to payment of performance-related remuneration and repayment of borrowing during the financial period under review.

Non-current liabilities increased by S\$0.3 million to S\$5.7 million as at 30 September 2022, mainly due to new lease for new HQ located in Henderson Industrial Park.

Refer to Note 14 of the condensed interim financial statements for details of movements in share capital.

Condensed Interim Consolidated Statement of Cash Flows

(HY2023 vs HY2022)

Net cash flows generated from operating activities was S\$0.9 million for HY2023 after accounting for operating profit before working capital changes of S\$2.5 million, working capital investments of S\$1.0 million, and interest of S\$0.05 million and income tax payment of S\$0.4 million.

Net cash flows used in investing activities was S\$0.4 million for HY2023 mainly attributed to renovation for HQ and purchase of equipment of S\$0.5 million.

Net cash flows used in financing activities was S\$2.4 million for HY2023 mainly attributed to (i) repayment of loans and borrowings of S\$0.9 million; (ii) lease payments of S\$0.8 million; and (iii) dividend payment of S\$0.6 million.

As a result of the above, cash and cash equivalents decreased by S\$1.9 million to S\$3.4 million as at 30 September 2022.

**Other information required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 September 2022**

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No specific forecast or prospect statement has been previously disclosed to shareholders.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The Group has outlined several strategies to respond to major changes in the operating environment following the COVID-19 pandemic. These changes include a shortage of manpower such as nurses and medical professionals, and other higher operating costs such as energy, rental and medical supplies. Meanwhile, the Group sees significant business opportunity as Singapore shifts towards preventive healthcare with the Government's HealthierSG initiative. The strategies are:

- Centralisation of operations and generating economies of scale at the Group's new headquarters at 217 Henderson Road;
- Expanding the footprint of Phoenix Medical Group ("PMG"); and
- Strengthening the Livingstone eco-system and patient base, while improving internal efficiencies.

The Group relocated to its new headquarters, a 4-storey building at 217 Henderson Road, in July 2022; with 10,000 sqft of floor space. The relocation enables us to consolidate our operations in one location, improving collaboration among departments and generating economies of scale. The new HQ also features a warehouse for medical supplies to streamline costs and inventory efficiencies and training rooms for staff to improve both operational and clinical standards.

As HealthierSG gains traction, the Group expects demand for General Practitioners, who play a key role in the initiative, to grow; GPs will also serve catchments of patients within the vicinity of their clinics. In line with this trend, PMG plans to open new clinics in strategic locations in Singapore, and targets to potentially double its medical doctors and patient touchpoints from its 4 PMG clinics in the next two years.

During HY2023, the Group further expanded its footprint, underscoring its commitment to strengthening the Livingstone eco-system. As it increases its headcount, the Group has also in tandem increased its team of medical doctors and key healthcare professionals to 21 as of 30 September 2022 from 19 as of 31 March 2022.

Meanwhile, the Group's clinics have also deepened penetration, while remaining asset-light. In 2022, the Group's Apicare Pain Clinic expanded its premises at Farrer Park Medical Centre. Meanwhile, the Group added Quantum Orthopaedics, located in Mount Elizabeth Medical Centre, to its clinic portfolio. It is also in the final stages of establishing Livingstone SurgiSuites, a center for doctors to conduct minor surgeries, and is targeted to be operational by early 2023.

Despite the challenges in the operating environment, the Group remains cautiously optimistic, given the long-term growth in demand for healthcare. The strategies outlined above will allow the Group to grow its revenue, while maintaining, if not increasing, profit margins in the coming months. The Group is also closely monitoring the impact of inflation driving operating costs higher, and is prepared to respond accordingly.

5. Dividend information

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for the current financial period.

(b) Corresponding period of the immediately preceding financial year.

No dividend has been declared or recommended for the corresponding period of the immediately preceding financial year.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.

Not applicable.

6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for the financial period ended 30 September 2022 as it is deemed appropriate to conserve funds for working capital while the Group is in the midst of implementing its expansion plans.

7. Interested person transactions

The Group does not have a general mandate for interested person transactions. The aggregate value of the interested person transactions conducted during the six-month financial period ended 30 September 2022 is disclosed below:

7. Interested persons transactions (cont'd)

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Teh Wing Kwan (Non-Executive and Non-Independent Chairman of the Board)	Nil ⁽¹⁾	Nil
Dr Edwin Tan (Deemed controlling shareholder)	Nil ⁽²⁾	Nil

Notes:

- (1) There is no interest paid to Teh Wing Kwan on the outstanding loan amounting to S\$775,000 owed by the Group to Teh Wing Kwan.
- (2) Relates to the rental expenses paid to Dr Edwin Tan amounting to S\$36,000 for the financial period ended 30 September 2022.

8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company confirmed that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H under Rule 720 (1) of the listing manual.

9. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer to paragraph 2 for details.

10. Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706(A)

There were no acquisition or realisation of shares thereby resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group or (ii) an entity becoming or ceasing to be (as the case may be) a subsidiary or associated company of the Group during financial period under review.

Neither was there any incorporation of new subsidiary or associated company by the Group during the financial period under review.

Livingstone Health Holdings Limited

**Other information required by Appendix 7C of the Catalist Rules
For the six-month financial period ended 30 September 2022**

Confirmation by the Board

We, the undersigned, hereby confirm on behalf of the Board of Directors (the “Board”) that to the best of our knowledge, nothing has come to the Board’s attention which may render the unaudited condensed interim financial statements of the Group for the six-month financial period ended 30 September 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Teh Wing Kwan
Non-Executive and Non-Independent Chairman

Dr Wilson Tay Ching Yit
Executive Director and Chief Executive Officer

Singapore
11 November 2022