



LIVINGSTONE HEALTH HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200404283C)

PROPOSED PLACEMENT OF UP TO 55,557,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE PLACEMENT PRICE OF S\$0.027

- ENTRY INTO PLACEMENT AGREEMENT

1. INTRODUCTION

- 1.1. The board of directors (the **"Board"** or **"Directors"**) of Livingstone Health Holdings Limited (the **"Company"**) and together with its subsidiaries, the **"Group"**) wishes to announce that the Company has on 8 February 2024 entered into a placement agreement with SAC Capital Private Limited (the **"Placement Agent"**) (the **"Placement Agreement"**).
- 1.2. On the terms and subject to the conditions set out in the Placement Agreement, the Company has undertaken to offer, by way of a placement, and the Placement Agent has agreed, on a best endeavours basis, to procure subscriptions for, an aggregate of up to 55,557,000 fully paid-up ordinary shares in the capital of the Company (the **"Placement Shares"**) at an issue price of S\$0.027 for each Placement Share (the **"Placement Price"**), amounting to an aggregate consideration of up to S\$1,500,039 (the **"Proposed Placement"**).
- 1.3. The Proposed Placement is not underwritten and will be undertaken by way of an exempt offering in Singapore in accordance with Section 272B of the Securities and Futures Act 2001 of Singapore (the **"SFA"**). Accordingly, no prospectus, offer document or offer information statement will be issued by the Company in connection with the Proposed Placement.

2. THE PROPOSED PLACEMENT

2.1. Placement Price

The Placement Price was arrived at pursuant to discussions with the Placement Agent, taking into account, amongst others, the prevailing market price of the ordinary shares of the Company (the **"Shares"**) and represents a discount of approximately 8.78% to the volume weighted average price of S\$0.0296 for trades done on the SGX-ST on 7 February 2024, being the last full market day prior to the trading halt called by the Company and the execution of the Placement Agreement.

2.2. Placement Shares

- (a) The Placement Shares represent approximately 12.7% of the existing issued and paid-up share capital of the Company comprising 436,391,448 Shares as at the date of this announcement (excluding treasury shares and subsidiary holdings) and will represent approximately 11.3% of the enlarged issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings) of 491,948,448 Shares.

- (b) The Placement Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued Shares at the time of the issue except that the Placement Shares will not rank for any dividends, rights, allotments or other distributions, the Record Date for which falls on or before the date of the allotment and issue of the Placement Shares. For the purposes of this paragraph, “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- (c) The Placement Shares will not be placed to any person who is a director or a substantial shareholder of the Company as at the date of this announcement, or any other person in the categories set out in Rule 812(1) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”), unless such subscription is otherwise agreed to by the SGX-ST.
- (d) The Proposed Placement will not result in any transfer of controlling interest in the Company.

2.3. General mandate

- (a) The Placement Shares will be allotted and issued pursuant to the general mandate obtained from shareholders of the Company (the “**General Mandate**”) at the annual general meeting of the Company held on 27 July 2023 (the “**2023 AGM**”).
- (b) The General Mandate authorises the Directors to allot and issue Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM, of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to the existing shareholders of the Company shall not exceed 50% (excluding treasury shares and subsidiary holdings).
- (c) The number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the 2023 AGM is 436,391,448 Shares. As no Shares were issued under the General Mandate since the date the General Mandate was passed at the 2023 AGM, the maximum number of Shares to be issued other than on a *pro-rata* basis is 218,195,724 Shares. Accordingly, the proposed allotment and issue of up to 55,557,000 Placement Shares will be within the limits of the General Mandate and specific shareholders’ approval for the issuance and allotment of the Placement Shares is not required.

3. SALIENT TERMS OF PLACEMENT AGREEMENT

3.1. Placement commission

In consideration of the agreement of the Placement Agent procuring end-placees on a best endeavours basis for the subscription for Placement Shares, the Company shall pay to the Placement Agent, a placement commission of 3.0% of the Placement Price for each Placement Share for which the Placement Agent has procured subscribers for as at the Completion Date (as defined below) (each, a “**Placed Share**”) (and if applicable, goods and services tax thereon), according to the relevant number of Placed Shares issued through the Placement Agent pursuant to the Proposed Placement. For the avoidance of doubt, the commission payable by the Company to the Placement Agent will not be shared with any of the end-placees.

3.2. Placement completion

- (a) Subject to the terms and conditions of the Placement Agreement, completion of the Proposed Placement (the “**Completion**”) shall take place at no later than three (3) business days after the last of the conditions precedent under the Placement Agreement are fulfilled (the “**Completion Date**”), but in any event being a date not later than the date falling four (4) weeks after the date of the Placement Agreement or such other date as the Company and the Placement Agent may mutually agree (the “**Cut-**

Off Date”).

- (b) At least one (1) business day prior to the Completion Date, the Placement Agent will make payment to the Company of the aggregate Placement Price for all the Placed Shares, by way of valid banker's drafts or other forms of remittances for the full amount payable to the Company's account or a cheque or cashier's order drawn on a licensed bank in Singapore made in favour of the Company, in accordance to the respective gross proceed amounts raised from the Proposed Placement.

3.3. **Conditions precedent**

Completion of the Proposed Placement pursuant to the Placement Agreement is conditional upon, *inter alia*, the following conditions:

- (a) the listing and quotation notice (“**LQN**”) being obtained from the SGX-ST for the listing and quotation of the Placement Shares on the Catalist and not having been revoked or amended and, where the LQN is subject to conditions, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before Completion Date, they are so fulfilled;
- (b) as of the Completion Date, the trading of the issued Shares on the Catalist not being suspended by the SGX-ST (other than a trading halt on a temporary basis requested by the Company) and the issued Shares not having been delisted from the Catalist;
- (c) the exemption under Section 272B of the SFA being applicable to the Proposed Placement under the Placement Agreement;
- (d) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any other jurisdiction, which is applicable to the Company or the Placement Agent;
- (e) the delivery to the Placement Agent on Completion Date, of a completion certificate, substantially in the form set out in the Placement Agreement, signed on behalf of the Company by its duly authorised officers;
- (f) the Placement Shares being issued in reliance of the General Mandate obtained by the Company in its 2023 AGM and there being no further shareholders' approval required for and in connection with the Proposed Placement;
- (g) there not having occurred, in the reasonable opinion of the Placement Agent, any circumstance, event or situation which is or are likely to have a Material Adverse Effect on the Proposed Placement, subsequent to the date of the Placement Agreement which, in the reasonable opinion of the Placement Agent, is or is reasonably likely to make it impracticable or inadvisable or inexpedient to proceed with Completion or is reasonably likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares in the secondary market; and
- (h) the representations, warranties and undertakings in the Placement Agreement remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations hereunder to be performed on or before the Completion Date.

For the purposes of this section 3.3, “**Material Adverse Effect**” means any material adverse effect on (i) the financial condition, prospects, earnings, business, properties, assets or results of operations of the Group taken as a whole whether or not arising from transactions in the ordinary course of business or (ii) the ability of the Company to perform in any material respect its obligations under the Placement Agreement.

The Placement Agent may, and upon such terms as it thinks fit, waive compliance with any of the conditions contained in the Placement Agreement and any condition so waived shall be deemed to have been satisfied provided always that any such waiver as aforesaid shall be without prejudice to its right to elect to treat any further or other breach, failure or event as releasing and discharging it from its obligations under the Placement Agreement.

If any of the conditions contained in the Placement Agreement has not been satisfied on or before the Cut-Off Date, the Placement Agreement shall automatically terminate and shall be of no further effect and no party to the Placement Agreement shall be under any liability to the other in respect of the Placement Agreement for the relevant Placement Shares save for any antecedent breach thereof and the surviving provisions as specified under the Placement Agreement.

4. RATIONALE OF THE PROPOSED PLACEMENT AND USE OF PROCEEDS

4.1. Rationale

- (a) As previously disclosed in the financial results announcement for the six months ended 30 September 2023 ("HY2024"), the Group has been exploring strategic acquisition plans and/or new business opportunities to grow its healthcare business, including potential fundraising options. Relatedly, the Group is pursuing organic growth and expanding its medical specialist teams through new recruitments to support the growing demand in healthcare services.
- (b) The Company believes that the Proposed Placement at this point will be able to strengthen the Group's balance sheet. As the Group had navigated lower revenues and increasing costs in HY2024, additional working capital investment is required to implement the Group's strategic growth initiatives to strengthen its operating ecosystem, expand patient outreach, optimise internal operations and improve its existing cross-referrals among various medical disciplines as integration matures.
- (c) The Company will continue to explore other fundraising structures and opportunities to finance its business expansion plans and will keep Shareholders updated as and when there are any material developments.

4.2. Use of proceeds

- (a) The estimated net proceeds from the Proposed Placement, after deducting estimated fees and expenses (including listing and application fees, the commission payable to the Placement Agent, professional fees and other miscellaneous expenses of approximately S\$68,039), is approximately S\$1,432,000 (the "**Net Proceeds**"). The Company intends to apply such Net Proceeds in the following estimated proportions:

Use of Placement Net Proceeds	Proportion (%)	Amount of Placement Net Proceeds (S\$)
General working capital purposes	65.1	932,000
Business expansion, including acquisition	34.9	500,000
Total	100.0	1,432,000

- (b) In relation to the Net Proceeds to be utilised for general working capital purposes, it is expected to include corporate administrative expenses and operating expenses for the Group's medical practices.
- (c) Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Company may, in its absolute discretion, deem fit from time to time.

- (d) The Company will make periodic announcement(s) as to the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

5. CONFIRMATION BY DIRECTORS

- 5.1. In accordance with Rule 810(1)(c) of the Catalist Rules, the Directors are of the opinion that:
- (a) after taking into consideration the present banking facilities available to the Group, the Group's internal resources and operating cash flows, the working capital available to the Group is sufficient to meet its present requirements, and the Proposed Placement is being undertaken for the aforesaid reasons and the intended use of proceeds; and
 - (b) after taking into consideration the present bank facilities available to the Group, and the Net Proceeds arising from the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.
- 5.2. Notwithstanding the above, the Directors are of the view that the Proposed Placement is beneficial for the Group for such reasons as set out in section 4.1 (Rationale).

6. PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

- 6.1. The *pro forma* financial effects of the Proposed Placement on the Company's share capital and the Group's net tangible assets ("NTA") per Share and earnings per Share ("EPS") as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Group following the completion of the Proposed Placement.
- 6.2. The *pro forma* financial effects have been prepared based on the latest audited financial results of the Group for the financial year ended 31 March 2023, on the following bases and assumptions:
- (a) the Proposed Placement had been completed on 31 March 2023 for the purpose of illustrating the financial effects on the NTA;
 - (b) the Proposed Placement had been completed on 1 April 2022 for the purpose of illustrating the financial effects on the EPS;
 - (c) the share capital of the Company as at the date of this announcement comprising 436,391,448 Shares; and
 - (d) the expenses incurred in connection with the Proposed Placement amount to S\$68,039.
- 6.3. **Share capital**

	Number of Shares (excluding treasury shares)
As at 31 March 2023	436,391,448
After the completion of the Proposed Placement	491,948,448

6.4. NTA per Share

Assuming that the Proposed Placement was completed on 31 March 2023, the *pro forma* financial effects on the Group's NTA per Share would be as follows:

	Before the Proposed Placement	After the Proposed Placement
NTA attributable to the owners of the Company	1,559,628	2,991,628
Number of issued ordinary shares in the capital of the Company	436,391,448	491,948,448
NTA per Share (Singapore cents)	0.36	0.61

6.5. EPS

Assuming that the Proposed Placement was completed on 1 April 2022, the *pro forma* financial effects on the Group's EPS would be as follows:

	Before the Proposed Placement	After the Proposed Placement
Profit after income tax attributable to the owners of the Company	722,694	722,694
Number of issued ordinary shares in the capital of the Company	436,391,448	491,948,448
EPS (Singapore cents)	0.17	0.15

7. LISTING AND QUOTATION OF THE PLACEMENT SHARES

The Company (through its sponsor) will be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the Catalist of the SGX-ST. The Company will make the necessary announcements in due course upon obtaining the listing and quotation notice from the SGX-ST.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective interests arising by way of their directorships and/or shareholdings in the Company and as disclosed in this announcement, none of the Directors or substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Placement.

9. CONFIRMATIONS BY THE PLACEMENT AGENT

The Placement Agent has confirmed, amongst other things, that:

- (a) each of the end-placers will be identified by the Placement Agent or the Placement Agent's sub-placement agents (if any), the affiliates, associated or related corporations of the Placement Agent or the Placement Agent's sub-placement agents (if any), and/or their respective directors, officers, employees or agents;
- (b) there are no share borrowing arrangements entered into to facilitate the Proposed Placement;
- (c) the Placement Shares will not be placed to any person who is a director or a substantial shareholder or any other person in the categories set out in Rule 812(1) of the Catalist Rules;

- (d) in the event the number of Placement Shares placed to the end-placees results in any end-placee becoming a substantial shareholder, the Placement Agent will inform the Company so that the Company can make the necessary announcement(s) in a timely manner;
- (e) the placement of Placement Shares to such end-placee will not result in the transfer of a controlling interest as defined in Rule 803 of the Catalist Rules; and
- (f) it will obtain representations from the end-placees that such end-placee is not acting in concert (as defined under the Singapore Code on Take-overs and Mergers) with any other party in their acquisition of the Placement Shares.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement will be available for inspection during normal business hours for a period of three (3) months commencing from the date of this announcement at the registered office of the Company at 217 Henderson Road, #01-09, Henderson Industrial Park, Singapore 159555.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. FURTHER ANNOUNCEMENTS

The Company will make the appropriate announcements as and when there are material developments on the Proposed Placement.

13. CAUTIONARY STATEMENT

Shareholders and investors should note that the Proposed Placement remains subject to, amongst others, the fulfilment of the conditions precedent under the Placement Agreement. There is no certainty or assurance that the conditions precedent for the Proposed Placement can be fulfilled or that the Proposed Placement will be undertaken at all. Shareholders and investors are advised to read this announcement and any past and future announcements by the Company carefully when dealing with the Shares. Shareholders and investors should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take or when dealing with their Shares.

By Order of the Board

Dr Tay Ching Yit, Wilson
Executive Director and Chief Executive Officer
9 February 2024

IMPORTANT NOTICE

Notification under Section 309B of the SFA: The Placement Shares are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 and “Excluded Investment Products” (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the “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 Ms Lee Khai Yinn (Telephone: (65) 6232 3210) at 1 Robinson Road, #21-00, AIA Tower, Singapore 048542.