LIVINGSTONE HEALTH HOLDINGS LIMITED

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

RESPONSES TO QUESTIONS FROM SIAS ON ANNUAL REPORT 2025

The Board of Directors (the "**Board**") of Livingstone Health Holdings Limited ("**Livingstone Health**" or the "**Company**" and together with its subsidiaries, the "**Group**") refers to the queries from the Securities Investors Association (Singapore) ("**SIAS**") on the Company's Annual Report 2025. The Company sets out below the responses to all substantial and relevant questions below. In principle, the Company does not elaborate on matters that are deemed commercially sensitive. Please note that this set of responses is also on a voluntary disclosure basis.

Q1. During the financial year, the group acquired the remaining 49% equity interest in Phoenix Medical Group (PMG) from its founding doctors, following an internal reorganisation that led to the incorporation of Phoenix Healthcare Solutions Pte. Ltd. (PHS). The stated aim of the reorganisation was to streamline the management within the PMG clinic network and prepare for future corporate actions.

(i) Can the board clarify whether PMG was profitable in FY2025? Note 30 (Segment Information, page 149) shows that the primary healthcare segment recorded a segment loss of $(347,860).

Company's Response:

The PMG Group is the Group's Primary Healthcare subsidiary which specialises in the provision of General Practitioner or family physicians who often serve as the first point of contact for the Group's patients. For financial reporting purpose, the Primary Healthcare segment comprises the PMG Group and Ardennes' health screening services. PMG Group was profitable whereas Ardennes was loss-making for FY2025.

Overall, the Group's Primary Healthcare segment contributed S$7.0 million in revenue in FY2025, an increase of S$0.6 million (or 9.7%) from FY2024.

(ii) Following the founding doctors' full divestment in August 2024, how are they now incentivised to remain committed to the group over the long term, given that they no longer hold equity in PMG? What mechanisms are in place to ensure alignment with shareholder interests?

Company's Response:

a. As previously announced, the purchase price for 49% of PMG was S$1.6 million. Of which, (i) more than 50% would be paid via issuance of the Group's new shares and the remaining in cash; and (ii) 50% was paid upfront with the remaining 50% would be paid in 2 tranches over 2 years from Completion. The Group believes such payment structures align the PMG founding doctors' interest with that of the Group over a longer term.

b. In addition, the PMG founding doctors, via their 49% interest held in PHS, remain vested in other newly set-up PMG clinics in certain locations which require joint investments in building a dedicated operational team for improving efficiencies. Please refer to the announcement dated 15 July 2024

for further details in relation to PMG Group acquisition and reorganisation (including capitalised terms used herein).

c. Both Dr Chua Hshan Cher and Dr Lee Kai Lun are founding doctors of PMG Group. Dr. Chua is also currently the Group's Deputy CEO, who provides strategic and operational leadership by integrating primary care perspectives into the Group's broader healthcare ecosystem. Dr. Lee is also one of the Group's medical and strategic committee members, who shares meaningful insights on Singapore's healthcare sector development.

(iii) With PHS in a net liabilities position of $(3.4) million and a net loss of nearly $(1.0) million in FY2025, what strategic options has the board evaluated for this subsidiary? How integral is PHS to the group's primary healthcare business strategy?

Company's Response:

a. Please see above our responses to Q1 for explanatory notes on segmental results for primary care operations. PMG was profitable for FY2025.

b. Please refer to the Group's press release on 29 May 2025 for details regarding the expansion of PMG primary care networks and its cross-referral strategies across the Group's medical disciplines.

c. The Primary Healthcare segment (both PMG and PHS) is crucial in providing preventative care and disease management, facilitating cross-referrals to the Group's specialists while ensuring continuity of care for patients.

Q2. In February 2024, the company placed out 55.6 million new shares at $0.027 per share, raising gross proceeds of approximately $1.5 million. With a month, it announced a one-for-five rights (cum warrants) issue at an issue price of $0.016 per rights share, along with one free unlisted warrant for each rights share subscribed.

At the close of the rights cum warrants issue on 27 June 2024, valid acceptances totalled 79.86%, with excess applications of 14.93%. However, after excluding the 56.8 million shares committed by the undertaking shareholders, the acceptance rate among minority shareholders was significantly lower.

(i) Has the board conducted a post-mortem analysis of the low take-up rate among minority shareholders? What were the key findings, and what implications do these have for shareholder confidence and the perceived value of the company?

Company's Response:

a. The overall (valid and excess) application rate was approximately 94.8%, raising gross proceeds of approximately S$1.5 million. The net proceeds were to be used for business growth, acquisition and expansion, and general working capital requirements.

b. Please take note that of the total valid acceptances of 93.2 million shares, undertaking shareholders took up 60.9% (56.8 million shares), while the remaining 39.1% (36.4 million shares) were subscribed by other non-undertaking shareholders in the rights-cum-warrants exercise, which represented an acceptance rate of approximately 87.5%; which the Group views as a positive level of participation from non-undertaking shareholders.

(ii) In light of the weak take-up rate by minority shareholders, what steps has the board taken to improve market understanding and conviction in its strategic plan?

Company's Response:

a. See above reply to Q2(i).

b. The Board advocates the importance of investor relations. Apart from compliance-related announcements, the Group would also update its corporate development and key strategies, including providing detailed commentary notes included in its results announcement. The Group would issue press releases as well. More recently, media releases and/or reports and/or publications that featured Livingstone Health were as follows:
   - Featured in RHB's research report as an "earnings turnaround play" and the sole healthcare stock: https://sbr.com.sg/markets-investing/in-focus/list-20-small-cap-stocks-in-singapore-watch-in-2025 & https://research.rhbtradesmart.com/files_preview?hash=0f1bfeba-77c2-4a4c-8c4d-1dc945d9f820
   - Business Times article 1: https://www.businesstimes.com.sg/companies-markets/livingstone-health-back-black-logs-h2-profit-s0-4-million-streamlining-efforts-higher-revenue
   - Business Times article 2: https://www.businesstimes.com.sg/companies-markets/livingstone-healths-strategy-rooted-patient-care-and-steady-growth
   - There were also several articles issued by The Edge during the financial year under review.

(iii) How does the board justify launching two separate equity fundraisings within a short period? What message does this send regarding the company's capital discipline and financial planning?

(iv) Since the reverse takeover in February 2021, the company's share price has been in decline and has remained flat for the past year, despite the STI reaching new highs. What is the board's concrete plan to restore investor confidence and build credibility in its business model and capital allocation approach?

Company's Response:

a. In February 2024 and July 2024, the Group completed its fund raising exercises via placement and right-cum-warrants exercises, respectively. The rationale and the use of proceeds were also announced.

b. In May 2025, the Group announced that it returned to profit for FY2025, recorded net profit attributable to owners of the Group of S$0.56 million, driven by operational streamlining and primary care expansion, reversing FY2024 loss of S$2.9 million, a significant improvement in its financial performance. In addition, its operating cash flows improved while its debts fell sharply.

c. The Group also issued a press release following this results announcement and discussed its strategies supporting the turnaround – from improving efficiencies to accretive investments while navigating the inflationary environment. Please refer to the Group's press release on 29 May 2025.

d. The abovementioned have strengthened the Group's financial position significantly. Following which, the Group further disclosed that it secured additional term loan facilities while the Group continues to pursue its organic growth strategies and explore other strategic plans.

Q3. As disclosed in the corporate governance report, the internal audit function of the group is outsourced to CLA Global TS Risk Advisory Pte. Ltd. ("CLA Global"). CLA Global is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

(i) Can the audit committee (AC) provide a detailed overview of the scope of the internal audit for FY2025, along with the key findings and specific recommendations made by the internal auditor?

Company's Response:

The FY2025 internal audit, conducted by CLA Global, focused on key risk areas including financial controls, operational processes, compliance, IT, and risk management. No material risks or significant control deficiencies were identified. While several medium and low-risk issues were noted, these have been resolved and preventive measures implemented.

(ii) What role did the AC play in shaping the internal audit scope? Were any specific risk areas prioritised?

Company's Response:

The AC reviewed and approved the internal audit plan, as proposed by CLA Global based on an independent risk assessment. In shaping the scope, the AC considered the Group's evolving business environment, prior year's audit results, emerging risks, and areas of heightened regulatory attention. For further information, please refer to the Company's annual report 2025 - Corporate Governance Report, with reference to provisions 9.1 and 10.4 of the Code of Corporate Governance 2018 (the "**Code**").

(iii) What is the length of the internal audit cycle? Is the internal audit cycle structured to reflect the group's evolving risk profile and operational complexity?

Company's Response:

The internal audit review is on an annual cycle, during which key processes and entities are selected for review based on a risk-based audit plan. For further information, please refer to the Company's annual report 2025 - Corporate Governance Report, with reference to provision 10.4 of the Code.

(iv) Can the AC confirm that all operating subsidiaries were included in the internal audit? Were the associates (and joint venture in the past) covered in the internal audit?

Company's Response:

All significant operating subsidiaries, including joint ventures, were included within the scope of internal audit through a rotational approach based on a risk-focused plan. For further information, please refer to the Company's annual report 2025 - Corporate Governance Report, with reference to provisions 9.1 and 10.4 of the Code.

By Order of the Board

Dr Tay Ching Yit, Wilson
Executive Director and Chief Executive Officer
25 July 2025

---

*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, #21-01, AIA Tower, Singapore 048542.