



LIVINGSTONE

HEALTH

RESILIENCE AND
PROMINENCE

ANNUAL REPORT 2021

CORPORATE PROFILE

Livingstone Health Ltd. (the “Company”, and together with its subsidiaries, the “Group”) is a Singapore-based multidisciplinary specialist healthcare group, whose core competencies include aesthetics and wellness, anaesthesiology and pain management, family medicine, internal medicine and orthopaedic surgery.

The name “Livingstone” is inspired from the succulent plant Lithops, also known as “living stones”. They symbolise the Group’s resilience, growth and determination to be recognised as a trusted integrated healthcare provider for patients and as a centre of excellence for medical professionals.

In line with its belief in a more patient-centric and multidisciplinary approach to specialist healthcare management and treatment, the Group expanded into the new internal medicine segment with the introduction

of cardiology services in November 2019, and acquired a 51.0% interest in Phoenix Medical Group (“PMG”) a month later. PMG is a combined practice group comprising family medicine, aesthetics and men’s health services.

The Group has 16 medical doctors practising at 12 medical clinics, 1 medical spa, and 1 health screening centre located at convenient and accessible locations throughout Singapore. In addition, the Group has also ventured into other paramedical products and services, such as physiotherapy services, a joint venture to provide aesthetics and wellness services in Cambodia, and the provision of project consultancy services to Olympia City Development Co., Ltd. for the development of two key levels of its medical hub in Olympia City, a mixed-use development in Phnom Penh, Cambodia.

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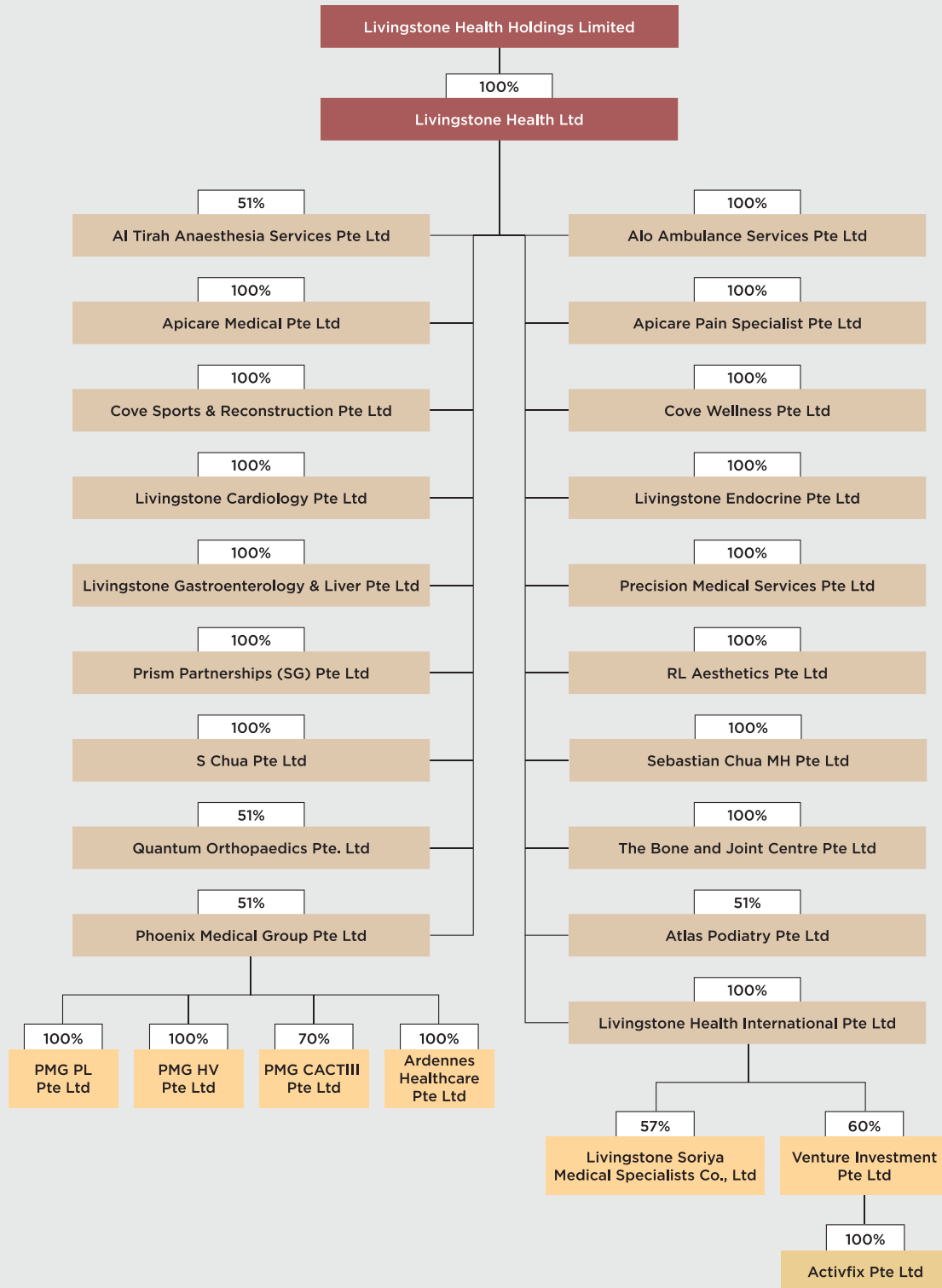
This annual report has been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “Sponsor”).

This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “SGX-ST”) and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms Tay Sim Yee (Telephone: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower Singapore 048542.



GROUP STRUCTURE



JOINT STATEMENT BY CHAIRMAN & CEO



We are confident that these growth initiatives will increase our operational efficiencies, strengthen our ecosystem, broaden our networks, expand our potential alliances, which will provide greater healthcare experience for our patients and build greater engagement with our partners, thereby translating into greater value for our Shareholders.

DEAR STAKEHOLDERS,

We are pleased to present our first annual report for the financial period 31 March 2021, which covers a 15-month period from 1 January 2020 to 31 March 2021 ("FY2021").

OVERVIEW

As you are aware of, we have successfully completed the Reverse Takeover ("RTO") of Livingstone Health Holdings Limited ("Livingstone Health") on 5 February 2021. The RTO, which was in line with our corporate turnaround plan for the Shareholders, marks a key chapter in our growth as a fast-growing multidisciplinary healthcare specialist group based. We now operate 12 clinics, one medical spa and one health screening centre in Singapore. We have 16 doctors offering five medical specialisations and we are still expanding.

Notably, we remained profitable in FY2021 despite the initial impact of the COVID-19 pandemic, including the Circuit Breaker in Singapore. For the 15 months ended FY2021, our continuing operations recorded

a total revenue of S\$24.3 million driven mainly by (i) higher contributions from tertiary specialisations specifically, anaesthesiology, pain management and orthopaedic surgery; and (ii) our primary healthcare arm Phoenix Medical Group. Net Profit, excluding one-off exceptional items related to the RTO, was S\$3.5 million for FY2021. In comparison, the revenue and net profit for our continuing operations were S\$6.2 million and S\$0.4 million, respectively for the 12 months ended 31 December 2019.

You may however note that we recorded a substantial amount of the "RTO financial effects" of S\$20.3 million thereby resulting in a Net Loss of S\$16.8 million for FY2021. These RTO financial effects comprised (i) a technical adjustment relating to reverse acquisition accounting cost and; (ii) other one-off incidental costs incurred in relation to the RTO exercise. Please also refer to Operations and Financial Reviews on Pages 12 to 14 for further details. For your easy reference, you may also read our Results at a Glance on Pages 10 to 11.

JOINT STATEMENT BY CHAIRMAN & CEO

POST-LISTING STRATEGY

The successful listing of Livingstone Health via the RTO is all the more significant for the Shareholders against the backdrop of the COVID-19 pandemic. As you might have read in our Corporate and Business Update released on 13 April 2021, we have outlined several strategies, specifically:

- (i) Strengthening our ecosystem to derive greater synergies between the primary and tertiary healthcare segments which can help to increase cross-disciplinary patient referrals;
- (ii) Deepening market penetration within Singapore via the existing footprint of clinics;
- (iii) Enlarging our pool of doctors and the range of surgical specialisations; and
- (iv) Building up our network and alliances in the Asian region to pursue opportunities and partnerships in integrated healthcare infrastructure projects.

In line with these strategies, we have implemented several initiatives during the period under review:

- (i) In April 2021, we signed a Memorandum of Understanding ("MOU") with China's state-owned China Machinery Engineering Corporation and Singapore-based CPG Consultants to explore project collaboration opportunities in potential integrated healthcare infrastructure projects specifically in Southeast Asia and South Asia; and
- (ii) In May 2021, we launched "Ardennes", a one-stop health screening and radiology centre in Paya Lebar Square which offers personalised health reviews from a trained doctor.

We are confident that these growth initiatives will increase our operational efficiencies, strengthen our ecosystem, broaden our networks, expand our potential alliances, which will provide greater healthcare experience for our patients and build greater engagement with our partners, thereby translating into greater value for our Shareholders.

LOOKING AHEAD

Whilst we expect the Singapore healthcare sector to remain robust due to trends such as an ageing population, rising affluence and increasing awareness of health issues, the COVID-19 pandemic has affected healthcare practices worldwide, including Singapore. We have proactively implemented precautionary measures at all our centres in accordance with guidelines provided by the Ministry of Health and will monitor our operations closely in the midst of the current environment.

Despite the known challenges, we remain cautiously optimistic that our financial performance for FY2022 should improve over that of FY2021 in view of (i) our growth initiatives; and (ii) the absence of the exceptional RTO-related financial effects and its incidental costs, barring any unforeseen events.

APPRECIATION

We would like to thank all our patients for the trust they have placed in us. Your support allows us to take pride in our conviction to continuously expand our multidisciplinary footprint, providing holistic healthcare for all.

On behalf of the Board of Directors, we would also like to thank Shareholders for your confidence in our corporate plans. We would also like to extend our gratitude to our bankers, business partners and associates for their support during these tough times.

Lastly, we would also like to thank the management team, employees, key professionals and many others who have contributed to make our public listing a success. We remain committed to delivering greater values in the years ahead.

Yours Sincerely,

Teh Wing Kwan

(Non-Executive and Non-Independent Chairman)

Dr Wilson Tay

(Executive Director and Chief Executive Officer)

BOARD OF DIRECTORS



MR. TEH WING KWAN

NON-EXECUTIVE AND
NON-INDEPENDENT CHAIRMAN

Mr. Teh Wing Kwan ("Mr. Teh") was first appointed to the Board on 27 June 2018 and he was the appointed Executive Chairman and Chief Executive Officer of the Company from July 2018 to February 2021. Following the completion of the RTO on 5 February 2021, Mr. Teh has been re-designated as the Non-Executive and Non-Independent Chairman and he remains a substantial shareholder of the Company.

A sophisticated investor, Mr. Teh specialises in corporate finance, corporate restructuring and mergers and acquisitions. Mr. Teh was the Managing Director and Group CEO of Sapphire Corporation Limited (listed on the Mainboard of the SGX-ST) from October 2013 to December 2017. Under Mr. Teh's leadership, Sapphire underwent a major restructuring and corporate transformation exercise. Mr. Teh also led Sapphire to be the first company listed outside Hong Kong to receive the 2016 Listed Enterprise Excellence Awards from Hong Kong-based Capital Weekly.

Mr. Teh is currently the Chairman of the Board for China Vanadium Titano-Magnetite Mining Company Limited (listed on the Mainboard of Hong Kong Stock Exchange) where he has led the team to completion of a RMB1.3 billion restructuring exercise in 2019. He is the appointed advisor to Koda Ltd (listed on the Mainboard of the SGX-ST) and also served as a non-executive director for other public companies listed on the Australian Securities Exchange, SGX Catalist and Hong Kong Stock Exchange.

Mr. Teh is a Fellow of the Association of Chartered Certified Accountants (United Kingdom), a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountant, an International Affiliate of the Hong Kong Institute of Certified Public Accountants, a Chartered Accountant of the Malaysian Institute of Accountants, a Full Member of Singapore Institute of Directors and a member of the Hong Kong Securities and Investment Institute.

Mr. Teh was a nominee for the 2015 and 2016 Asia Pacific Entrepreneurship Awards (Singapore) under the Industrial and Commercial Products Industry as well as the Outstanding Leaders category for the 2017 and 2018 Asia Corporate Excellence & Sustainability Awards.



DR. WILSON TAY

EXECUTIVE DIRECTOR AND
CHIEF EXECUTIVE OFFICER

Dr. Wilson Tay was appointed as Executive Director and Chief Executive Officer of the Company on 4 February 2021. He specialises in anaesthesiology with 15 years of clinical experience, and is responsible for the overall strategic direction and development of the Group.

Dr. Wilson Tay was an associate consultant in SGH till 2013, a full consultant from May 2013 onwards. In late 2014, he left SGH for private practice, before subsequently setting up his own private practice in 2015 prior to joining Livingstone Health. He remained a visiting consultant at SGH Pain Management Centre and Department of Anaesthesiology of SGH till 2016.

He has extensive experience in managing and treating various chronic pain conditions such as neck/back pain, headache, abdominal/pelvic pain and cancer pain, and is experienced in using ultrasound to guide and perform various chronic pain interventions, avoiding the usage and exposure to X-rays (which is the traditional mode to perform those pain interventions). He has published a number of articles in peer reviewed medical journals and is frequently invited to speak at local and overseas conferences on pain-related topics.

Dr. Wilson Tay is also actively involved in teaching and conducting hands-on chronic pain intervention workshops locally and around the region.

He graduated from NUS in 2004 and was awarded Master of Medicine (Anaesthesiology) in 2009. After completing his specialist training in Singapore, he pursued and completed a multi-disciplinary chronic pain clinical fellowship programme at St Joseph Health Care London in London, Ontario, Canada in 2012.

BOARD OF DIRECTORS



MR. FONG HENG BOO
LEAD INDEPENDENT AND
NON-EXECUTIVE DIRECTOR

Mr. Fong Heng Boo was first appointed as an Independent Director of the Company on 20 July 2018. Mr. Fong is currently the Lead Independent Director, Chairman of the Audit Committee, a member of the Remuneration Committee and Nominating Committee of the Company.

With over 45 years of experience in auditing, finance, business development and corporate governance, Mr. Fong was with the Auditor-General's Office ("AGO"), Singapore and held the position of Assistant Auditor-General when he left AGO in 1993. He was also the Director (Special Duties) at the Singapore Totalisator Board, where he led the finance and investment functions.

Mr. Fong is also an independent director for other Singapore-based companies, among others, CapitalLand China Trust Management Limited, Surbana Jurong Private Limited, Singapore Health Services Pte Ltd and TA Corporation Ltd.

Mr. Fong graduated from the University of Singapore (now known as the National University of Singapore) with a Bachelor of Accountancy (Honours) in 1973.



MR. CHAN YU MENG
INDEPENDENT AND
NON-EXECUTIVE DIRECTOR

Mr. Chan Yu Meng was first appointed as an Independent Director of the Company on 20 July 2018. He is the chairman of the Remuneration Committee, and a member of the Audit Committee and Nominating Committees.

Mr. Chan graduated from the University of Durham and is called to the Singapore Bar. He is a partner in the corporate department of Lee & Lee, a law firm in Singapore. He has more than 20 years of experience and currently practises in the areas of mergers and acquisitions, capital markets, corporate finance, corporate restructuring, securities law, stock exchange practice and corporate secretarial matters. He also has prior experience as a litigation counsel representing clients in both civil and criminal matters.

He had previously served as an independent director on several SGX-listed companies. He is an ordinary member of the Singapore Institute of Directors (SID) and currently serves on the Networks Committee of the SID. He also serves as a member of the Information Technology Committee of the Law Society of Singapore.



MR. STEVEN LIM
INDEPENDENT AND
NON-EXECUTIVE DIRECTOR

Mr. Steven Lim was appointed as an Independent Director of the Company on 4 February 2021. He is the chairman of the Nominating Committee, and a member of the Audit Committee and Remuneration Committees.

Starting his career in PricewaterhouseCoopers, Mr. Lim transitioned to the finance industry by joining HSBC Private Bank (Suisse) SA, the global wealth solutions arm of the HSBC Group, in 1985. He took charge of accounting, operations, corporate secretarial work and systems control in the Trust Division before assuming the position of Managing Director in 1990. As Managing Director, he was responsible for growing the wealth management services in Asia, India and the Middle East.

During his 23 year-stint with the HSBC Group, he was seconded to work in HSBC's office in Hong Kong and Jersey, Channel Islands. In 2010, he became the CEO of SG Trust (Asia) Ltd, a subsidiary of Société Générale Private Banking, a position he held until 2014. He currently provides consultancy advice in the field of global wealth solutions.

He is currently also the lead independent director of Bund Center Investment Ltd and Keong Hong Holdings Limited and an independent director of Sinarmas Land Limited, Riverstone Holdings Limited and Hong Fok Corporation Limited.

Mr. Steven Lim holds a Bachelor of Commerce majoring in Accounting and Finance from the University of Newcastle, Australia. He is a fellow member of CPA Australia, the Institute of Singapore Chartered Accountants and a member of the Society of Trusts and Estate Practitioners.

KEY MANAGEMENT



MR. DAX NG
CHIEF BUSINESS OFFICER

Mr. Dax Ng is the Chief Business Officer at Livingstone Health. He is responsible for developing the Group's growth and investment strategy and policy, and provides strategic growth advisory and recommendations for the Group in consultation with the Board, advisers, partners and investors. He maintains key relationships as well as sources for opportunities for collaboration or investment.

Before joining the Group, Mr. Dax Ng held senior management and strategic executive positions in property development divisions and the banking and finance sector, specialising in business acquisition, wealth management, investment consultancy, and product development.

Mr. Dax Ng holds a Bachelor of Chemical Engineering from the University of New South Wales. He has undertaken graduate certification for digital healthcare, encompassing healthcare analytics, legal issues and risk management, and healthcare leadership. In 2020, he completed courses in Prescription Drug, Regulation, Cost, and Access from Harvard-X. Mr. Dax Ng also holds certifications in Private Equity on sourcing private equity deals and fundraising, conducting due diligence and exit strategies from the Singapore Management University (SMU) Financial Training Institute, as well as the Fintech future of commerce certificate at Massachusetts Institute of Technology.

Mr. Dax Ng is an active grassroots leader and an associate member of the Singapore Institute of Directors.



DR. RACHEL LIM
CHIEF OPERATING OFFICER, HEAD OF
AESTHETICS AND WELLNESS

Dr. Rachel Lim is the Chief Operating Officer at Livingstone Health, and provides strategic leadership for the Group's operations, and ensures that day-to-day activities are in line with the Group's vision and initiatives.

A medical doctor with 15 years of clinical experience, Dr. Rachel has a special interest in aesthetics, weight management and wellness. After obtaining her Bachelor of Medicine and Bachelor of Surgery from NUS in 2005 and a Graduate Diploma in Family Medicine from NUS in 2009, Dr. Rachel Lim was a Medical Officer with MOH Holdings Pte. Ltd. from 2005 to 2011. She worked as a family physician with a special interest in aesthetic medicine in private practice from 2012 to 2015 before setting up her own private practice in 2015.

Having a keen interest in anti-ageing, Dr. Rachel Lim's clinical interests include non-surgical medical aesthetics and she performs a wide range of non-invasive aesthetic procedures. She is trained in age-reversing injectables, dermal fillers, laser and light treatments, and overall non-surgical rejuvenation of the face and body.

Dr. Rachel Lim also serves as District Councillor in the Northwest Community Development Council (CDC), where she is a part of the Corporate Relations Committee.

KEY MANAGEMENT



**DR. SEBASTIAN
CHUA**

CHIEF MEDICAL OFFICER, HEAD
OF ANAESTHESIOLOGY & PAIN
MANAGEMENT

As Chief Medical Officer at Livingstone Health, Dr. Sebastian Chua is responsible for managing the Group's clinical operations, updating the Group on new healthcare regulations and safety standards, and serves as the bridge between the management team and medical staff. He specialises in anaesthesiology and perioperative care with 22 years of clinical experience.

Dr. Sebastian Chua was an associate consultant (2006-2008) and consultant (2008-2010) with the Department of Anaesthesia at SGH, before entering private practice in 2010. He was also the director of the Perioperative Evaluation Clinic at SGH from 2007 to 2010, where he formulated guidelines for perioperative assessment and optimisation of patients.

He currently practices anaesthesia and perioperative care at Mount Elizabeth Hospital and other private hospitals, where he is involved in pre-surgical optimisation of patients, provision and management of anaesthesia during surgery, as well as post-surgical care of patients, including pain management and intensive care.

Dr. Sebastian Chua graduated with a Bachelor of Medicine and Bachelor of Surgery, and obtained a Master of Medicine (Anaesthesiology) from NUS in 1996 and 2003 respectively. Dr. Sebastian Chua received training experience in obstetric anaesthesia in King Edward Memorial Hospital for Women in Perth, Western Australia and perioperative medicine in Geelong Hospital in Geelong, Victoria, Australia in 2005.



DR. EDWIN TAN

HEAD OF ORTHOPAEDICS

Dr. Edwin Tan is a Consultant Orthopaedic Surgeon, and heads the Group's orthopaedics division. Dr. Edwin's area of specialty is in Sports and Reconstructive Surgery, with a special interest in the upper limb and knee.

Dr. Edwin has travelled extensively to various countries around Asia-Pacific, performing over 1000 such surgeries, ranging from knee ligament reconstructions of national athletes in Papua New Guinea to joint replacement surgeries in China. The Reverse Shoulder Arthroplasty, a unique surgical procedure for complex shoulder problems, is his area of expertise and he has been one of, if not the highest volume surgeon performing this surgery.

Whilst practicing in Singapore General Hospital, he was conferred the title of Adjunct Assistant Professor in Duke-NUS Medical School and was appointed to various positions in the department as well as the institution. This includes Department Quality Officer, the Singhealth Procedural Safety Workgroup and Focus Area Subcommittee in patient safety, care transition and supervision. He was also faculty for residency training and several courses including AOTrauma Advanced Principles of Fracture Management Course and Advanced Arthroscopy of the Shoulder and Knee.

Dr. Edwin Tan graduated with a Bachelor of Medicine and Bachelor of Surgery from NUS in 2004 and was awarded the postgraduate Membership of the Royal College of Surgeons of Edinburgh in 2008, the Masters of Medicine in Orthopaedic Surgery in 2013, and the Fellowship of the Royal College of Surgeons of Edinburgh in Orthopaedic Surgery in 2014. While practicing in Singapore General Hospital, he was awarded the HMDP award for a one-year fellowship program in Imperial College, London – with Professor Roger Emery, then President of the prestigious European Shoulder & Elbow Society.

KEY MANAGEMENT



MR. LEOW CHIN YEW
GROUP FINANCIAL CONTROLLER

Mr. Leow Chin Yew is the Group Financial Controller at Livingstone Health. He is responsible for the Group's financial and management accounting, treasury, taxation and other corporate compliance matters.

Mr. Leow Chin Yew has over 10 years of experience in audit, corporate finance, accounting and financial management. Prior to joining the Group, he was the Regional Accountant from 2017 to 2018 at Boardroom Limited. He worked in a managerial capacity at KPMG LLP from 2015 to 2017 and BDO LLP from 2010 to 2015.

Mr. Leow Chin Yew holds a Bachelor of Commerce (Hons) Accounting from the Universiti Tunku Abdul Rahman and passed the Association of Chartered Certified Accountants ("ACCA") exam. He was admitted as a Chartered Accountant of Singapore by the Institute of Singapore Chartered Accountants ("ISCA").



MS. CINDY LAU
HEAD OF OPERATIONS

Ms. Cindy Lau is the Head of Operations at Livingstone Health. She manages the daily operations of the Group, providing both her administrative and clinical expertise. Responsible for the operations and all administrative functions, Ms. Cindy Lau focuses on the overall growth of business operations and strategies for the Group.

With two decades of clinical experience, Ms. Cindy Lau helmed the establishment of Medical Centres in Singapore, China and Vietnam, gaining local and international experience, before joining Livingstone Health.

A certified professional Nurse Clinician who specializes in intensive care medicine and chronic interventional pain management, Ms. Cindy Lau is one of Singapore's Pioneer Chronic Interventional Pain Nurse Clinicians who started the Chronic and Interventional Pain Management Service in Tan Tock Seng Hospital and Women's Pain Center in KK Women's and Children's Hospital. She spearheaded various clinical nursing programs, including Singapore's first intensive rehabilitation program for difficult pain conditions.

Aside from her day-to-day responsibilities, Ms. Cindy Lau has also been invited to speak at international platforms in China, Vietnam and Indonesia, as well as local platforms such as the Alice Lee Centre for Nursing Studies, National University of Singapore. She was also Adjunct Lecturer at Nanyang Polytechnic School of Health Sciences. Ms. Cindy Lau has been recognized as a Fellow of the Health Manpower Development Plan and was awarded the MOH-SingHealth Critical Talent Special Recognition Award.

Ms. Cindy Lau holds a Master's in Health Science (Ed) from the University of Sydney, Australia.

OUR DOCTORS

1. DR. EDWIN TAN

M.B.B.S. (Singapore)
M.R.C.S (Edinburgh)
M.Med Surgery (Singapore)
F.R.C.S. (Edinburgh)
ORTHOPAEDIC SURGERY

2. DR. KEVIN KOO

M.B.B.S. (Singapore)
M.R.C.S (Edinburgh)
M.Med Surgery (Singapore)
F.R.C.S. (Edinburgh)
D.F.D. (CAW)
ORTHOPAEDIC SURGERY

3. DR. SENG CHUSHENG

M.B.B.S. (Singapore)
M.R.C.S (Edinburgh)
M.Med Surgery (Singapore)
F.R.C.S. (Edinburgh)
ORTHOPAEDIC SURGERY

4. DR. ANG TECK KEE

M.B.B.S. (Singapore)
M.R.C.P. (Internal Medicine, UK)
M.Med Internal Medicine (Singapore)
INTERVENTIONAL CARDIOLOGY

5. DR. TAY TUNN LIN

M.B.B.S. (Singapore)
M.R.C.P. (Internal Medicine, UK)
F.A.M.S. (Endocrinology)
ENDOCRINOLOGY

6. DR. ONG YEE YIAN

M.B.B.S. (Singapore)
M.Med Anaes (Singapore)
ANAESTHESIOLOGY



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7. DR. SEBASTIAN CHUA

M.B.B.S. (Singapore)
M.Med Anaes (Singapore)
ANAESTHESIOLOGY

8. DR. WILSON TAY

M.B.B.S. (Singapore)
M.Med Anaes (Singapore)
F.A.M.S. (Anaes)
F.I.P.P. (WIP, USA)
C.I.P.S. (WIP, USA)
PAIN MANAGEMENT & ANAESTHESIOLOGY

9. DR. MICHELLE NG

M.B.B.S. (Singapore)
M.R.C.P. (UK)
Diploma in Dermatology
(Glasgow, UK)
AESTHETICS & WELLNESS

10. DR. RACHEL LIM

M.B.B.S. (Singapore)
G.D.F.M. (Singapore)
AESTHETICS & WELLNESS

11. DR. ANGELA FOONG

M.B.B.S. (Singapore)
G.D.F.M. (Singapore)
FAMILY MEDICINE

12. DR. CHERYL LIN

M.B.B.S. (NSW)
M. Med (Family Medicine)
FAMILY MEDICINE

13. DR. CHUA HSHAN CHER

M.B.B.S. (Singapore)
PgDip (Cardiff)
FAMILY MEDICINE

14. DR. LEE KAI LUN

M.B.B.S. (Singapore)
G.D.F.M. (Singapore)
FAMILY MEDICINE

15. DR. MEERA RAVINDRAN

M.B.B.S. (Singapore)
M.Med (Family Medicine)
FAMILY MEDICINE

16. DR. RICK CHAN

M.B.B.S. (Singapore)
G.D.F.M. (Singapore)
G.D.O.M. (Singapore)
FAMILY MEDICINE

RESULTS AT A GLANCE

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE FINANCIAL YEAR PERIOD 31 MARCH 2021

	FY2021 15 months ended 31 March 2021 S\$'000	FY2019 12 months ended 31 December 2019 S\$'000	Change %*	
Continuing operations				Revenue Increased by S\$18.12 million driven by higher contributions from our primary healthcare arm (PMG) and tertiary specialisations (such as anaesthesiology and pain management, and orthopaedic surgery).
Revenue	24,278	6,159		
Other income	1,054	21		Other Income Comprised mainly government grants and other relief.
Consumables and medical supplies used	(4,295)	(376)		Consumables and Medical Supplies Used Increased in tandem with higher revenue.
Purchased and contracted services	(108)	(701)		
Employee benefit expense	(11,744)	(2,541)		Employee Benefits Expenses Increased by S\$9.20 million as we continue to grow our team of medical doctors, adding new specialities while strengthening existing ones.
Depreciation expense	(1,444)	(349)		Depreciation Expenses Increased by S\$1.09 million mainly due to the addition of facilities for tertiary specialisations.
Share of results from joint ventures	(166)	(157)		
Other operating expense	(3,153)	(1,536)		Other Operating Expenses Increased by S\$1.62 million due mainly to higher marketing expenses, administrative charges and higher insurance costs.
Finance costs	(306)	(30)		Finance Costs Increased by S\$0.28 million mainly due to (a) additional working capital borrowings for business expansion; (b) finance leases for new medical facilities; and (c) accounting adjustment on time value of money for purchase consideration payable on previous acquisition.
Profit from operations	4,116	490		
Reverse acquisition costs				Reverse Acquisition Costs Comprised of those non-recurring RTO-related expenses (i.e accounting loss on reverse acquisition and incidental RTO costs).
Reverse acquisition-related cost	(1,423)	-		
Loss on reverse acquisition	(18,892)	-		
(Loss)/Profit before tax	(16,199)	490		
Income tax expense	(567)	(70)		
(Loss)/Profit from continuing operations for the period/year	(16,766)	420		
Discontinued operations				
Profit from operations	-	1,410		
(Loss)/Profit for the period/year	(16,766)	1,830		
(Loss)/Profit attributable to:				
Continuing operations, net of tax				
Owners of the Company	(16,693)	420		
Non-controlling interests	(73)	-		
	(16,766)	420		
Discontinued operations, net of tax				
Owners of the Company	-	1,410		
Non-controlling interests	-	-		
	-	1,410		
Continuing operations	S\$'000	S\$'000	%*	
Profit from operations	4,116	490		
Income tax expense	(567)	(70)		
Profit after tax, excluding reverse acquisition costs	3,549	420		Profit/(Loss) Attributable To Equity Holders of the Company As a result of the above, the Group reported a (i) Net Profit of \$3.55 million (excluding the reverse acquisition costs) and (ii) a Net Loss of S\$16.77 million (including the reverse acquisition costs) in FY2021.

*most % of changes exceed 100%

RESULTS AT A GLANCE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

ASSET	Group 31-Mar-21 S\$'000	31-Dec-19 S\$'000	
Non-current assets			
Property, plant and equipment	3,527	2,810	→ NON-CURRENT ASSETS
Goodwill arising on consolidation	3,636	3,636	→ Property, plant and equipment
Investments in joint ventures	113	121	→ Rose by S\$0.72 million mainly due to recognition of right-of-use assets for new clinics and purchase of medical equipment.
Deferred tax asset	256	-	→ Goodwill arising on consolidation
	7,532	6,567	→ Relates to acquisition of PMG and the newly-acquired orthopaedic segment.
Current assets			
Trade receivables	4,413	1,803	→ CURRENT ASSETS
Other receivables	1,041	609	→ Trade Receivables
Inventories	520	461	→ Rose by S\$2.61 million on the back of higher revenues.
Cash and cash equivalents	6,775	1,711	→ Other Receivables
	12,749	4,584	→ Rose by S\$0.43 million mainly due to (i) deposits for new clinic; and (ii) prepaid insurance premium.
Total assets	20,281	11,151	→ Inventories
			→ Rose by S\$0.06 million mainly due to inventories for new clinics.
			→ Cash and Cash Equivalents
			→ Rose by S\$5.06 million mainly due to working capital loans for business expansion.
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	22,305	3,268	→ CAPITAL AND RESERVES
Merger reserve	57	57	→ Accumulated Losses
Foreign currency translation reserve	4	3	→ Related to mainly the non-recurring RTO Financial Effects, net of current year earnings.
Other reserves	22	22	→ Total Equity
Accumulated (loss)/profit	(20,876)	735	→ Fell by S\$2.64 million after accounting for current year results, including the RTO Financial Effects.
Total attributable to equity holders of the Company	1,512	4,085	→ NON-CURRENT LIABILITIES
Non-controlling interests	393	463	→ Other Payables
Total equity	1,905	4,548	→ Relates to deferred consideration payable for business acquisition and the RTO.
Non-current liabilities			→ Lease Liabilities (Current and Non-current)
Other payables	1,821	1,188	→ Rose mainly due to new clinic leases.
Lease liabilities	1,255	890	→ Borrowings (Current and Non-current)
Borrowings	5,673	-	→ Related to working capital loan for business expansion.
Deferred tax liabilities	2	2	→ CURRENT LIABILITIES
	8,751	2,080	
Current liabilities			
Trade payables	1,243	677	→ Trade Payables
Other payables	3,898	1,350	→ Rose by S\$0.57 million given higher purchases for consumables and medical supplies used.
Borrowings	1,129	550	→ Other Payables
Lease liabilities	1,260	660	→ Included consideration payable to vendors for the RTO.
Deferred revenue	1,236	1,031	→ Deferred Revenue
Income tax payable	859	255	→ Revenue for Aesthetic and Wellness segment which has not been recognised.
	9,625	4,523	→ Income Tax
Total liabilities	18,376	6,603	→ Rose by S\$0.60 million on the back of higher taxable profits.
Total equity and liabilities	20,281	11,151	

OPERATIONS AND FINANCIAL REVIEW

OPERATIONS REVIEW

With the successful completion of the RTO of Livingstone Health Holdings Limited, we are well-positioned to capture market share in the Singapore healthcare sector, which is expected to continue growing amid trends such as an ageing population, rising affluence and increasing awareness of health issues. Despite lower patient traffic due to the restrictions imposed during the Circuit Breaker period in April and May 2020, business saw a clear recovery from June 2020 with revenue across almost all disciplines improving, driven by pent-up demand after restrictions were lifted.

We have also made encouraging progress in implementing the growth strategies outlined in our Corporate and Business Update released on 13 April 2021, having signed a Memorandum of Understanding (MOU) to explore project collaboration opportunities in potential integrated healthcare infrastructure projects in Southeast Asia and South Asia and launching Ardennes, our health screening and radiology centre. As we continue our expansion plans, we remain financially prudent, and will be closely monitoring development in the COVID-19 situation to ensure we can adapt swiftly to minimise disruption. In view of the growth initiatives as outlined in our strategic reviews and in the absence of the



financial effects of the RTO and RTO-related professional costs, the financial performance for FY2022 is expected to improve compared to FY2021, barring unforeseen circumstances.



OPERATIONS AND FINANCIAL REVIEW



FINANCIAL REVIEW

Following the completion of the RTO:

- we changed our financial year end to March and the audited financial statements of the Company for the financial period ended 31 March 2021 (“**FY2021**”) will cover a period of 15 months from 1 January 2020 to 31 March 2021, in comparison with the 12 months reporting period from 1 January 2019 to 31 December 2019 (“**FY2019**”); and
- we recorded a one-off and non-recurring costs relating to the RTO which comprised (i) accounting loss on reverse acquisition; and (ii) RTO-related expenses (the “**RTO Financial Effects**”).

For the ease of reference, we have included “**Results At A Glance**” on Pages 10 to 11 in our Annual Report providing explanatory notes to financial performance for the financial year ended 31 March 2021 (“**FY2021**”) and financial position as at 31 March 2021.

Financial Performance for FY2021

Total revenue increased by S\$18.12 million to S\$24.28 million driven by higher contributions of its 51%-held primary healthcare arm Phoenix Medical Group (“PMG”) which was acquired in December 2019 and tertiary specialisations such as anaesthesiology and pain management, including the newly added orthopaedic surgery segment. As a result, our consumables and medical supplies was higher.

Other income comprised mainly government grants and other relief during FY2021.

Employee benefit expense increased by S\$9.30 million to S\$11.74 million as we continue to grow our team of medical doctors, adding new specialities while strengthening existing ones.

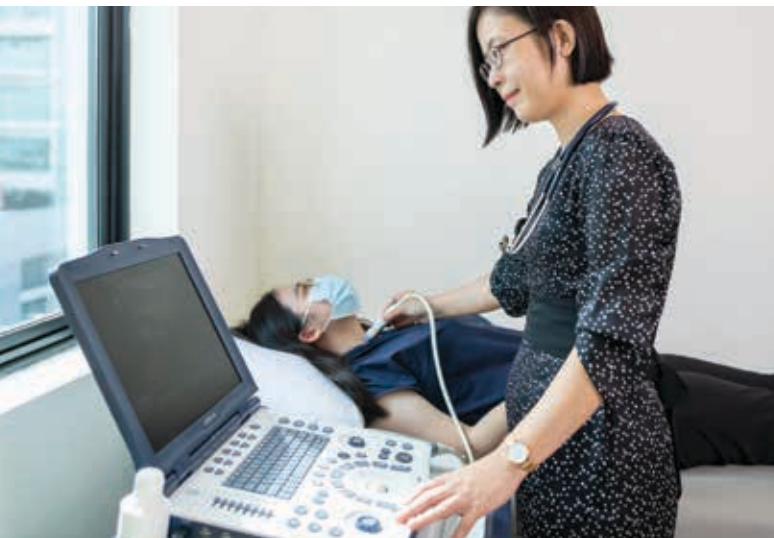
Depreciation expense increased by S\$1.09 million to S\$1.44 million in FY2021 mainly due to the addition of new premises and equipment increase for orthopaedic surgery, internal medicine and family medicine segment in FY2021.

Share of results from our joint ventures in Cambodia remained relatively unchanged.

Other operating expense increased by S\$1.62 million to S\$3.15 million in FY2021 on the back of higher revenue as a result of higher marketing expenses, administrative and bank charges and insurance cost.

Finance costs increased by S\$0.28 million to S\$0.31 million in FY2021 mainly due to (i) additional borrowings for business expansion and working capital needs; (ii) finance leases for medical equipment; (iii) lease expenses for new clinics during the year; and (iv) accounting adjustment pertaining to time value of money arising from purchase consideration payable for acquisition of businesses in year 2019.

OPERATIONS AND FINANCIAL REVIEW



As a result of the above, the Group reported:

- a Net Loss of S\$16.77 million in FY2021, reversing from a Net Profit of S\$0.42 million in FY2019 due mainly to the RTO Financial Effects; and
- a Net Profit of S\$3.55 million for FY2021, excluding the RTO Financial Effects compared to that of S\$0.42 million in FY2019.

Financial Position as at 31 March 2021

Assets

Non-current assets increased by S\$0.97 million to S\$7.53 million as at 31 March 2021, mainly due to recognition of right-of-use assets for new clinics and purchase of medical equipment.

Current assets increased by S\$8.17 million to S\$12.75 million as at 31 March 2021 as a result of higher cash at bank and trade receivables.

Liabilities

Non-current liabilities increased by S\$6.67 million to S\$8.75 million and current liabilities increased by S\$5.10 million to S\$9.63 million as at 31 March 2021. Total liabilities increased mainly due to (i) higher working capital borrowings for business expansion; (ii) higher lease liabilities for new clinics; (iii) higher trade payables given the increase in consumables and medical supplies purchases; and (iv) deferred consideration payable to the vendors for the RTO.

Shareholders' Equity

Total equity, after accounting for (i) current year results for FY2021; (ii) deferred cash consideration payable in relation to the RTO (presented as "Deemed Dividend

arising from RTO in accordance with applicable financial reporting standards); and (iii) dividend payment before completion of the RTO, was S\$1.91 million as at 31 March 2021 as compared to S\$4.55 million as at 31 December 2019. Please also note that the Accumulated Losses in FY2021 were mainly due to the one-off RTO-financial effects items, as previously disclosed.

Cash flows for FY2021

Net cash flows from operating activities was S\$2.08 million after accounting for operating cash flows and working capital changes (being changes were mainly made to receivables, payables and deferred revenue) of S\$4.61 million, which was partially offset by (i) net working capital outflow of S\$2.23 million; (ii) interest paid of S\$0.08 million; and (iii) tax paid of S\$0.22 million.

Net cash used in investing activities was S\$0.80 million due to (i) investments in joint ventures of S\$0.16 million (ii) settlement of deferred consideration of S\$0.38 million; and (iii) purchase of new plant and equipment of S\$0.31 million, partially offset by net proceeds from reverse acquisition of S\$0.05 million.

Net cash from financing activities was S\$3.78 million due to (i) proceeds from working capital borrowings of S\$6.00 million for business expansion; and (ii) proceeds from RTO-related shares placement of S\$1.00 million, partially offset by (i) dividend payment of S\$1.42 million to vendors before the RTO (ii) repayment of lease liabilities and borrowings of S\$1.80 million.

As a result of the above, cash and cash equivalents increased by S\$5.06 million to S\$6.78 million as at 31 March 2021.

CORPORATE SOCIAL RESPONSIBILITY

The Group understands the importance of corporate social responsibility to its long-term sustainability. The Group is committed to making a positive impact on society by supporting various causes and organisations.

As part of the Group's corporate social responsibility, in 2017, the Group worked in Cambodia to improve access to clean and fresh water in rural areas of Cambodia. The project provided financing to build and maintain wells as well as training on how to use these wells.

In January 2020, the doctors and staff of the Group spent a day interacting with the patients and staff of HCA Hospice Care at Kwong Wai Shiu Hospital in Serangoon. HCA Hospice Care is Singapore's largest home hospice

care provider that provides palliative care and palliative care training, giving comfort and support to patients with life-limiting illnesses.

In the spirit of the Chinese New Year festive period, the medical doctors and staff of the Group and the HCA Hospice Care patients handcrafted lanterns with red packets and sang Chinese New Year songs led by Dr. Sebastian Chua, Dax Ng and the medical doctors of PMG. To commemorate the fun-filled day, the staff of the Group gave out goodie bags containing daily essentials to each patient.



Above: The medical doctors and staff of the Group at HCA Hospice Care in January 2020.



Left: Dr. Wilson Tay interacting with patients at HCA Hospice Care.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. TEH WING KWAN

Non-Executive and Non-Independent Chairman

DR. TAY CHING YIT, WILSON

Executive Director and Chief Executive Officer

MR. FONG HENG BOO

Lead Independent and Non-Executive Director

MR. CHAN YU MENG

Independent and Non-Executive Director

MR. LIM JUN XIONG STEVEN

Independent and Non-Executive Director

AUDIT COMMITTEE

MR. FONG HENG BOO *(Chairman)***MR. CHAN YU MENG****MR. LIM JUN XIONG STEVEN****MR. TEH WING KWAN**

NOMINATING COMMITTEE

MR. LIM JUN XIONG STEVEN *(Chairman)***MR. FONG HENG BOO****MR. CHAN YU MENG****MR. TEH WING KWAN**

REMUNERATION COMMITTEE

MR. CHAN YU MENG *(Chairman)***MR. FONG HENG BOO****MR. LIM JUN XIONG STEVEN****MR. TEH WING KWAN**

COMPANY SECRETARY

MS GN JONG YUH GWENDOLYN

(of Shook Lin & Bok LLP)

REGISTERED OFFICE

1 Robinson Road

#17-00

AIA Tower

Singapore 048542

PRINCIPAL BANKER

DBS BANK LTD.

12 Marina Boulevard,

DBS Asia Central @ Marina Bay Financial Centre

Tower 3,

Singapore 018982

UNITED OVERSEAS BANK LIMITED

80 Raffles Place

Uob Plaza 1

Singapore 048624

AUDITORS

MAZARS LLP

PARTNER-IN-CHARGE: MR OOI CHEE KEONG

(Appointed on 4 February 2021)

SHARE REGISTRAR/SHARE TRANSFER AGENT

**BOARDROOM CORPORATE & ADVISORY
SERVICES PTE LTD**

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

CONTINUING SPONSOR

SAC CAPITAL PRIVATE LIMITED

1 Robinson Road

#21-00 AIA Tower

Singapore 048542

Tel : (65) 6232 3210

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Livingstone Health Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) recognises the importance of good corporate governance for continued growth and investors’ confidence. The board (the “**Board**”) of directors (the “**Directors**” or each a “**Director**”) of the Company and the management of the Company (the “**Management**”) are strongly committed to achieving and maintaining high standards of corporate governance within the Group which is essential to the protection of interests of shareholders of the Company (“**Shareholders**”) and enhancing long-term Shareholder value and returns.

This report (“**CG Report**”) describes the Company’s corporate governance practices for the financial period ended 31 March 2021 (“**FY2021**”), with specific reference to the provisions of the Code of Corporate Governance 2018 (the “**Code**”) and the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). The Company has adhered to the principles, guidelines and provisions as set out in the Code and Catalist Rules, as the case may be. Insofar as any principle, guideline and/or provision has not been complied with, appropriate explanations have been provided. In this report, the Company defines the term “**key management personnel**” to mean the Chief Executive Officer (“**CEO**”) and Executive Officers of the Company. The term “**Executive Officers**” carries the same meaning as defined in the Listing Rules.

(A) BOARD MATTERS

Principle 1: The Board’s Conduct of Affairs

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Role of the Board

All our Directors are tasked to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. Provision 1.1

The primary function of the Board is to oversee the business and corporate affairs of the Company so as to protect the interests of Shareholders and enhance long-term Shareholder value and returns. All Directors must act in good faith and objectively in discharging their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold the Management accountable for performance. Besides carrying out its fiduciary and statutory responsibilities, the Board’s other roles and responsibilities, among others, are to:

- (a) provide entrepreneurial leadership, and review strategic plans and objectives, which include appropriate focus on value creation and sustainability;
- (b) ensure that the necessary financial and human resources are in place for the Company to meet its strategic objectives;
- (c) establish and maintain a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of Shareholders’ interests and the Company’s assets;
- (d) review the performance of the Company;

CORPORATE GOVERNANCE REPORT

- (e) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- (f) instil an ethical corporate culture and ensure that the Company's values and standards (including ethical standards), policies and practices are consistent with the Company's culture;
- (g) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and
- (h) approve major investment and divestment proposals.

The day-to-day management of the Company's businesses and affairs, and the implementation of corporate strategies formulated by the Board have been entrusted to Management that is led by the CEO. The Directors are aware of their duties at law, which includes acting in good faith and in the best interests of the Company, and exercise due care, skill and diligence, and independent judgment in making decisions on the recommendations of the Management and make objective decisions in the best interests of the Company.

The Board has put in place policies, structures and mechanisms to ensure compliance with legislative and regulatory requirements. In particular, to achieve a higher standard of corporate governance, the Company has implemented a whistle-blowing policy to guide the staff of the Company in reporting matters concerning suspected fraud, corruption, dishonest practices or other similar breaches. Further details can be found in our disclosures in relation to Provision 10.1 of this CG Report and in our Sustainability Report (as required under Rule 711A of the Catalist Rules).

The Board has also set an appropriate tone-from-the-top and a desired organisational culture, and ensures proper accountability within the Company. Directors who face conflicts of interest disclose the issues of conflict and recuse themselves from meetings, discussions and decisions involving the issues of conflict.

Induction, Training and Development of Directors

Upon the appointment of each Director, the Company provides a formal letter to the Director setting out, *inter alia*, the Director's roles, duties, obligations and responsibilities (including their roles as Executive Director, Non-Executive Director and Independent Directors, as the case may be) and the expectations of the Company. Newly appointed Directors receive an appropriate orientation to provide them with background information about the Group's history, the Company's strategic plans and objectives as well as the Company's corporate governance practices. They are also advised on their statutory duties as well as their other responsibilities as Directors, which includes acting in good faith and the best interests of the Company, exercising due care, skills and diligence, and avoiding conflicts of interests. In addition, Directors also have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business and operations.

Provision 1.2

CORPORATE GOVERNANCE REPORT

Newly appointed Directors with no prior experience as a director of an issuer listed on the SGX-ST will be provided training in areas such as accounting, legal and industry-specific knowledge as appropriate. These new Directors with no prior experience will also undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. If the Nominating Committee ("**NC**") is of the view that training is not required because the Director has other relevant experience, the basis of the NC's assessment will be disclosed.

Catalist
Rule 406(3)(a)

Changes to legislations, regulations, financial reporting standards and the Catalist Rules are monitored closely by the Management. To keep pace with such changes, all Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. The Board is mindful of the best practice in the Code to initiate programmes for Directors to meet their relevant training needs. In this regard, the Company is supportive of Board members in the participation of industry conferences and seminars and will fund Directors' attendance at any course or training programme in connection with their duties as directors.

In the financial year under review, some of our Directors attended the following courses:

- Accounting & Finance for Non-Financial Managers Programme organised by National University of Singapore;
- Cyber Security and Data Protection First Aid Kit organised by the Singapore Institute of Directors;
- COVID-19: Embedding Resilience Webinar Series – Navigating Liquidity organised by the Singapore Institute of Directors;
- Understanding Crypto-Assets and Smart Contracts organised by the Law Society of Singapore;
- Singapore's Role as an International Trade and Wealth Management Centre: a tax and trust perspective organised by the Law Society of Singapore;
- Audit Committee Seminars 2020 and 2021 jointly organised by the Singapore Institute of Directors, Accounting and Corporate Regulatory Authority and Singapore Exchange;
- Singapore Governance and Transparency Index (SGTI) forum.

CORPORATE GOVERNANCE REPORT

Directors are also keeping abreast of developments which are relevant to the Company and are informed by Management of legislative and regulatory changes affecting the Company via emails. During the financial year under review, the Board was updated on the changes of rules and/or regulations, including but not limited to recent changes to relevant legislative and regulatory requirements, amendments to the Catalist Rules, recent changes to the Singapore Financial Reporting Standards, and changing commercial risks. The Directors also discussed and shared their views on those changes which are relevant to the Company's businesses and strategic directions.

In the financial year under review, the Board and Management of the Company have appropriate experience and expertise to manage the Group's business, taking into account the existing nature and scope of the Group's operations and requirements of the business.

Matters Requiring Board Approval

The Company has in place a set of internal guidelines that sets out, among others, the matters reserved for the Board's approval, and these internal guidelines have been clearly communicated to the Management in writing. Provision 1.3

Certain material transactions and matters that require Board approval include, *inter alia*, the following:

- (a) results announcements;
- (b) annual report and audited financial statements;
- (c) declaration of interim and/or proposal of final dividends;
- (d) acceptance of new banking facilities;
- (e) acceptance of interest-free loans from a substantial Shareholder and a Director;
- (f) implementation of corporate and business strategies;
- (g) corporate or financial restructuring;
- (h) material acquisitions and disposal of assets;
- (i) transactions involving a conflict of interest for a substantial Shareholder or a Director;
- (j) interested person transactions of a material nature;
- (k) issuance of new shares and financial instruments; and
- (l) convening of Shareholders' meeting.

Clear directions have also been given to Management that such matters must be approved by the Board.

CORPORATE GOVERNANCE REPORT

Board Committees

To assist the Board in the execution of its responsibilities and as required under Rule 406(3)(e) of the Catalist Rules, the Board has delegated specific responsibilities to various Board committees (the “**Board Committees**”), namely the Nominating Committee (the “**NC**”), the Remuneration Committee (the “**RC**”) and the Audit Committee (the “**AC**”), without abdicating its responsibility. Each Board Committee functions within clear written terms of reference, setting out their compositions, authorities and duties, including reporting back to the Board. These terms of reference are reviewed on a regular basis to ensure their continued relevance. The effectiveness of each Board Committee is also reviewed by the Board, at least once a year.

Provision 1.4

Catalist
Rule 406(3)(e)

The names of each Board Committee member, the terms of reference, any delegation of the Board’s authority to make decisions and a summary of each Board Committee’s activities are set out below:

- (i) Nominating Committee (Principle 4);
- (ii) Remuneration Committee (Principle 6); and
- (iii) Audit Committee (Principle 10).

All the Board Committees are chaired by an Independent and Non-Executive Director and are actively engaged and play an important role in ensuring good corporate governance in the Company and within the Group. Minutes of the Board Committee meetings are available to all Board members. The Board acknowledges that while these various Board Committees have the authority to examine particular issues and report back to the Board with their decisions and recommendations, the ultimate responsibility on all matters lies with the Board. Decisions on important matters are decided by the Board.

Board Meetings

At the meetings of the Board and Board Committees, the Directors actively participate and are free to discuss and openly challenge the views presented by the Management and the other Directors. The decision-making process is an objective one.

Provision 1.5

On 27 February 2020, the Company announced that it will not be performing quarterly reporting of its financial results as it is not required to do so. Notwithstanding, the Board will continue to meet at least quarterly to review and consider the Group’s key activities, strategies and financial performance. The Board will also continue to meet and approve the release of the unaudited financial results of the Group on a half-yearly basis. The schedule of upcoming Board meetings is planned well in advance. Besides the scheduled Board meetings, the Board also meets on an ad-hoc basis as often as may be necessary to discuss the business affairs of the Group or when warranted by particular circumstances, and to approve, if applicable, any business objectives and strategies.

CORPORATE GOVERNANCE REPORT

The Company's Constitution allows for Directors to participate in Board and Board Committee meetings by means of teleconferencing or videoconferencing. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions. Non-Executive Directors are also encouraged to communicate amongst themselves, and with the Company's auditors and legal advisors without the presence of the Executive Director and Management.

The number of Board and Board Committees meetings held in the financial year under review and the attendances of the Directors at these meetings are set out below:

Name of Director	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Teh Wing Kwan ⁽¹⁾	4	4	4	3	1	1	2	0
Tay Ching Yit, Wilson ⁽²⁾	4	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fong Heng Boo	4	4	4	4	1	1	2	2
Lim Jun Xiong Steven ⁽³⁾	4	1	4	1	1	0	2	0
Chan Yu Meng	4	4	4	4	1	1	2	2

Notes:

- (1) Mr Teh Wing Kwan was appointed as a member of the Audit Committee and the Remuneration Committee with effect from 27 February 2020 and 4 February 2021, respectively. The rationale for appointment of Mr Teh Wing Kwan as a member of the Audit Committee (when he served as the Executive Chairman and CEO) was disclosed in the announcement dated 27 February 2020. Mr Teh Wing Kwan was re-designated as Non-Executive and Non-Independent Chairman; and remained as a member of the Audit Committee after completion of the Reverse Takeover ("RTO").
- (2) Dr Tay Ching Yit, Wilson was appointed as Executive Director and Chief Executive Officer with effect from 4 February 2021.
- (3) Mr Lim Jun Xiong Steven was appointed as Independent and Non-Executive Director with effect from 4 February 2021.

The CEO also updates the Board at each Board meeting on business and strategic developments pertaining to the Group's business.

Directors with multiple board representations have ensured that sufficient time and attention were given to the affairs of the Company in order to fulfil their responsibilities and duties to the Company and its Shareholders.

Directors' Access to Information

Management recognises that the flow of complete, adequate and timely information on an ongoing basis to the Board is essential to the Board's effective and efficient discharge of its duties. All Directors are, from time to time, furnished with information concerning the Company to enable them to be provided with timely, complete and adequate information by the Management.

Provision 1.6

CORPORATE GOVERNANCE REPORT

Directors are also furnished with information on matters to be considered at Board and Board Committees meetings through the circulation of comprehensive Board papers to ensure that they are fully cognizant of the decisions and actions of the Company's Management. The Board papers include sufficient background and explanatory information on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at the Board meetings. Where appropriate, senior members of the Management or external consultants engaged on specific projects provide explanatory information in the form of briefings to the Directors or formal presentations at Board meetings.

In particular, the Group Financial Controller ("FC") also provides each member of the Board with appropriate financial accounts and other information detailing the Group's performance, financial position and prospects on a regular basis and provides the Board with meeting and presentation materials in advance of each meeting unless doing so would be deemed to compromise the confidentiality of highly sensitive information. In respect of budgets, any material variance between the projections and actual results is disclosed and explained. The FC and outside professionals may also be invited to attend the meetings to provide further insight on specific matters or respond to queries from the Directors.

Directors make all necessary enquiries and request from Management additional information as may be required to make informed decisions and effectively discharge their responsibility as Directors.

The Board has unrestricted access to the Company's records and information. The Directors have separate and independent access to the Company's senior Management. The Board is also entitled to request from Management and is, upon request, provided with such additional information needed to make informed decisions. Management provides such additional information to the Board in a timely manner. Provision 1.7

The Directors, in furtherance of their duties, are allowed to seek and obtain legal and other independent professional advice, if necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their roles and responsibilities as Directors.

The Directors also have separate and independent access to the Company Secretary, who is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and the removal of the Company Secretary is a matter for the Board to decide as a whole.

The Company Secretary (or his or her representative) administers, attends and prepares minutes of all the Board and Board Committees meetings and assists the Chairman of the Board and/or the AC, NC and RC in ensuring proper procedures at such meetings are followed and reviewed so that the Board and the Board Committees function effectively. The Company Secretary's responsibilities include advising the Board on all governance matters; attending all Board and Board Committee meetings and preparing the minutes of these meetings; ensuring adherence to Board procedures and compliance with relevant Singapore rules and regulations applicable to the Company; working with Management to ensure good information flows within the Board and the Board Committees and between senior management and Non-Executive Directors; and facilitating orientation and assisting with professional development as required.

CORPORATE GOVERNANCE REPORT

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Members of the Board of Directors

As at the date of this CG Report, the Board comprises one (1) Executive Director, one (1) Non-Independent and Non-Executive Chairman and three (3) Independent and Non-Executive Directors. Non-Executive Directors therefore make up the majority of the Board. Details of the Directors are set out below as required under Rule 1204(10B) of the Catalyst Rules:

Provision 2.3

Catalist
Rule 406(3)(c)Catalist
Rule 1204(10B)

Name of Director	Designation	Date of First Appointment	Date of Last Re-Election	AC	NC	RC
Teh Wing Kwan ⁽¹⁾	Non-Executive Chairman and Non-Independent Chairman	27 June 2018	25 April 2019	Member	Member	Member
	Executive Chairman and Chief Executive Officer	24 July 2018				
	Non-Executive and Non-Independent Chairman	4 February 2021				
Tay Ching Yit, Wilson ⁽²⁾	Executive Director and Chief Executive Officer	4 February 2021	N.A.	–	–	–
Fong Heng Boo	Lead Independent and Non-Executive Director	20 July 2018	29 June 2020	Chairman	Member	Member
Lim Jun Xiong Steven ⁽³⁾	Independent and Non-Executive Director	4 February 2021	N.A.	Member	Chairman	Member
Chan Yu Meng	Independent and Non-Executive Director	20 July 2018	25 April 2019	Member	Member	Chairman

Notes:

- (1) Mr Teh Wing Kwan was first appointed as Non-Executive and Non-Independent Chairman on 27 June 2018 and re-designated as the Executive Chairman and Chief Executive Officer on 24 July 2018 to lead implementation of new investment strategies. Following completion of the RTO, Mr Teh Wing Kwan was re-designated as Non-Executive and Non-Independent Chairman on 4 February 2021.
- (2) Dr Tay Ching Yit, Wilson was appointed as Executive Director and Chief Executive Officer of the Company with effect from 4 February 2021.
- (3) Mr Lim Jun Xiong Steven was appointed as Independent and Non-Executive Director of the Company with effect from 4 February 2021.

CORPORATE GOVERNANCE REPORT

It is a requirement of the Code that Independent Directors should make up the majority of the board where the Chairman of the board: (i) is not an Independent Director; (ii) is also the CEO of the Company (or equivalent); (iii) is an immediate family member to the CEO; (iv) and the CEO have close family ties with each other (i.e. a familial relationship between two parties which extends beyond immediate family members and could influence the impartiality of the Chairman) as determined by the NC; or (v) is part of the management team. Provision 2.2

Mr Teh Wing Kwan, as the Company's Non-Independent and Non-Executive Chairman, is not considered independent. Accordingly, Independent and Non-Executive Directors do in fact make up a majority of the Board, and provide a strong and independent element on the Board.

Independence of Directors

Independent and Non-Executive Directors provide independent judgment on the corporate affairs of the Group as well as diverse and objective perspectives to enable balanced and well-considered decisions to be made. In particular, the Independent and Non-Executive Directors constructively challenge and help develop proposals on the Group's strategies, review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance. The Board is of the view that no individual or small group of individuals dominates the Board's decision-making process. Provision 2.1
Catalist
Rule 406(3)(d)

The independence of each Director is reviewed annually by the NC in accordance with the practice guidance and the definitions of independence under the Code and the Catalist Rules.

Each Director is required to complete a Director's independence checklist on an annual basis to confirm his/her independence. The Director's independence checklist is drawn up based on the provisions provided in the Code and the Catalist Rules, and requires each Director to assess whether he/she considers himself/herself independent despite not being involved in any of the relationships identified in the Code and the Catalist Rules. The NC then reviews the Director's independence checklist to determine whether each Director is independent.

In its deliberation as to the independence of a Director, the NC took into account examples of relationships as set out in the Code, and is satisfied that the Independent and Non-Executive Directors are independent in character and judgement and that they do not have any relationships with the Company, its related companies, its substantial shareholders or its officers, nor are there any circumstances, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

In determining Directors' independence, the Board further considered Rule 406(3)(d)(i) and (ii) of the Catalist Rules. Pursuant thereto, the Board considered an Independent and Non-Executive Director as one who was not or has not been employed by the Company or any of its related corporations for the current financial year or any of the past three (3) financial years. An Independent and Non-Executive Director would also not have an immediate family member who has been employed by the Company or any of its related corporations in the current financial year or for any of the past three (3) financial years, and whose remuneration was determined by the RC of the Company. In this report, the term **"immediate family"** shall carry the same meaning as defined in the Catalist Rules.

CORPORATE GOVERNANCE REPORT

The Independent and Non-Executive Directors have declared their independence for FY2021, pursuant to their compliance with the guidelines under the Code and with Rule 406(3)(d)(i) and (ii) of the Catalist Rules.

In addition, none of the current Independent and Non-Executive Directors have served on the Board beyond nine (9) years from the respective date of their first appointment.

As a whole, the Board, with the recommendation and concurrence of the NC following from its annual review, has reviewed and determined that Mr Fong Heng Boo, Mr Lim Jun Xiong Steven and Mr Chan Yu Meng are independent.

The NC is responsible for examining the size and composition of the Board and Board Committees. In respect of the financial year under review, the Board comprised five (5) members. Having considered the scope and nature of the Group's business and the requirements of the business in the financial year under review, the NC believes that its Board size and the existing composition of the Board Committees are appropriate in the financial year under review.

Provision 2.4

Board Diversity Policy

The Board endorses the principles of board diversity as set out in the Code and the practice guidelines thereto although the Board does not have a written board diversity policy, which constitutes a variation from Provision 2.4 of the Code. The Board's policy in identifying director nominees is primarily to have an appropriate balance and mix of Directors with complementary skills, knowledge, experience and core competencies for the Group. The Board also has regard to other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate.

In respect of the financial year under review wherein the Board comprised of five (5) members, the Board considered its composition appropriate, taking into account the nature and scope of the Group's operations and requirements of the business at the time. The Board also considered the size ideal for effective debate and decision-making. The Directors bring with them a wide spectrum of industry knowledge and skills, experience in accounting, finance, legal and business strategies, management expertise, customer-based experience, knowledge of the Group and objective perspective to effectively lead and direct the Group. Profiles of the Directors are set out in this Annual Report.

Taking into account the nature and scope of the Group's operations and requirements of the business, the Board is of the view that in the financial year under review, there is sufficient diversity in skills, experience and knowledge of the Company in its current Board composition to maximise effectiveness.

The Board further recognises the importance and value of gender diversity and will take into consideration the skill sets and experience including gender diversity for any future Board appointments. Having said that, gender is but one aspect of diversity and new directors will continue to be selected based on objective criteria set as part of the process for appointment of new directors and Board succession planning.

CORPORATE GOVERNANCE REPORT

In order to maintain or enhance its balance and diversity, the Board will take the following steps:

- annual review (or such earlier review as may be appropriate should the Group's operations and requirements of the business experience material expansion, whether through mergers and acquisition and/or organic growth) by the NC to assess if the existing attributes and core competencies of the Board are complementary and will enhance the efficacy of the Board; and
- annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understanding the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

In the financial year under review, the Non-Executive Directors met regularly without the presence of Management and the Executive Director, to review any matters that they wish to raise privately, constructively challenge and help develop proposals on company strategy, review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. The chairman of such meetings provides feedback to the Board as appropriate. Provision 2.5

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Group's Chairman and CEO are separate persons. Mr Teh Wing Kwan is the Non-Independent and Non-Executive Chairman while Dr Tay Ching Yit, Wilson is the Executive Director and CEO of the Company. Provision 3.1

The separation of the roles of Chairman and CEO is to ensure that the working of the Board and executive responsibility of the Group's business are kept distinct, increasing the accountability and capacity of the Board for independent decision making. Catalist
Rule 1204(10A)

Responsibilities of the Chairman

The Chairman is responsible for the effective conduct of Board meetings. The Chairman's responsibilities in respect of Board proceedings include, *inter alia*: Provision 3.2

- leading the Board to ensure its effectiveness on all aspects of its role;
- setting the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promoting a culture of openness and debate at the Board;
- ensuring that the Directors receive complete, adequate and timely information;

CORPORATE GOVERNANCE REPORT

- (e) ensuring effective communication with Shareholders;
- (f) encouraging constructive relations within the Board and between the Board and Management;
- (g) facilitating the effective contribution of Non-Executive Directors in particular; and
- (h) promoting high standards of corporate governance.

The Chairman ensures effective communication within the Board and between the Board and Shareholders. The Chairman's responsibilities include setting the Board agenda and conducting effective Board meetings.

Responsibilities of the CEO

As the CEO of the Company, Dr Tay Ching Yit, Wilson is to, *inter alia*:

- (a) develop, with the Board, a consensus for the Company's vision and mission;
- (b) develop and implement the strategic plan set by the Board;
- (c) provide strong leadership and effective day-to-day management of the Company to deliver the plan;
- (d) drive a culture of compliance and ethical behaviour;
- (e) ensure appropriate talent management and remuneration frameworks are established; and
- (f) ensure that the Board is informed about key company activities and issues.

Dr Tay Ching Yit, Wilson reports to the Board and ensures that policies and strategies adopted by the Board are implemented.

Lead Independent and Non-Executive Director

The Board has appointed Mr Fong Heng Boo as the Lead Independent and Non-Executive Director to provide leadership where the Chairman is conflicted. Provision 3.3

Mr Fong Heng Boo facilitates communication within the Board and between the Board and Shareholders where necessary. Further, Mr Fong Heng Boo's responsibilities include chairing Board meetings in the absence of Mr Teh Wing Kwan, working with Mr Teh Wing Kwan in leading the Board, and providing a channel to Non-Executive Directors for confidential discussions on any concerns and to resolve any conflicts of interests as and when necessary.

Mr Fong Heng Boo is available to Shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

CORPORATE GOVERNANCE REPORT

Principle 4: Board Membership

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

NC's Key Terms of Reference

The NC is guided by a set of written terms of reference, and its principal functions as set out in its' key terms of reference are as follows: Provision 4.1

- (a) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;
- (b) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;
- (c) the review of training and professional development programs for the Board and its Directors; and
- (d) the appointment and re-appointment of Directors (including alternate Directors, where applicable), having regard to the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance.

No alternate directors have been appointed to the Board.

Composition of NC

The NC comprises four (4) Directors, of which three (3) are Independent and Non-Executive Directors: Provision 4.2

- Lim Jun Xiong Steven (Chairman)
- Chan Yu Meng (Member)
- Fong Heng Boo (Member)
- Teh Wing Kwan (Member)

Mr Lim Jun Xiong Steven, an Independent and Non-Executive Director of the Company, is the Chairman of the NC. Mr Fong Heng Boo, the Lead Independent and Non-Executive Director of the Company, is a member of the NC.

Three (3) of the four (4) Directors of the NC are independent and Non-Executive Directors. The NC therefore consists a majority of independent and Non-Executive Directors.

The NC meets at least once a year. Additional meetings are scheduled if considered necessary by the Chairman of the NC.

CORPORATE GOVERNANCE REPORT

Selection, Appointment and Re-appointment Process

The NC's process for the selection, appointment and re-appointment of Directors takes into consideration the composition and progressive renewal of the Board as well as each Director's competencies, commitment, contribution and performance. Provision 4.3

The search and nomination process for new Directors, if any, will be through search companies, contacts and recommendations to cast its net as wide as possible for the right candidate. The NC determines the selection criteria in consultation with the Board and identifies candidates with the appropriate expertise and experience for the appointment as new Director. The NC will shortlist candidates for interview before nominating the most suitable candidate to the Board for approval. The NC will evaluate a candidate in accordance with a set of criteria approved by the Board before recommending him/her to the Board for re-election. As recommended by the NC, a new Director can be appointed by way of a Board resolution. Such Directors must present themselves for re-election at the next AGM of the Company as required under the Company's Constitution.

In identifying new appointees as Directors, the NC considers the range of skills and experience required of Directors in the light of:

- (a) the geographical spread and diversity of the Group's businesses;
- (b) the strategic directions and advancement of the Group;
- (c) the current composition of the Board; and
- (d) the need for a strong and independent element on the Board.

The Company is of the view that the collection of skills, experience and diversity of the current Board meets the current needs of the Company. Please refer to our disclosure in respect of Provision 2.4 above for further details.

Re-appointment of Directors

All Directors, including the CEO, must submit themselves for re-nomination and re-appointment at regular intervals of at least once in every three (3) years. Catalyst Rule 720(4)

In accordance with Regulation 108 of the Company's Constitution, newly appointed Directors would be required to submit themselves for re-nomination and re-election at the forthcoming annual general meeting ("**AGM**"). Regulation 104 of the Company's Constitution requires at least one-third of the Directors to retire by rotation at each AGM, provided that all Directors shall retire from office at least once every three (3) years.

Mr Lim Jun Xiong Steven and Dr Tay Ching Yit, Wilson were appointed as Directors of the Company on 4 February 2021. Mr Lim Jun Xiong Steven and Dr Tay Ching Yit, Wilson, in accordance with Regulation 108 of the Company's Constitution, are required to submit themselves for re-nomination and re-election at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

Mr Chan Yu Meng shall retire pursuant to Regulation 104 of the Company's Constitution at the forthcoming AGM.

Mr Lim Jun Xiong Steven, Dr Tay Ching Yit, Wilson and Mr Chan Yu Meng have given their consent to remain in office and will submit themselves for re-election at the forthcoming AGM.

Pursuant to Rule 720(5) of the Catalist Rules, additional information on the Directors seeking re-election has been set out in the section titled "Additional Information on Directors Seeking Election/Re-Election" in this Annual Report.

The NC reviews and affirms the independence of the Company's Independent Directors annually. Please refer to our disclosure in respect of Provision 2.1 above for further details. Provision 4.4

The NC ensures that new Directors are aware of their duties and obligations. Please refer to our disclosures in respect of Provision 1.2 above with regard to new Directors' induction into the Board, briefing on their duties and the receipt of mandatory training as prescribed by the SGX-ST. Provision 4.5

Multiple Directorships

The Board and the NC determine annually the number of directorships and principal commitments of each Director in assessing whether he is able to or has been adequately carrying out his duties. All Directors are required to declare their board representations and other principal commitments outside of the Group.

The NC takes into account the attendance and contributions of the Directors at Board and Board Committee meetings, the level of commitment required of the Director's other principal commitments, the degree of complexity of the other listed companies where the Director holds directorships, the expectations of the Director's obligations in the capacity as director in other organisations, the results of the assessment of the effectiveness of the Board as a whole and Board Committees, and the respective Directors' actual conduct and participation on the Board and its Board Committees, in making its determination.

In respect of the financial year under review, the NC was of the view that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his duties as a Director effectively. The NC noted that based on the Directors' attendance at the Board and Board Committee meetings during the financial year under review, all the Directors were able to participate in at least a substantial number of such meetings to carry out their duties. The NC is satisfied that all the Directors have been able to and have adequately carried out their duties notwithstanding their multiple board representations where applicable and other principal commitments.

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The NC and the Board are of the view that it is not meaningful to set a limit on the number of listed Company board representations a Director should have as the contribution of each Director would depend on their individual circumstances, including whether they have a full-time vocation or other responsibilities. Further, the Directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities. Instead, the NC will assess each potential or existing Director relative to his/her abilities and known commitments and responsibilities. Specific considerations are also given to their attendance, contactability and responsiveness, as well as contributions and individual capabilities.

As at the date of this CG Report, key information regarding the Directors' profiles, including directorships or chairmanships both present and those held over the preceding five (5) years in other listed companies, and other principal commitments, are set out below:

Name of Director	Date of appointment of Directorships or Chairmanships in the Company	Directorships or Chairmanships in other listed companies and other principle commitments	
		Present	Past 5 years
Teh Wing Kwan	Appointed as Non-Executive Chairman on 27 June 2018 Re-designated as CEO and Executive Chairman on 24 July 2018 Re-designated as Non-Executive and Non-Independent Chairman on 4 February 2021	China Vanadium Titato-Magnetite Mining Company Limited (HKEX) Koda Ltd. (SGX) (Advisor)	Alset International Limited (f.k.a. Singapore eDevelopment Limited) (SGX) Asian American Medical Group Limited (ASX) Sapphire Corporation Limited (SGX)
Dr. Tay Ching Yit, Wilson	4 February 2021	Livingstone Health Consolidated Pte. Ltd.	
Fong Heng Boo	20 July 2018	CapitaLand China Trust Management Ltd (f.k.a. CapitaLand Retail China Trust Management Ltd) Kwan Yong Holdings Limited (HKEX) Sheng Ye Capital Ltd (HKEX) TA Corporation Ltd (SGX)	Asian American Medical Group Limited (ASX) Colex holdings Limited (SGX) Pteris Global Limited (SGX) Sapphire Corporation Limited (SGX)

CORPORATE GOVERNANCE REPORT

Name of Director	Date of appointment of Directorships or Chairmanships in the Company	Directorships or Chairmanships in other listed companies and other principle commitments	
		Present	Past 5 years
Lim Jun Xiong Steven	4 February 2021	Bund Center Investment Ltd (SGX) Hong Fok Corporation Limited (SGX) Keong Hong Holdings Limited (SGX) Riverstone Holdings Limited (SGX) Sinarmas Land Limited (SGX)	Emerging Towns & Cities Singapore Ltd. (SGX) Mirach Energy Limited (SGX) Sapphire Corporation Limited (SGX)
Chan Yu Meng	20 July 2018	NIL	Alset International Limited (f.k.a. Singapore eDevelopment Limited) (SGX) PSL Holdings Limited (SGX)

The shareholdings in the Company of the Directors are set out in the Directors' Statement.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board recognises the merit of having some degree of formal assessment of the effectiveness of the Board as a whole and the Directors individually. The NC has considered the provisions contained in the Code and formulated a plan to evaluate the effectiveness of the Board as a whole, each Board Committee separately as well as the contribution by the Chairman and each individual Director using a set of objective performance criteria (the **"Evaluation Plan"**). Provision 5.1

The Evaluation Plan allows for comparison with industry peers and evaluates how the Board has enhanced long-term Shareholder value.

CORPORATE GOVERNANCE REPORT

Evaluation of Board Performance

In line with the principles of good corporate governance, the NC adopts, with the approval of the Board, the Evaluation Plan to evaluate the effectiveness of the Board as a whole, its Board Committees, and the contribution by the Chairman and each individual Director to the effectiveness of the Board. Each Director is required to individually complete a board evaluation form (the “**BEF**”) annually, to facilitate the NC in its assessment of the overall effectiveness of the Board and its Board Committees. Through the BEF, feedback is collated from the Board on various aspects of the Board’s performance. In particular, the BEF facilitates an assessment of whether each Director is willing to and able to constructively challenge and contribute effectively to the Board, and demonstrate commitment to his roles on the Board and/or Board Committee(s) (including commitment of time for meetings of the Board and Board Committees, and any other duties). The NC reviews the feedback collated from the BEF and recommends steps which need to be taken to strengthen the Board’s stewardship. Provision 5.2

The individual director evaluation exercise will be reviewed by the Chairman in consultation with the NC and assists them in determining whether to re-nominate Directors who are due for retirement at the forthcoming AGM, and in determining whether Directors with multiple board representations are able to and have adequately discharged their duties as Directors of the Company. The Board also receives regular reports from the Board Committees on their activities.

For the financial year under review, an evaluation of the effectiveness of the Board as a whole, its Board Committees, and the contribution by each individual Director to the effectiveness of the Board, was conducted. Following the evaluation, the Board is of the view that the Board and its Board Committees operate effectively, and each Director is contributing to the overall effectiveness of the Board.

No external facilitator was appointed for the evaluation of the Board and the Board Committees during the financial year under review.

Each member of the NC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the NC in respect of the assessment of his performance or re-nomination as a Director.

CORPORATE GOVERNANCE REPORT

(B) REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

RC's Key Terms of Reference

The RC is guided by a set of written terms of reference, and its principal responsibilities as set out in its' key terms of reference include the following: Provision 6.1

- reviews and recommends to the Board a general framework of remuneration which covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for each Director as well as for the key management personnel. The RC's recommendations are submitted for endorsement by the entire Board;
- reviews and recommends to the Board specific remuneration packages for each Director as well as for the key management personnel;
- reviews and recommends to the Board the terms of service agreements of the Directors; and
- administers the Company's employee performance shares scheme and employee share option scheme.

The aim of the RC is to motivate and retain Directors and key management personnel without being excessive, and ensure that the Company is able to attract and retain the best talent in the market to drive the Group's businesses forward in order to maximise long-term shareholder value. Provision 6.3

The RC considers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, benefits-in-kind and specific remuneration packages for each Director as well as for the key management personnel, to ensure they are fair.

The members of the RC shall ensure that each Director is not involved in deciding his own remuneration.

The RC reviews the Company's obligation arising in the event of termination of key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

CORPORATE GOVERNANCE REPORT

Composition of RC

The RC comprises four (4) Directors, all of which are Non-Executive Directors:

Provision 6.2

- Chan Yu Meng (Chairman)
- Fong Heng Boo (Member)
- Lim Jun Xiong Steven (Member)
- Teh Wing Kwan (Member)

Mr Chan Yu Meng, an Independent and Non-Executive Director of the Company, is the Chairman of the RC. Three (3) of the four (4) Directors of the RC are Independent and Non-Executive Directors. The RC therefore consists a majority of Independent and Non-Executive Directors.

Remuneration consultants

While none of the members of the RC specialise in the field of executive compensation, the members of the RC do possess broad knowledge in this area and have access to external professional advice. The RC is competent in reviewing and recommending to the Board the appropriate remuneration framework for Directors and key management personnel in accordance with the terms of reference duly adopted by the Board. No external remuneration consultants were appointed for the financial year under review. As and when deemed appropriate by the RC, independent expert advice on the remuneration of Directors will be sought at the Company's expense. The RC shall ensure that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

Provision 6.4

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Remuneration Policy

The Company views the primary value creation objective as improving the revenue and profits of the Group, thereby increasing the return to shareholders. A secondary value creation objective would be creating sustainable value creation for other stakeholders, including employees, customers and suppliers.

Provision 7.1

CORPORATE GOVERNANCE REPORT

The RC meets at least once a year. Additional meetings are scheduled if considered necessary by the chairman of the RC. The Group's remuneration policy is to provide compensation packages at market rates to reward successful performance and attract, retain and motivate Executive Directors and key management personnel and the RC will review annually all aspects of remuneration in respect of the Executive Director and key management personnel, including salaries, allowances, bonuses and benefits in kind, to ensure that the remuneration packages are market competitive and commensurate with the performance of each Executive Director and key management personnel of the Company, giving due regard to the financial and commercial health and business needs of the Group.

The RC also ensures that the remuneration packages are appropriate in attracting, retaining and motivating the Executive Director and key management personnel to provide good stewardship of the Company and to successfully manage the Company for the long term.

In recommending the remuneration of the Executive Director and key management personnel, the RC is largely guided by the financial performance of the Company, the Group and the key operating subsidiaries, as applicable. Currently, the remuneration packages for the Executive Director and key management personnel comprises basic salary and a variable component which comes in the form of discretionary bonus. Please also refer to the disclosure in respect of Provision 8.3 below.

In respect of long-term incentives, the Company previously implemented an Employee Share Option Scheme and Performance Shares Scheme. However, following completion of the RTO of Livingstone Health Ltd on 5 February 2021, the Board, in consultation with the RC, is in the midst of evaluating the implementation of new long-term share option and performance share incentive schemes to form the foundation and driver in aligning the long-term interest of various stakeholders (including employees, management and ultimately, the shareholders of the Company) and influencing significant growth potential improvement for generating and sustaining future value creation.

For the financial year under review, the performance conditions for the short-term incentives were generally met.

The remuneration of Non-Executive Directors, other than voluntary acceptance of nominal director's fee by a non-executive director (as disclosed under the Provision 8.1), is appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Non-Executive Directors. The Independent and Non-Executive Directors are paid yearly Directors' fees which are determined by the Chairman on the recommendation of the RC, based on the effort and time spent, and their responsibilities. The RC will ensure that the Non-Executive Directors are not over-compensated to the extent that their independence may be compromised. These fees are subject to Shareholders' approval at each annual general meeting of the Company.

Provision 7.2

CORPORATE GOVERNANCE REPORT

The RC exercises broad discretion and independent judgement in ensuring that the amount and mix of Directors' remuneration are aligned with the interests of Shareholders, promote the long-term success of the Company and recognises the performance, potential and responsibilities of each individual Director. The mix of fixed and variable reward is considered appropriate for the Group and for each individual Director. The performance-related remuneration structure is directly linked to corporate and individual performance. The RC also recognises the need for a reasonable alignment between risk and performance-related remuneration to discourage excessive risk taking. As such, in determining the performance-related remuneration structure, the RC took into account the risk policies and risk tolerance of the Group, and whether such remuneration was symmetric with risk outcomes and sensitive to the time horizon of risks.

Provision 7.3

The Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of the Executive Director's remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company, as the Executive Director owe fiduciary duties to the Company and the Company should be able to avail itself of remedies against the Executive Director in the event of such breach of fiduciary duties.

The Company is of the view that the variable component of the remuneration packages of the key management personnel is moderate and not at risk of jeopardising good stewardship. At present, there is no necessity for the Company to institute contractual provisions in the service agreements to reclaim incentive components of remuneration paid in prior years from the key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company views the primary value creation objective as improving the revenue and profits of the Group, thereby increasing the return to shareholders. A secondary value creation objective would be creating sustainable value creation for other stakeholders, including employees, customers and suppliers.

Provision 8.1

CORPORATE GOVERNANCE REPORT

The Group has adopted qualitative performance conditions such as leadership, people development, commitment, teamwork, and current and industry practices as well as quantitative performance conditions such as profit before tax, relative financial performance of the Group to its industry peers, and order book and sales growth to assess an individual's performance. Such performance conditions are designed to align the Executive Director's and key management personnel's interests with those of Shareholders and to motivate them to strive for the Group's long-term prosperity.

Please also refer to the disclosures in respect of Provisions 7.1 and 7.3 above which describes the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

By selecting performance targets based on a balance of drivers and outcomes as described above and as disclosed in respect of Principle 7 above, the Board can ensure that key management personnel are not only paid for value already created but also to incentivise performance in generating and sustaining future value creation.

Please refer to our disclosures in respect of Principle 7 above for more details on the Company's policy and criteria for setting remuneration for Directors and key management personnel.

The Company sees human capital as a key factor in giving it a competitive advantage. Therefore, disclosure of details in excess of the below details may be detrimental to its business interests having regard to the highly competitive human resource environment. The Company strongly believes that it is of strategic importance now to assemble and build a strong and stable management team, which may include (i) reorganisation of certain job functions for improving work efficiencies and (ii) potentially recruiting new corporate positions. As such, remuneration matters are commercially sensitive.

Mr Teh Wing Kwan, the Non-Independent and Non-Executive Chairman of the Company, has voluntarily accepted a nominal Director's fee of S\$1 for the financial period ending 31 March 2022 as Mr Teh Wing Kwan, who is also a substantial Shareholder, is of the view that whilst the operations are expanding, the Company had just completed a major corporate turnaround plan via the RTO.

CORPORATE GOVERNANCE REPORT

Meanwhile, the RC had reviewed the remuneration of the Directors (other than the nominal Director's Fee for the Non-Independent and Non-Executive Chairman of the Company as disclosed in the above) and the key management personnel, having regard to their contributions as well as the financial needs of the Company. The RC is of the view that the remuneration policy and amount payables to the Directors and salaries for other key management personnel are adequate and are reflective of the present market conditions, the present operating environment and business activities of the Company.

The RC has recommended to the Board an amount of S\$110,000 as Directors' fees for the financial year ending 31 March 2022. This recommendation will be tabled for shareholders' approval at the forthcoming AGM.

Level and Mix of Remuneration

Details of remuneration and fees paid by the Group to the Directors and key management personnel in the financial year under review are set out below:

Name of Directors	Salary (%)	Bonus (%)	Fee (%)	Allowances and other benefits in kind (%)	Total (%)
Executive Director					
S\$500,001 to S\$750,000					
Tay Ching Yit, Wilson ⁽¹⁾	92	8	–	–	100
Non-Executive Directors					
Below S\$250,000					
Teh Wing Kwan ⁽²⁾	–	–	100	–	100
Fong Heng Boo	–	–	100	–	100
Lim Jun Xiong Steven ⁽³⁾	–	–	100	–	100
Chan Yu Meng	–	–	100	–	100
Executive Officer/Key Management Personnel					
S\$500,001 to S\$750,000					
Sebastian Chua	89	11	–	–	100
Edwin Tan	78	8	–	14	100
S\$250,001 to S\$500,000					
Dax Ng	89	11	–	–	100
Below S\$250,000					
Rachel Lim	92	8	–	–	100
Cindy Lau	88	10	–	2	100
Leow Chin Yew	89	10	–	1	100

CORPORATE GOVERNANCE REPORT

Notes:

- (1) Dr Tay Ching Yit, Wilson was appointed as Executive Director and Chief Executive Officer of the Company with effect from 4 February 2021.
- (2) Mr Teh Wing Kwan was re-designated as Non-Executive and Non-Independent Chairman on 4 February 2021 following completion of the RTO.
- (3) Mr Lim Jun Xiong Steven was appointed as Independent and Non-Executive Director of the Company with effect from 4 February 2021.

For the financial year under review, the Company wishes to disclose the remuneration of the Directors and key management personnel in bands of S\$250,000 and not to disclose the aggregate remuneration paid to key management personnel, which constitutes a variation from Provision 8.1(a) and 8.1(b) of the Code. The Company is of the view that the intent of Principle 8 was met, as the remuneration policies and the procedure for setting remuneration applicable to the Directors and key management personnel are described in our disclosures in respect of Principle 7 above, the level and mix of remuneration is disclosed in the table above and disclosures in the financial statements of the Company provides sufficient overview of the remuneration of the Group. The RC and the Board is also of the opinion that the remuneration packages of the Executive Director and the key management personnel are of a confidential and sensitive nature, the disclosure of which would place the Group in a competitively disadvantageous position, and hence have chosen to make disclosures in relation thereto in bands of S\$250,000.

There are no employees who are immediate family members of the Directors, the CEO or substantial shareholders of the Company receiving more than S\$100,000 in remuneration in the financial year under review. Provision 8.2

Forms of remuneration and other payments and benefits

Please refer to our disclosure in respect of Provision 8.1 above. Persons from our Group (whether Director or key management personnel) who are appointed as Directors to the Company's subsidiaries comprise Mr Teh Wing Kwan and Dr Tay Ching Yit, Wilson, who apart from receiving their remuneration from the Company, does not receive any further remuneration from any other companies within the Group. Provision 8.3
Catalist
Rule 851

No employees or Directors of the Company are entitled to any termination, retirement or post-employment benefits. Catalist
Rule 1204(16)

As disclosed in respect of Provision 7.1 above, the remuneration components of the Executive Director and key management personnel comprise a basic salary and a variable component which comes in the form of an discretionary bonus.

The annual fixed cash component comprises the annual basic salary plus fixed allowances which the Company benchmarks against the relevant industry market data, where available. The discretionary bonus is tied to the performance of the Company, business unit and individual employee. Performance conditions to which entitlement to such annual and short-term incentives are subject to include benchmarking performance against industry business operation expectations and performance that exceeds such expectations, as well as measuring performance based on the Company's financial performance vis-à-vis industry performance.

CORPORATE GOVERNANCE REPORT

For the financial year under review, the remuneration package of the Company's only Executive Director, who is also the CEO, is based on terms stipulated in his service contract. The CEO's service contract with the Company is for a fixed period. The Executive Director does not receive any Directors' fee.

As disclosed in respect of Provision 7.1 above, the Company previously implemented an Employee Share Option Scheme and Performance Shares Scheme. There are no outstanding share options and since the implementation of these schemes, no award of performance shares has been granted to Directors or employees. The Board, in consultation with the RC, is in the midst of evaluating the implementation of new long-term share option and performance share incentive schemes at the appropriate time.

(C) ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Internal Control Systems

The Board recognises that it is responsible for ensuring that the Management maintains a sound system of internal controls to safeguard Shareholders' investments and the Group's business and assets. The Board determines the Company's level of risk tolerance and risk policies, and oversees Management in the design, implementation and monitoring of a sound risk management and internal control systems.

Provision 9.1

The Board acknowledges that it is responsible for the overall internal control framework, and carries out a review on the adequacy and effectiveness of the Company's risk management and internal control systems (including financial, operational, compliance and information technology controls) at least annually, but recognises that no internal control system can ever preclude all errors and irregularities. An internal control system is designed to manage rather than eliminate the risk of not achieving business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. No such system can provide absolute assurance against the occurrence of material errors and other situations not currently within the contemplation or beyond the control of the Board. The Board believes that in the absence of any evidence to the contrary, and from due enquiry, the system of internal controls and risk management system that has been maintained by the Management is adequate to meet the needs of the Group in its current business environment.

The Company's external auditors ("EA") are Mazars LLP. As part of the annual statutory audit, the EA will review and highlight any material weaknesses in internal controls over the areas which are significant to the audit. Any material non-compliances or failures in internal controls and recommendations for improvements are reported to the AC in the form of a letter addressed to the AC. The AC also reviews the effectiveness of the actions taken on the recommendations made by the EA in this respect, if any.

CORPORATE GOVERNANCE REPORT

The Company has established and maintains on an ongoing basis, an internal audit function that is adequately resourced and independent of the activities it audits, as required under Rule 719(3) of the Catalyst Rules. The Board has engaged Nexia TS Risk Advisory Pte Ltd (“**Nexia**”), the outsourced internal auditor (“**IA**”) for the Group, during the financial year under review, to conduct an internal audit on selected key risk areas of the Group and to make recommendations to enhance the internal control systems. Please refer to our disclosure in respect of Provision 10.4 below for further details.

Catalist
Rule 719(3)

The Board relies on internal audit reports and the management letter prepared by the external auditors to report on any material non-compliance or internal control weaknesses. In line with the requirements under Rule 1204(10) of the Catalyst Rules, for the financial year under review, based on the risk management systems and internal controls established and maintained by the Group, work performed by the internal and external auditors, review of the internal audit plan and the internal auditors’ evaluation of the system of internal controls and reviews performed by Management, various Board Committees and the Board, the Board, with the concurrence of the AC, is of the opinion that the Group’s internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 31 March 2021 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business scope and environment.

Catalist
Rule 1204(10)

Based on the performance of the Group and considering the industries in which the Group operates during the financial year under review, the Group has adopted a much prudent approach in managing its healthcare business under the existing market conditions, but remains cautiously optimistic in pursuing acquisitional growth strategy towards enhancing Shareholder value over a longer term. Please also refer to the “Joint Statement by Chairman & CEO” portion of this Annual Report for further details.

Risk Management

The Company is aware that the healthcare business carries risk whether internally and/or externally in the form of environmental, operational, financial and/or Management decision making risk. The Company has put in place a risk management and internal control system in areas such as financial, operational, compliance and information technology. Other risks would include legal risk and strategic risk (the risk of a loss arising from a poor strategic business decision). The Group has identified certain key operational risks in relation to its existing healthcare business (as disclosed below).

CORPORATE GOVERNANCE REPORT

No separate risk committee has been established. The Management maintains the risk management and internal control systems and the Board monitors the Group's risks through the AC and internal auditors. In designing these controls, the Company has considered the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them. Risk management and internal controls are detailed in formal instructions, standard operating procedures and financial authority limits policies. The principal aim of the risk management and internal control systems is the management of business risks with a view to safeguarding shareholders' investments and the Group's assets. The Management will continue to evaluate at regular intervals, on other relevant key business risks as may be applicable to the Company's new businesses from time to time that internal audit reports shall focus on, including operational effectiveness of the material controls in managing these risks in the future upon implementation of the new business strategies. The Company also reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board.

During the RTO, the Company has engaged Nexia TS to setup the formal risk management framework for the Company. Under such a framework, periodic enterprise risk assessments will be performed by the Management and Nexia TS will carry out periodic internal controls review based on the internal audit plan approved by the AC. The enterprise risk management framework aims to present the risk assessment of the Group by key managers of the Group based on an evaluation of the likelihood and magnitude of the eventuation of certain risks the Group faces. The risks will subsequently be ranked in accordance of priority and category, and the recommendations of the internal auditor and responses of and steps taken to address such risks by the Management will be presented to the AC annually for consideration.

Key Operational Risks

The Board is aware of the operational risks which may adversely affect the Group's existing business of specialist healthcare including the fields of aesthetics and wellness, anaesthesiology and pain management, family medicine, internal medicine and orthopaedic surgery, and believes that it is important to highlight the key risk factors pertaining thereto for the Shareholders' information in the event that any of these risk factors and uncertainties materialise into actual events *(Please note that most, if not all, of the following events have occurred during the year under review and it should also be noted that the following are a non-exhaustive list of key operational risks, which may affect or have affected the Group's operation).*

General economic condition – The Group's healthcare business may be affected by global economic conditions and is particularly sensitive to global economic growth which will have a direct impact on demand for healthcare services. Slowing down in such economic activities may result in weaker demand for healthcare products and affect the revenues of the existing healthcare business.

Additional working capital – The Group's operations depend heavily on its ability to source for working capital facilities at commercially acceptable terms. Failure in securing such facilities as needed, will adversely affect the Group's healthcare business.

CORPORATE GOVERNANCE REPORT

The Group's operations face risks from pandemics. Whilst the Group expects the Singapore healthcare sector to remain robust due to trends such as an ageing population, rising affluence and increasing awareness of health issues, the COVID-19 pandemic has affected healthcare practices worldwide, including Singapore. The Group has implemented precautionary measures at all its centres in accordance with guidelines provided by the Ministry of Health and continues to remain vigilant to curb infections. Notwithstanding the challenges of the COVID-19 pandemic, the financial performance for the Group is expected to improve in view of the above growth initiatives and the absence of the financial effects of the RTO and RTO-related professional costs, barring unforeseen circumstances.

Please also refer to Risk Factors as set forth in the Company's Circular to Shareholders dated 31 December 2020 for additional details.

The Board has received positive assurance from:

Provision 9.2

- (a) the CEO and FC that for the financial year under review, the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- (b) the CEO and other key management personnel who are responsible, based on the work performed by the internal and external auditors, that the Group's risk management and internal control systems, addressing financial, operational, compliance and information technology risks, were adequate and effective as at 31 March 2021.

Principle 10: Audit Committee

The Board has an Audit Committee ("AC") which discharges its duties objectively.

AC's Key Terms of Reference

The AC is guided by a set of written terms of reference, and its functions as set out in certain key terms of reference include: Provision 10.1

- (a) reviews the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (b) reviews and reports to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance, information technology controls and risk management system (such review can be carried out internally or with the assistance of any competent third parties);
- (c) reviews the assurance from the CEO and FC on the financial records and financial statements;
- (d) reviews the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;

CORPORATE GOVERNANCE REPORT

- (e) reviews the audit plans of the internal auditors and external auditors of the Group and the Company;
- (f) reviews the financial statements and the auditors' report on the annual financial statements of the Company before submission to the Board of Directors;
- (g) reviews the adequacy, effectiveness, independence, scope and results of the external audit;
- (h) makes recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (i) reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- (j) reviews transactions falling within the scope of Chapter 9 of the Catalist Rules; and where necessary, reviews and seeks approval for interested person transactions; and
- (k) reviews the non-audit services provided by the external auditors and whether the provision of such services affects their independence.

The AC has authority to investigate any matter within its terms of reference, full access to the Management and also full discretion to invite any Director or executive officer to attend its meetings, as well as reasonable resources to enable it to discharge its function properly. The AC is authorised to obtain independent professional advice if they deemed necessary to properly discharge their responsibilities. Such expenses are borne by the Company.

In respect of the financial year under review, the AC had held four (4) meetings to review and undertake the scope of work as set out above. The AC has also received regular updates from the EA on changes and amendments to accounting standards so as to keep abreast of these changes and their corresponding impact on the financial statements, if any.

The AC is kept informed by the Management and the EA of changes to the financial reporting standards, the Catalist Rules and other codes and regulations which could have an impact on the Group's business and financial statements, in addition to trainings and seminars conducted by professionals and external parties.

Whistle-Blowing Policy

To achieve a high standard of corporate governance for the operations of the Group, the Group has implemented a whistle-blowing policy. This policy will provide arrangements by which staff can raise concerns on financial improprieties and other reporting matters.

CORPORATE GOVERNANCE REPORT

The whistle-blowing policy enables staff of the Group and any other persons, in confidence, to raise concerns about possible improprieties in matters of financial reporting and questionable accounting practices or other matters such as criminal offences, unlawful acts, fraud, corruption, bribery and blackmail, failure to comply with legal or regulatory obligations, unsafe work practices or substantial wasting of Company resources, and concealment of any of the foregoing. The whistle-blowing policy is intended to conform to the guidance set out in the Code and aims to: (i) support the Group's values and help detect and address unacceptable conduct; (ii) provide an avenue for Directors, employees and contractors of the Group and their staff to raise concerns without fear of suffering retribution and offer reassurance that staff of the Group and any other persons making such reports will be treated fairly and protected from reprisals for whistle-blowing in good faith within the limits of the law; and (iii) provide a transparent and confidential process for dealing with concerns.

The AC exercises the overseeing functions over the administration of the whistle-blowing policy. All reports including unsigned reports, reports weak in details and verbal reports will be considered. Such reports will be directed to the CEO or the Chairman of the AC and the AC will be informed immediately of any whistle-blowing reports received. To ensure independent investigation into such matters and for appropriate follow-up action, all whistle-blowing reports are reviewed by the AC. In the event that the whistle-blowing report is about a Director, that Director shall not be involved in the review and any decisions with respect to that whistle-blowing report. Periodic reports will be submitted by the AC to the Board stating the number and the complaints received, the results of the investigations, the follow-up actions taken, and the unresolved complaints (if any).

The AC has reviewed and has ensured that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken. Details of the whistle-blowing policy have also been made available to the Directors, employees and contractors of the Group and their staff.

There were no whistle-blowing reports received by the AC in the financial year under review.

Key Audit Matters

The AC reviewed the key audit matters ("**KAM**") highlighted by the EA for the financial period ended 31 March 2021 on (i) reverse acquisition accounting and (ii) impairment assessment of goodwill. The AC discussed with the Management and considered the approach and methodology adopted by the Group in respect of these highlighted key audit matters be appropriate for its nature of business practices. The AC concluded that it is satisfied with the work and conclusion of the EA in respect of this matter. Further details on the Company's KAM are set out in the "Independent Auditor's Report" portion of this Annual Report.

CORPORATE GOVERNANCE REPORT

Composition of AC

The AC comprises four (4) Directors, all of which are Non-Executive Directors:

Provision 10.2

- Fong Heng Boo (Chairman)
- Chan Yu Meng (Member)
- Lim Jun Xiong Steven (Member)
- Teh Wing Kwan (Member)

Mr Fong Heng Boo, the Lead Independent and Non-Executive Director of the Company, is the Chairman of the AC. Three (3) of the four (4) Directors of the AC are Independent and Non-Executive Directors. The AC therefore consists a majority of Independent and Non-Executive Directors.

The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the AC's responsibilities. In particular, the Board is of the view that Mr Fong Heng Boo, Mr Chan Yu Meng, Mr Lim Jun Xiong Steven and Mr Teh Wing Kwan have recent and relevant accounting and/or related financial management expertise or experience, as the Board interprets such qualification in its business judgment. Please also refer to our disclosure in respect of Provision 2.4 above.

None of the AC members are former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

Provision 10.3

Internal Audit

As disclosed under Provision 9.1 of this CG Report, the Group's outsourced IA, Nexia, performs its internal audit function.

Provision 10.4

The recommended scope of internal audit is to:

- assess if adequate systems of internal control are in place to protect the funds and assets of the Group and ensure control procedures are complied with;
- assess if operations of the business processes under review are conducted efficiently and effectively; and
- identify and recommend improvement to internal control procedures, where required.

The scope of work will be agreed with the AC on an annual basis and the IA will report directly to the Chairman of the AC and submit a report on their findings to the AC for review and approval yearly. The IA have access to all the Company's documents, records, properties and personnel, including access to the AC. The AC approves the hiring, removal, evaluation and compensation of the IA. In considering the hiring, removal, evaluation and compensation of the internal auditors, the AC has considered and is satisfied with the adequacy of the qualifications and experience of the internal auditors.

Nexia TS is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

CORPORATE GOVERNANCE REPORT

Nexia TS is a company of Nexia TS Public Accounting Corporation, which is recognised as an established mid-tier accounting firm for more than 25 years. Nexia TS possesses vast experience in providing internal audits, risk management services and advisory services in the region. The engagement team assigned comprises of 3 staff members led by Ms Pamela Chen who has more than 14 years performing audits for listed companies.

The AC reviews, at least annually, the adequacy and effectiveness and assesses the independence of the internal audit function including the qualifications and experience of the internal audit staff assigned to perform the review. In line with the requirements under Rule 1204(10C) of the Catalist Rules, following the review of the internal audit plan and the IA's resources to conduct the internal audit plan, the IA's objectivity in the assessment of issues and taking into account that the IA have access to all the Company's documents, records, properties and personnel, including access to the AC and having the co-operation of Management, the AC is satisfied with the independence of the IA, and is of the view that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group.

Catalist
Rule 1204(10C)

The AC meets annually with the Group's external and internal auditors, in each case without the presence of Management, in order to have free and unfiltered access to information that it may require, to discuss the results of its examinations and the evaluation of the Group's system of risk management and internal controls, and to discuss any problems and concerns which they may have.

Provision 10.5

External Auditors

Before confirming an external auditors' re-appointment, the AC will conduct an annual review of the independence of the Company's external auditors and the total fees for non-audit services compared with audit services, and satisfy itself that the nature and volume of any non-audit services will not prejudice the independence and objectivity of the auditors. During the financial year under review, the remuneration paid/payable to the Company's EA, Mazars LLP, is set out below:

Catalist
Rule 1204(6)

Fees Paid/Payable to External Auditors		
Service Category	S\$,000	% of total
Audit Fees	130	96
Non-Audit Fees	6	4
Total	136	100

The AC had conducted a view of all non-audit services provided by the EA and is of the opinion that all non-audit services provided by the EA would not affect the independence or objectivity of the EA.

In respect of the financial year under review, the EA have confirmed that they are in compliance with the independence requirements set out in the Code of Professional Conduct and Ethics under the Accountants (Public Accountants) Rules of the Singapore Accountants Act and have affirmed their independence in this respect.

The AC had recommended the reappointment of Mazars LLP as external auditors of the Company at the forthcoming AGM. The audit partner in charge of auditing the Company has not been in charge of more than five (5) consecutive audits in respect of the Company.

CORPORATE GOVERNANCE REPORT

In proposing to shareholders the re-appointment of Mazars LLP as the external auditors to the Company and in line with the requirements under Rule 712 of the Catalyst Rules and after taking into consideration the Audit Quality Indicators (AQI) Disclosure Framework published by the Accounting and Corporate Regulatory Authority (“ACRA”) in respect of Mazars LLP, the Board and the AC considered and are satisfied with the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm’s other audit engagements, the size and complexity of our Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. Mazars LLP has confirmed that it is registered with ACRA. The Company is also in compliance with Rule 715 of the Catalyst Rules in relation to the appointment of Mazars LLP as the auditors of the Company and its subsidiaries.

Catalist
Rule 712

Catalist
Rule 715

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders’ rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Conduct of Shareholder meetings

The Group recognises the importance of maintaining transparency and accountability to its Shareholders. The Board ensures that all of the Company’s Shareholders are treated equitably and the rights of all investors, including non-controlling Shareholders are protected.

Provision 11.1

The Group is committed to provide Shareholders with adequate, timely and sufficient information pertaining to changes in the Group’s business which could have a material impact on the Company’s share price.

Shareholders are informed of Shareholders’ meetings through notices contained in annual reports or circulars sent to all Shareholders. These notices are also published in the newspaper and posted onto the SGXNet.

The Board reviews and approves the results as well as any announcements before its release. In presenting the periodic financial results announcements to Shareholders, including other price sensitive public reports and reports to regulators, if required, it is the aim of the Board to provide the Shareholders with a balanced assessment of the Group’s performance, financial position and business prospects. The Board is committed to providing Shareholders and stakeholders with timely and accurate financial statements, and is accountable to them while the Management is accountable to the Board.

The Group strongly encourages Shareholder participation during the AGM, where the relevant rules and procedures governing the meetings, including voting procedures, will be clearly communicated. Shareholders are able to proactively engage the Board and the Management on the Group’s business activities, financial performance and other business-related matters.

CORPORATE GOVERNANCE REPORT

Due to the current COVID-19 advisories issued by the relevant authorities in Singapore and the related safe distancing measures in Singapore, the forthcoming AGM of the Company will be held by way of electronic means and Shareholders will not be able to attend the AGM in person. To enable Shareholders to participate in and vote effectively at the forthcoming AGM to be held by way of electronic means, the Company will be announcing detailed information on the arrangements relating to attendance at the AGM, submission of questions in advance of the AGM, addressing of substantial and relevant questions at the AGM, and voting procedures for the forthcoming AGM.

According to the Company's Constitution, all resolutions at general meetings shall be voted by poll. Detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNet and made available on the Company's website after the conclusion of the general meetings. The Company relies on the advice of the independent scrutineers to determine the need for electronic voting, taking into consideration the logistics involved, costs, and number of shareholders, amongst other factors.

The Company practices having separate resolutions at general meetings on each substantially separate issue. "Bundling" of resolutions will be done only where resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting. Provision 11.2

Pursuant to Rule 720(5) of the Catalist Rules, additional information on the Directors seeking election/re-election has been set out in the section titled "Additional Information on Directors Seeking Election/Re-Election". Please also refer to our disclosure in respect of Provision 4.5 above and the explanatory notes to the Notice of AGM, which sets out detailed information about these Directors, including the board and committee positions they are expected to hold upon election and their current directorships in other listed companies and other principal commitments held.

CORPORATE GOVERNANCE REPORT

The Company requires all Directors to be in attendance at the general meetings to address Shareholders' queries. The EA are also required to be present to assist the Directors to address any queries raised by Shareholders about the conduct of the audit and the preparation and contents of the auditors' report. Provision 11.3

The Directors' attendance at the general meetings of the Company held in the financial year under review are set out in the table below:

Name of Director	Annual General Meeting		Extraordinary General Meeting	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Teh Wing Kwan	1	1	1	1
Tay Ching Yit, Wilson ⁽¹⁾	1	0	1	0
Fong Heng Boo	1	1	1	1
Lim Jun Xiong Steven ⁽²⁾	1	0	1	0
Chan Yu Meng	1	1	1	1

Notes:

- (1) Dr Tay Ching Yit, Wilson was appointed as Executive Director and Chief Executive Officer of the Company with effect from 4 February 2021.
- (2) Mr Lim Jun Xiong Steven was appointed as Independent and Non-Executive Director of the Company with effect from 4 February 2021.

The Company's Constitution currently does not allow for voting in absentia by mail, electronic mail or facsimile, which constitutes a variation from Provision 11.4 of the Code, as the authentication of shareholder identity and other related security and integrity issues still remain a concern. The Company is of the view that the intent of Principle 11 was met, as the existing arrangement whereby shareholders have the opportunity to vote by proxy is adequate in enabling shareholders to exercise their rights and have the opportunity to vote. The Company will consider implementing the relevant amendments to the Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after the Company has evaluated and put in place the necessary security processes to facilitate in absentia voting, and prevention measures against errors, fraud and other irregularities. Provision 11.4

Minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management are prepared by the Company, and made available to Shareholders upon their request in accordance with applicable laws and on the Company's website. Provision 11.5

Pursuant to the COVID-19 (Temporary Measures) Act 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company will publish the minutes of general meetings on the Company's website and on the SGXNet within one (1) month after the relevant general meeting of the Company.

CORPORATE GOVERNANCE REPORT

Dividend policy

The Company does not have a formal dividend policy at present, which constitutes a variation from Provision 11.6 of the Code. The Company is of the view that the intent of Principle 11 is met, as the Board will take into consideration the Company's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate to determine the form, frequency and amount of dividend declared each year.

Provision 11.6

Catalist
Rule 704(23)

The Board does not recommend the payment of dividends in respect of the financial year under review as it is deemed appropriate to conserve funds for working capital while the Group is in the midst of implementing its expansion plans.

Principle 12: Engagement with Shareholders

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Communication with Shareholders

The Company recognises the need to communicate with the Shareholders on all material matters affecting the Group. In line with the Group's disclosure obligations pursuant to the Catalist Rules, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner for all material developments that impact the Group through SGXNet and the Company's website at www.livingstonehealth.com.sg.

Provision 12.1

Price-sensitive announcements including half year and full year results, as well as other financial information, corporate announcements, press releases and annual reports are released through SGXNet and also made available on the Company's website.

The Company does not practice selective disclosure of material information. Material information is excluded from briefings with investors or analysts, unless it has been publicly released via SGXNet before, or concurrently with, such meetings. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

CORPORATE GOVERNANCE REPORT

The Directors are mindful of their obligation to provide Shareholders with timely disclosure of material information that is presented in a fair and objective manner. Shareholders and other investors are provided regularly with:

- (a) an Annual Report (with easy-to-read “Results at a Glance” explaining the financial performance and position of the Group);
- (b) periodic financial results and other financial announcements as required (Note: On 27 February 2020, the Company updated the Shareholders that it will not continue quarterly financial reporting);
- (c) other announcements on key developments of corporate strategies, including performance guidance and corporate updates; and
- (d) updates through the Company’s website at www.livingstonehealth.com.sg.

On the Company’s website, investors will find information about the Board’s profile, the Company’s profile and the Company’s contact details as well as all publicly disclosed financial information, corporate announcements and annual reports. Shareholders can also access information on the strategic direction of the Company and publicly disclosed press releases on the Company’s website.

Investor Relations Policy

In line with the continuous disclosure obligations of the Company under the Listing Rules, the Company has put in place an investor relations policy to inform all Shareholders in a comprehensive manner and on a timely basis of all material developments that impact the Group and in particular, changes in the Group or its business which would be likely to materially affect the price or value of the Company’s shares. As disclosed in the abovementioned, the Company will release financial statements, annual reports, notices of general meetings, press releases, major corporate and business developments and any other material announcements on a timely basis via SGXNet and on the Company’s website.

Provision 12.2

During the period under review, the Company’s Chairman, the CEO and the executive officer met with the media and potential investors on several occasions to update and guide implementation of post-RTO corporate strategies. The Company also released 62 announcements on the SGXNet for the financial period ended 31 March 2021. In addition, shortly after the financial year end, the Company released a key corporate and business update on 13 April 2021 to update Shareholders on (i) post-RTO corporate strategies; (ii) impact and response to the COVID-19 pandemic; (iii) financial effects of the RTO; and (iv) outlook.

CORPORATE GOVERNANCE REPORT

The Management and a dedicated external investor relation firm, as guided by the policy to promote regular, effective and fair communication with the media and Shareholders, including potential investors, encourage regular dialogue with shareholders (including institutional and retail investors), to solicit and understand their views or gather inputs, and address shareholders' concerns.

Shareholders and investors may also communicate with the Company and, as the case may be, submit any request for information, notices of interests or questions, via the Company's investor relations email address at ir@livingstonehealth.com.sg, through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The Management is of the view that keeping Shareholders informed regularly is extremely important.

Please refer to our disclosure in respect of Provisions 12.1 and 12.2 above.

Provision 12.3

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Stakeholder engagement forms an integral part of the Company's sustainability approach. The Company's stakeholders have an interest in the Company's business and influences the Company's operations, products and services, business approach and strategies. The Company's stakeholders have been identified as its customers, regulators, shareholders and suppliers.

Provision 13.1

The Company proactively engage with its stakeholders on a regular, continuing basis through various channels and means to gain insights to their expectations and concerns and use these learnings to make informed management decisions in shaping the Company's business policies and strategies so as to create sustainable business growth and value for all stakeholders.

How the Company engages with its diverse stakeholders, their expectations and concerns, and how the Company responds to them will be detailed in the Company's Sustainability Report. The Company published its first sustainability report for the financial year ended 31 December 2017 and its latest annual Sustainability Report in respect of the financial year under review will be set out separately in the Company's Sustainability Report. In accordance with Rule 711A and Practice Note 7E paragraph 5.1 of the Catalist Rules, the same will be uploaded on the Company's website as well as on SGXNet.

Provision 13.2

CORPORATE GOVERNANCE REPORT

In defining the Company's sustainability reporting content, the Company will be applying the Global Reporting Initiative (GRI) standards by considering the Group's activities, impact and substantive expectations and interests of its stakeholders. Corresponding to GRI's emphasis on materiality, the Sustainability Report will highlight the key economic, environmental, social and governance related initiatives carried out throughout the financial year under review.

A copy of the Company's Sustainability Report will be made available for download at the Company's website and feedback from all stakeholders are welcomed. All questions, comments, suggestions or feedback can be sent to the Company at ir@livingstonehealth.com.sg.

The Company has a current corporate website (www.livingstonehealth.com.sg) to inform Shareholders about the Company's developments. The new website is easy to read and is easily accessible from mobile devices as well. Provision 13.3

OTHER GOVERNANCE PRACTICES

DEALINGS IN COMPANY'S SECURITIES

On 27 February 2020, the Company announced that it will not be performing quarterly reporting of its financial results as it is not required to do so. In compliance with Rule 1204(19) of the Catalist Rules, the Company has devised and adopted an internal compliance code on securities transactions to provide guidance to its Directors and officers with regard to dealing by the Company, its Directors and its officers in the Company's securities, and setting out the implications of insider trading. In line with the internal compliance code, the Company has informed its officers not to deal in the Company's shares whilst they are in possession of unpublished material and/or price-sensitive information and during the "blackout period", which is defined as one (1) month before the announcement of the Group's half year and full year financial results. Directors and officers are also advised not to deal in the Company's securities on short term considerations. The Directors and Officers are required to report to the Company and the Company Secretary whenever they deal in the Company's shares and the Company will ensure that the necessary announcements are made. In addition, the Company, Directors and officers are also expected to observe insider-trading laws at all times even when dealing in securities within the permitted trading period and they are not to deal in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has in place a policy in respect of any transactions with interested person and has established procedures for review and approval of IPTs entered into by the Group to ensure that all transactions with interested persons are reported in a timely manner to the AC. The Board confirms that there is no material interested person transaction entered into during the financial year under review which fall under Rule 907 of the Catalist Rules.

As disclosed in the Annual Report 2019, the then Executive Chairman and CEO, Mr Teh Wing Kwan had given a financial undertaking to support the Group and the Company's working capital needs. Mr Teh Wing Kwan has been providing financial assistance to the Company in the form of interest free loans since FY2018. Please refer to the disclosure under the section entitled "Material Contracts" below for further details.

For FY2021, the Company has no general mandate for IPTs pursuant to Rule 920 of the Catalist Rules.

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, save as disclosed below, the Company confirms that there are no material contracts (including loans) of the Company or its subsidiaries involving the interests of the CEO, each Director or controlling Shareholder still subsisting at the end of the financial year under review or if not subsisting, entered into since the end of the previous financial year:

- (1) Mr Teh Wing Kwan, a substantial shareholder and Non-Independent and Non-Executive Chairman of the Company, has made four (4) interest-free loans, repayable on demand, to the Company pursuant to four (4) facility agreements dated 7 February 2020, 27 March 2020, 30 June 2020 and 23 July 2020, amounting to approximately S\$865,000 ("**Outstanding Balances**"). Pursuant to a settlement deed dated 16 December 2020 between the Company and Mr Teh Wing Kwan, the Company undertakes in favour of Mr Teh Wing Kwan to use its best endeavours to repay the Outstanding Balances in full on or before 31 December 2022 ("**Due Date**") and to make repayment of the Outstanding Balances as and when the Company and its subsidiaries have sufficient working capital. Mr Teh Wing Kwan also irrevocably and unconditionally confirms and undertakes to the Company that he will not demand repayment of the Outstanding Balances before the Due Date. As the loans made by Mr Teh Wing Kwan to the Company are non-interest bearing, for the purposes of Chapter 9 and pursuant to Rule 909(3) of the Catalist Rules, the total value of this transaction is "NIL". No security was provided by the Company in respect of this loan.

CONTINUING SPONSOR

Non-sponsor fees of S\$455,000 were paid to the Company's continuing sponsor, SAC Capital Private Limited, for acting as the financial advisor and placement agent in respect of the RTO during FY2021.

CORPORATE GOVERNANCE REPORT

Additional Information on Directors Seeking Re-election

Details	Name of Director		
	Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
Date of Appointment	20 July 2018	4 February 2021	4 February 2021
Date of last re-appointment (if applicable)	25 April 2019	N.A.	N.A.
Age	49	42	65
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr Chan Yu Meng, is of the view that Mr Chan Yu Meng has the requisite experience and capability to assume the responsibility as Independent and Non-Executive Director of the Company. Accordingly, the Board of Directors approved the appointment of Mr Chan Yu Meng as Independent and Non-Executive Director of the Company.	The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Dr Tay Ching Yit, Wilson, is of the view that Dr Tay Ching Yit, Wilson has the requisite experience and capability to assume the responsibility as Executive Director and Chief Executive Officer of the Company. Accordingly, the Board of Directors approved the appointment of Dr Tay Ching Yit, Wilson as Executive Director and Chief Executive Officer of the Company.	The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr Lim Jun Xiong Steven, is of the view that Mr Lim Jun Xiong Steven has the requisite experience and capability to assume the responsibility as Independent and Non-Executive Director of the Company. Accordingly, the Board of Directors approved the appointment of Mr Lim Jun Xiong Steven as Independent and Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive, Chief Executive Officer	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent and Non-Executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee.	Executive Director and Chief Executive Officer	Independent and Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee.

CORPORATE GOVERNANCE REPORT

Details	Name of Director		
	Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
Professional qualifications	Bachelor of Laws (LLB)	Registered Medical Specialist at Singapore Medical Council Fellow at Academy of Medicine, Singapore Certified Interventional Pain Sonologist from World Institute of Pain, United States of America Fellow of Interventional Pain Practice at World Institute of Pain, United States of America Fellowship in Chronic Pain Management Master of Medicine (Anaesthesiology) Graduate Diploma in Acupuncture from Singapore College of Traditional Chinese Medicine Bachelor of Medicine and Bachelor of Surgery from National University of Singapore	FCCA of CPA Australia FCA Of the Institute of Singapore Chartered Accountants TEP of the Society of Trust & Estate Practitioners UK
Working experience and occupation(s) during the past 10 years	2007 – Present: Partner, Lee & Lee	2020 – Present: Chief Executive Officer and Executive Director at Livingstone Health Ltd 2018 – 2019: Chief Operating Officer at Livingstone Health Ltd	2010 – 2014: CEO Societe Generale Private Banking SG Trust Asia Limited

CORPORATE GOVERNANCE REPORT

Details	Name of Director		
	Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
		2015 – Present: Director and Consultant at Apicare Pain Clinic (Apicare Pain Specialist Pte Ltd) 2015 – Present: Director and Consultant at Apicare Medical 2014- 2016: Visiting Consultant at Singapore General Hospital (Anaesthesia) 2014 – 2015: Consultant, at Singapore Paincare Center 2013 – 2014: Consultant, Department of Anaesthesiology, Singapore General Hospital 2012 – 2013: Associate Consultant, Department of Anaesthesiology, Singapore General Hospital 2011 – 2012: Clinical Fellow in Chronic Pain, Department of Anaesthesia and Perioperative Medicine, St Joseph's Hospital, University of Western Ontario 2004 – 2011: Registrar (Anaesthesia), Medical Officer and House Officer at Singapore Health Services Pte. Ltd.	

CORPORATE GOVERNANCE REPORT

Details	Name of Director		
	Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
Shareholding interest in the listed issuer and its subsidiaries	Nil	Direct interest – 100,000 shares Deemed interest – 215,311,056 shares	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

CORPORATE GOVERNANCE REPORT

Details	Name of Director		
	Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
Other Principal Commitments Including Directorships	<u>Past (for the last 5 years)</u> Director of: – Alset International Limited (f.k.a. Singapore eDevelopment Limited) – PSL Holdings Limited <u>Present</u> Director of: Nil <u>Principal Commitments:</u> Partner, Lee & Lee	<u>Past (for the last 5 years)</u> Director of: – DC Brothers Private Limited – Iglobiz Pte Ltd <u>Present</u> Director of: – Al Tirah Anaesthesia Services Pte. Ltd. – Apicare Medical Pte. Ltd. – Apicare Pain Specialist Pte. Ltd. – Atlas Podiatry Pte. Ltd. – Cove Sports & Reconstruction Pte. Ltd. – Livingstone Cardiology Pte. Ltd. – Livingstone Endocrine Pte. Ltd. – Livingstone Gastroenterology & Liver Pte. Ltd. – Livingstone Health Consolidated Pte. Ltd. – Phoenix Medical Group Pte. Ltd. – The Bone and Joint Centre Pte. Ltd. <u>Principal Commitments:</u> Consultant and advisor	<u>Past (for the last 5 years)</u> Director of: – Emerging Towns & Cities Singapore Ltd – Mancala Holdings Limited – Mancala Pty Ltd – Mirach Energy Limited – Ranken Holdings Co., Limited (f.k.a. Raken Infrastructure Limited) – Sapphire Corporation Limited <u>Present</u> Director of: – Bund Center Investment Limited – Hong Fok Corporation Limited – Keong Hong Holdings Limited – Riverstone Holdings Limited – Sinarmas Land Limited

CORPORATE GOVERNANCE REPORT

Details		Name of Director		
		Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
a.	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
b.	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No

CORPORATE GOVERNANCE REPORT

Details		Name of Director		
		Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
c.	Whether there is any unsatisfied judgment against him?	No	No	No
d.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
e.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

CORPORATE GOVERNANCE REPORT

Details		Name of Director		
		Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No

CORPORATE GOVERNANCE REPORT

Details		Name of Director		
		Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
h.	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
i.	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–			
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No

CORPORATE GOVERNANCE REPORT

Details		Name of Director		
		Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No

CORPORATE GOVERNANCE REPORT

Details		Name of Director		
		Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
	k. Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, e x c h a n g e , professional body or government agency, whether in Singapore or elsewhere?	No. However in 2012, a complaint was lodged against Mr. Chan Yu Meng with the Law Society of Singapore ("Law Society"). The Law Society subsequently determined that a formal investigation was unnecessary and accordingly the complaint was dismissed with no adverse orders made against him.	No	No
	Any prior experience as a director of an issuer listed on the Exchange?	Yes	No	Yes
	If yes, please provide details of prior experience.	Alset International Limited (f.k.a. Singapore eDevelopment Limited) PSL Holdings Limited	N/A	Bund Center Investment Limited Emerging Towns & Cities Singapore Limited Hong Fok Corporation Limited Keong Hong Holdings Limited MAP Technology Holdings Limited Mirach Energy Limited Sinarmas Land Limited Passion Holdings Limited Riverstone Holdings Limited

CORPORATE GOVERNANCE REPORT

Details	Name of Director		
	Chan Yu Meng	Tay Ching Yit, Wilson	Lim Jun Xiong Steven
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N/A	Dr Tay Ching Yit, Wilson has attended the following training sessions: – Listed Entity Director Essentials on 7 March 2019 – Board Dynamics on 12 March 2019 – Board Performance on 20 March 2019 – Stakeholder Engagement on 22 March 2019 – Accounting & Finance for Non-Financial Managers Programme (19-23 April 2021)	N/A

DIRECTORS' STATEMENT

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

The directors present their statement to the members together with the audited consolidated financial statements of Livingstone Health Holdings Limited (formerly known as Citicode Ltd.) (the “Company”) and its subsidiaries (collectively, the “Group”) for the financial period from 1 January 2020 to 31 March 2021 and the statement of financial position of the Company as of 31 March 2021.

1. Opinion of directors

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and the statement of financial position 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 March 2021, and of the financial performance, changes in equity and cash flows of the Group for the financial period from 1 January 2020 to 31 March 2021 in accordance with the provisions of the Singapore Companies Act Chapter 50 (the “Act”) and Singapore Financial Reporting Standards (International); and
- (b) 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.

2. Directors

The directors of the Company in office at the date of this statement are:

Tay Ching Yit, Wilson	(Appointed on 4 February 2021)
Teh Wing Kwan	
Fong Heng Boo	
Chan Yu Meng	
Lim Jun Xiong Steven	(Appointed on 4 February 2021)

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, 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, except as disclosed in paragraphs 4 and 5 below.

DIRECTORS' STATEMENT

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), except as disclosed below:

Name of directors and company in which interest are held	Direct interest		Deemed interest	
	As at 1 January 2020	As at 31 March 2021	As at 1 January 2020	As at 31 March 2021
Livingstone Health Consolidated Pte. Ltd.				
(Ultimate holding company)				
<i>(Ordinary shares)</i>				
Tay Ching Yit, Wilson	696	696	–	–
The Company				
<i>(Ordinary shares)</i>				
Tay Ching Yit, Wilson	–	100,000	–	215,311,056
Teh Wing Kwan	11,871,961,100	23,743,922	–	–

There are no changes to the above shareholdings as at 21 April 2021.

5. Share options

There were no options granted by the Company or its subsidiaries during the financial period.

There were no shares issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial period.

6. Audit and risk committee

The audit and risk committee of the Company comprises three members, all of whom are Independent Directors and at the date of this statement are:

Fong Heng Boo (Chairman)
 Chan Yu Meng
 Lim Jun Xiong Steven
 Teh Wing Kwan

The audit and risk committee has convened four meetings during the financial period with key management and the external auditors of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

The audit and risk committee carried out its functions in accordance with Section 201B (5) of the Act. In performing those functions, the audit committee:

- reviewed the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- reviewed, at least annually, the adequacy and effectiveness of the Group's internal controls and risk management systems;
- reviewed the assurance from the CEO and the Group Financial Controller of the Group on the financial records and financial statements;
- made recommendations to the Board on the proposals to shareholders on (i) the appointment, re-appointment or removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- reviewed the adequacy, effectiveness, independence, scope and results of the external and internal audit;
- reviews the audit plans of the external and internal auditors of the Group and the Company;
- reviewed the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be raised, independently investigated and appropriately followed up on;
- ensured that the Company publicly discloses, and clearly communicates to employees, the existence of its whistle-blowing policy and procedures for raising such concerns;
- reviewed whistle blowing investigations within the Group and ensuring appropriate follow up action, if required;
- reviewed any interested person transactions in respect of Interested Person Transactions falling within the scope of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST");
- reviewed any potential conflicts of interest; and
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and which warrant for the audit and risk committee's attention.

The audit and risk committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external auditors have unrestricted access to the audit committee.

The audit and risk committee has recommended the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

7. Independent auditors

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

Tay Ching Yit, Wilson

Director

Singapore

12 July 2021

Teh Wing Kwan

Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS CITICODE LTD.)

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Livingstone Health Holdings Limited (formerly known as Citicode Ltd.) (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 31 March 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial period from 1 January 2020 to 31 March 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out from page 80 to 152.

In our opinion, the accompanying financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Group for the financial period 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 Auditors' 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 (the "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.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS CITICODE LTD.)

Report on the Audit of Financial Statements (Continued)

Overview (Continued)

Scope of audit

For the audit of the current year's financial statements, we performed full scope audit of all 25 components as the appointed statutory auditors, and we identified 11 significant components, either because of their size or/and their risk characteristics.

Areas of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates to be made by directors.

We will elaborate on the salient areas of focus as follows:

- Impairment Assessment on Goodwill; and
- Accounting for reverse acquisition

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters include the aforementioned salient areas of focus in our audit and do not represent all the risks identified by our audit. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment Assessment on Goodwill <i>Refer to Note 4 for critical accounting judgements and key sources of estimation uncertainty, and Note 19 (Goodwill arising on consolidation) for disclosures relating to the impairment assessment.</i>	
Key Audit Matter	Audit Response
As at 31 March 2021, the Group reported goodwill arising from the acquisition of subsidiaries with carrying value approximately S\$3.6 million. Irrespective of whether there is any indication of impairment, the management is required to perform an impairment assessment of goodwill annually. The recoverable amounts are determined based on estimates of forecasted revenues, growth rates and discount rates. These estimates require judgement and the determination of the recoverable amounts is a key focus area in our audit.	Our audit procedures included, and were not limited to, the following: • Discussed with management on their planned strategies around business expansion, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers, and obtained the list of secured and lost contracts; • Assessed the achievability of the forecast based on actual results with comparison to the previous forecast;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS CITICODE LTD.)

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Impairment Assessment on Goodwill (Continued) <i>Refer to Note 4 for critical accounting judgements and key sources of estimation uncertainty, and Note 19 (Goodwill arising on consolidation) for disclosures relating to the impairment assessment.</i>	
Key Audit Matter	Audit Response
	• Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's estimates applied in the value-in-use ("VIU") models, with comparison to recent performance, trend analysis and market expectations; • Involved internal valuation expert on the assessment of VIU models; and • Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash-generating units ("CGU") subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.
Accounting for reverse acquisition <i>Refer to Note 2 for accounting treatment pertaining to the reverse acquisition</i>	
Key Audit Matter	Audit Response
On 29 July 2020, the Company entered into a conditional sale and purchase agreement (the "SPA") with Livingstone Health Consolidated Pte. Ltd. (formerly known as Ardmore Consolidated Pte. Ltd., "LVS"), ICH Capital Pte. Ltd. ("ICH Capital"), Dax Ng Yung Sern ("Dax Ng") and Chua Hshan Cher ("Dr Chua") (collectively, the "Vendors") and Livingstone Health Ltd. and its subsidiaries (the "Target Group" or "LSH"), pursuant to which the Company will acquire the entire issued and paid up share capital of the Target Group from the Vendors, upon the terms and conditions of the SPA (the "Proposed Acquisition"). The aggregate consideration for the Proposed Acquisition is up to S\$72,000,000 (the "Total Consideration"). The Total Consideration comprises the Base Consideration of S\$47,000,000 and Deferred Consideration of S\$25,000,000.	Our audit procedures included, and were not limited to, the following: • Discussed and understood from management on the commercial rationale behind the arrangements, including the business plans; • Inspected supporting documents relevant to the reverse acquisition; and • Reviewed appropriateness of management's assessment of the relevant accounting entries in accordance with SFRS(I) 3 Business Combinations and SFRS(I) 2 Share-based payments.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS CITICODE LTD.)

Report on the Audit of Financial Statements (Continued)

Key Audit Matters (Continued)

Accounting for reverse acquisition (Continued) <i>Refer to Note 2 for accounting treatment pertaining to the reverse acquisition</i>	
Key Audit Matter	Audit Response
The impact of the reverse acquisition is S\$20.3 million as explained in Note 2 to the financial statements. On 4 February 2021, the Company completed the acquisition of LSH Group, which resulted in a reverse acquisition in accordance to SFRS(I) 3 Business Combinations. Given the significance of the transaction to the Group, the subject matter was determined to be a Key Audit Matter.	

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this report, 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)s, and for devising and maintaining a system of internal accounting controls sufficient to provide 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS CITICODE LTD.)

Report on the Audit of Financial Statements (Continued)

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED (FORMERLY KNOWN AS CITICODE LTD.)

Report on the Audit of Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

Other matters

The financial statements of the Company for the financial year ended 31 December 2019 were audited by another firm of auditors whose report dated 1 April 2020 expressed an unmodified opinion on those financial statements.

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 the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ooi Chee Keong.

MAZARS LLP

Public Accountants and
Chartered Accountants

Singapore
12 July 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

		Group	
	Note	01/01/2020 to 31/03/2021 S\$	01/01/2019 to 31/12/2019 S\$
Revenue	5	24,278,858	6,158,959
Other operating income	6	1,055,752	21,542
Consumables and medical supplies used		(4,295,549)	(375,961)
Purchased and contracted services		(107,809)	(701,046)
Employee benefit expense		(11,743,562)	(2,541,144)
Depreciation expense		(1,444,117)	(348,777)
Other operating expense	7	(3,155,229)	(1,536,352)
Share of results from joint venture	21	(166,406)	(157,074)
Finance costs	8	(305,930)	(29,600)
Profit from operations		4,116,008	490,547
Reverse acquisition related cost		(1,422,935)	–
Loss on reverse acquisition		(18,891,988)	–
	2	(20,314,923)	–
(Loss)/Profit before tax	9	(16,198,915)	490,547
Income tax expense	10	(567,859)	(70,245)
(Loss)/Profit from continuing operations		(16,766,774)	420,302
Profit from discontinued operations, net of tax	11	–	1,410,085
(Loss)/Profit for the year		(16,766,774)	1,830,387
Other comprehensive (loss)/income:			
<i>Components of other comprehensive income that will be reclassified to profit or loss, net of taxation</i>			
Exchange differences on translating foreign operations		1,099	2,869
Total comprehensive (loss)/income for the period/year		(16,765,675)	1,833,256
(Loss)/Profit attributable to:			
<u>Continuing operations, net of tax</u>			
Owners of the Company		(16,693,659)	420,302
Non-controlling interests		(73,115)	–
		(16,766,774)	420,302
<u>Discontinued operations, net of tax</u>			
Owners of the Company		–	1,410,085
Non-controlling interests		–	–
		–	1,410,085
(Loss)/Profit for the financial year		(16,766,774)	1,830,387
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(16,692,560)	1,833,256
Non-controlling interests		(73,115)	–
		(16,765,675)	1,833,256
Basic and diluted earnings per share (cents)			
Continuing operations		(5.28)	0.24
Discontinued operations		–	0.80
Total	12	(5.28)	1.04

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Note	Group		Company	
		31/03/2021	31/12/2019	31/03/2021	31/12/2019
		S\$	S\$	S\$	S\$
ASSETS					
Current assets					
Cash and cash equivalents	13	6,775,047	1,711,040	16,744	100,118
Trade receivables	14	4,413,868	1,803,133	84,529	131,040
Other receivables	15	1,040,401	609,323	86,118	31,413
Finance lease receivable	16	–	–	–	19,162
Inventories	17	520,201	461,241	–	–
Total current assets		12,749,517	4,584,737	187,391	281,733
Non-current assets					
Property, plant and equipment	18	3,527,157	2,809,494	–	80,226
Goodwill arising on consolidation	19	3,635,651	3,635,651	–	–
Investments in subsidiaries	20	–	–	73,000,000	2,536
Investments in joint ventures	21	112,800	121,423	–	–
Deferred tax assets	27	255,818	–	–	–
Finance lease receivable	16	–	–	–	63,063
		7,531,426	6,566,568	73,000,000	145,825
Total assets		20,280,943	11,151,305	73,187,391	427,558
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	22	1,242,757	677,413	–	19,500
Other payables	23	3,898,714	1,350,101	2,190,408	2,712,741
Borrowings	24	1,128,966	549,687	–	–
Lease liabilities	25	1,259,695	660,498	–	38,324
Deferred revenue	26	1,236,051	1,031,432	–	–
Income tax payable		858,898	254,647	–	–
Total current liabilities		9,625,081	4,523,778	2,190,408	2,770,565
Non-current liabilities					
Other payables	23	1,821,359	1,187,754	25,000,000	–
Borrowings	24	5,673,251	–	865,000	715,000
Lease liabilities	25	1,254,911	889,623	–	126,127
Deferred tax liabilities	27	2,144	2,144	–	–
Total non-current liabilities		8,751,665	2,079,521	25,865,000	841,127
Total liabilities		18,376,746	6,603,299	28,055,408	3,611,692
Equity					
Share capital	28	22,305,047	3,267,868	256,244,089	209,581,289
Merger reserve	29	57,375	57,375	–	–
Foreign currency translation reserve	29	3,968	2,869	–	–
Other reserves	29	21,543	21,543	–	–
Accumulated (loss)/profits		(20,876,480)	735,492	(211,112,106)	(212,765,423)
Equity attributable to owner of the Company		1,511,453	4,085,147	45,131,983	(3,184,134)
Non-controlling interests		392,744	462,859	–	–
Total equity		1,904,197	4,548,006	45,131,983	(3,184,134)
Total liabilities and equity		20,280,943	11,151,305	73,187,391	427,558

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

Group	Share capital S\$	Merger reserve S\$	Foreign currency translation reserve S\$	Other reserves S\$	Accumulated profit/(loss) S\$	Non-controlling interest S\$	Total S\$
Balance at 1 January 2019	1,000,952	152,769	-	2,144,865	2,778,513	-	6,077,099
Profit for the year	-	-	-	-	1,830,387	-	1,830,387
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	2,869	-	-	-	2,869
Total comprehensive income for the year	-	-	2,869	-	1,830,387	-	1,833,256
Arising from acquisition (Note 2i)	-	-	-	-	-	462,859	462,859
Disposal of a subsidiary (Note 2i)	-	(95,394)	-	-	-	-	(95,394)
Transaction with owner recognised directly in equity							
Issue of shares (Note 28)	2,266,916	-	-	(2,123,322)	-	-	143,594
Dividends paid (Note 30)	-	-	-	-	(3,873,408)	-	(3,873,408)
Balance at 31 December 2019 and 1 January 2020	3,267,868	57,375	2,869	21,543	735,492	462,859	4,548,006
Loss for the year	-	-	-	-	(16,693,659)	(73,115)	(16,766,774)
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	1,099	-	-	-	1,099
Total comprehensive (loss)/income for the year	-	-	1,099	-	(16,693,659)	(73,115)	(16,765,675)
Share subscribed by non-controlling interest	-	-	-	-	-	3,000	3,000
Transaction with owner recognised directly in equity							
Deemed dividend arising from RTO (Note 2)	-	-	-	-	(3,500,000)	-	(3,500,000)
Issue of shares (Note 28)	19,037,179	-	-	-	-	-	19,037,179
Dividends paid (Note 30)	-	-	-	-	(1,418,313)	-	(1,418,313)
Balance at 31 March 2021	22,305,047	57,375	3,968	21,543	(20,876,480)	392,744	1,904,197

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

	Note	01/01/2020 to 31/03/2021 S\$	01/01/2019 to 31/12/2019 S\$
Operating activities			
(Loss)/Profit before tax from continuing operations		(16,198,915)	490,547
(Loss)/Profit before tax from discontinued operations	11	–	1,729,583
		(16,198,915)	2,220,130
Adjustments for:			
Depreciation expense		1,444,117	489,148
Interest expense		305,930	49,948
Loss allowance on trade receivables		–	15,417
Bad debts written off		–	1,718
Share of result of joint ventures, net of tax		166,406	157,074
Unrealised exchange differences		1,099	2,869
Property, plant and equipment written-off		1,669	–
(Gain)/Loss on disposal of property, plant and equipment		(771)	45,919
Loss on reverse acquisition	2	18,891,988	–
Total operating cash flows before movements in working capital		4,611,523	2,982,223
<i>Changes in working capital</i>			
Trade receivables		(2,610,735)	(1,703,747)
Other receivables		(231,401)	155,406
Inventories		(58,960)	(157,244)
Trade payables		565,344	656,100
Other payables		(100,346)	421,224
Deferred revenue		204,619	19,876
Cash generated from operations		2,380,044	2,373,838
Interest paid		(80,193)	(49,948)
Tax paid		(219,427)	(215,138)
Net cash generated from operating activities		2,080,424	2,108,752
Investing activities			
Acquisition of subsidiaries	2j	–	96,406
Cash inflow on reverse acquisition	2	48,909	–
Investments in a joint venture, net	21	(157,783)	(278,497)
Disposal of subsidiary	2i	–	(167,259)
Purchase of plant and equipment		(305,209)	(742,812)
Proceeds from disposal of property, plant and equipment		–	84,884
Payment of deferred consideration		(381,040)	–
Net cash used in investing activities		(795,123)	(1,007,278)
Financing activities			
Repayment of lease liabilities		(1,190,511)	(232,870)
Proceeds from loans and borrowings		6,000,000	–
Repayment of borrowings		(612,470)	(283,844)
Proceeds from issue of shares	28	1,000,000	100,002
Dividends paid	30	(1,418,313)	(2,230,097)
Net cash generated from/(used in) financing activities		3,778,706	(2,646,809)
Net increase/(decrease) in cash and cash equivalents		5,064,007	(1,545,335)
Cash and cash equivalents at beginning of financial period/year		1,711,040	3,256,375
Cash and cash equivalents at end of financial period/year	13	6,775,047	1,711,040

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

Reconciliation of liabilities arising from financing activities

	Non-cash movements						
	At 1 January 2020 S\$	Financing cashflows S\$	Reverse take over (Note 2) S\$	Purchase of property, plant and equipment S\$	Loan drawn down S\$	Interest expense S\$	At 31 March 2021 S\$
Lease liabilities	1,550,121	(1,190,511)	–	2,040,813	–	114,183	2,514,606
Borrowings	549,687	(612,470)	865,000	–	6,000,000	–	6,802,217

	Non-cash movements					
	1 January	Financing	Acquisition of	Disposal of	Initial	31 December
	2019	cashflows	subsidiaries	a subsidiary	adoption	2019
			(Note 2j)	(Note 2i)	of SFRS(I)16	
	S\$	S\$	S\$	S\$	S\$	S\$
Lease liabilities	7,873	(232,870)	436,034	(592,718)	1,931,802	1,550,121
Borrowings	339,262	(283,844)	494,269	–	–	549,687

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Livingstone Health Holdings Limited (formerly known as Citicode Ltd.) (the “Company”) (Registration 200404283C) is incorporated in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The registered office and principal place of business of the Company is located at 1 Robinson Road, #17-00 AIA Tower, Singapore 048542.

The financial statements are expressed in Singapore Dollars, which is also the functional currency of the Company and its subsidiaries.

The principal activity of the Company is that of investment holding company. Through its operating member companies, the Company and its subsidiaries (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.

The financial statements of the Group, the statement of financial position and statement of the statement of changes in equity of the Company for the period from 1 January 2020 to 31 March 2021 were authorised for issue by the Director on the Director’s Statement.

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information

Reverse acquisition

On 29 July 2020, the Company entered into a conditional sale and purchase agreement (the “SPA”) with Livingstone Health Consolidated Pte. Ltd. (formerly known as Ardmore Consolidated Pte. Ltd., “LVS”), ICH Capital Pte. Ltd. (“ICH Capital”), Dax Ng Yung Sern (“Dax Ng”) and Chua Hshan Cher (“Dr Chua”) (collectively, the “Vendors”) and Livingstone Health Ltd. and its subsidiaries (the “Target Group” or “LSH”), pursuant to which the Company will acquire the entire issued and paid up share capital of the Target Group from the Vendors, upon the terms and conditions of the SPA (the “Proposed Acquisition”).

The Company shall pay the Base Consideration as follows:

- (i) on Completion, the sum of S\$45,000,000 shall be satisfied by the allotment and issue of 225,000,000 Base Consideration Shares at the Issue Price to the Vendors in proportion to the Vendors’ Respective Shareholdings; and
- (ii) the remaining S\$2,000,000 shall be paid in cash to the Vendors in proportion to the Vendors’ Respective Shareholdings within 18 months from Completion, unless otherwise agreed in writing.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

Reverse acquisition (Continued)

Deferred Consideration will be determined within 3 months from the date of issuance of the Target Company's December 2021 (i.e. 31 March 2022 after the change of financial year end) consolidated financial statements and to be paid in following manner:

- (i) 94.0% of the Deferred Consideration of up to S\$23,500,000, or such other amount as adjusted shall be satisfied by the allotment and issue to the Vendors of up to 117,500,000 new LSHH's Shares, at the Issue Price, in proportion to their Respective Shareholdings ("Deferred Consideration Shares") within three (3) months from the date of issuance of the Target Company's FY2022 audited consolidated financial statements; and
- (ii) 6.0% of the Deferred Consideration of up to S\$1,500,000, or such other amount as adjusted, shall be paid in cash within 18 months from the date of issuance of the Deferred Consideration Shares, unless otherwise agreed in writing.

On 4 February 2021, the shares in the Company were consolidated on the basis of one share for every five hundred (500) shares held by shareholders (the "Share Consolidation"). The number of consolidated shares to which shareholders are entitled arising from the Share Consolidation were rounded down to the nearest whole consolidated shares (the "Consolidated Shares"), and any fractions of the Consolidated Shares arising from the Share Consolidation were disregarded.

On the same date, the Company completed the acquisition of the entire issued and paid-up share capital of Livingstone Health Ltd. The purchase consideration was satisfied by the allotment and issuance of 225 million new ordinary shares (post Share Consolidation) and payment of \$2 million in cash to the Vendors. The transaction is accounted for as a reverse acquisition (the "Reverse Acquisition") for accounting purposes and Livingstone is regarded as the acquirer and the Company is regarded as the acquiree. As such, the consolidated financial statements have been prepared and presented as a continuation of LSH Group's financial statements.

At Group level

The consolidated financial statements of the Group have been prepared using the reverse acquisition accounting as set out in Singapore Financial Reporting Standards (International) SFRS(I) 3 *Business Combinations* ("SFRS(I) 3"), but it does not result in the recognition of goodwill, as the Company was deemed as a cash company and did not meet the definition of a business as set out in SFRS(I) 3. Instead, such transaction falls within the scope of SFRS(I) 2 *Share-based Payment*, which requires the shares deemed issued by the legal subsidiary (as consideration for the acquisition of the Company) to be recognised at fair value. Any difference between the consideration sum and the fair value of the Company's identifiable net assets represents a service received by the legal subsidiary, Livingstone, which is recognised as an expense or income in the statement of comprehensive income. For the purpose of reverse acquisition accounting, the Company is the legal acquirer (accounting acquiree) whilst Livingstone is the legal acquiree (accounting acquirer).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

Reverse acquisition (Continued)

At Group level (Continued)

The fair value of the identifiable assets and liabilities of the Company recognised as at the date of the reverse acquisition were:

<u>Company</u>	As at date of reverse acquisition S\$
Cash and cash equivalents	48,909
Other receivables	21,415
Other payables	(722,933)
Borrowings	(865,000)
Total identifiable net liabilities at fair value	(1,517,609)
Fair value of shares deemed issued	(17,374,379)
Loss on reverse acquisition	(18,891,988)
Consideration settled in cash	–
Add: cash and cash equivalents of the Company acquired	48,909
Cash inflow from reverse acquisition	48,909

Loss on reverse acquisition of S\$18,891,988 had been recorded in the consolidated statement of comprehensive income for the financial period ended 31 March 2021. The Group also incurred one-off reverse acquisition related costs of S\$1,422,935.

The fair value of the shares deemed to be issued by the accounting acquirer (legal subsidiary) is based on the number of equity interests that the accounting acquirer (legal subsidiary) would have had to issue to give the owners of the accounting acquiree (legal parent) the same percentage equity interest in the combined entity that results from the reverse acquisition.

The cash considerations were deemed to be distribution to shareholders and are recorded as dividends declared in the statement of changes in equity.

Since such consolidated financial statements represent a continuation of the financial statements of LSH Group:

- the assets and liabilities of LSH Group are recognised and measured in the consolidated statement of financial position of the Group at their pre-acquisition carrying amounts;
- the assets and liabilities of the Company are recognised and measured in the consolidated statement of financial position of the Group at their acquisition-date fair values;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

Reverse acquisition (Continued)

At Group level (Continued)

- (c) the revenue reserve and other equity balances recognised in the consolidated financial statements are the revenue reserve and other equity balances of LSH Group immediately before the reverse acquisition;
- (d) the amount recognised as issued equity interests in the consolidated financial statements is determined by adding the costs of acquisition to the issued equity of LSH Group immediately before the reverse acquisition. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the reverse acquisition; and
- (e) the consolidated statement of comprehensive income for the financial period from 1 January 2020 to 31 March 2021 reflects the 15-months results of LSH Group together with the post-acquisition results of the Company.

At Company level

Reverse acquisition accounting applies only at the consolidated financial statements at the Group level. Therefore, in the Company's separate financial statements, the investment in subsidiaries is accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position.

At Livingstone Health Ltd. ("LSH") level

Reorganisation

Between 2018 and early 2019, in preparation for the lodgement of its preliminary offer document with the Singapore Exchange Securities Trading Limited ("SGX-ST") in connection with its proposed listing on the Catalist Board ("Prior Listing Attempt"), a restructuring exercise was undertaken to rationalise and streamline the Group's corporate structure, which resulted in LSH becoming the holding company of the Group (the "Previous Restructuring Exercise").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

Reorganisation (Continued)

At Livingstone Health Ltd. ("LSH") level (Continued)

Immediately prior to the Previous Restructuring Exercise and the dates on which each of them was transferred into the Group (such dates being set out herein), SN Orthopaedics, RL Aesthetics, Cove Wellness, Apicare Medical, Apicare Pain Specialist, S Chua and Sebastian Chua MH were held directly by Dr. Ng Yung Chuan Sean ("Dr. Sean Ng"), Dr. Lim Pang Yen Rachel ("Dr. Rachel Lim"), Dr. Tay Ching Yit, Wilson ("Dr. Wilson Tay") and Dr. Chua Meng Hui, Sebastian ("Dr. Sebastian Chua") as follows:

Entity	Shareholder	Shareholding Interest (%)
SN Orthopaedics Pte. Ltd. ("SN Orthopaedics")	Dr. Sean Ng	90
	Dr. Rachel Lim	10
RL Aesthetics Pte. Ltd. ("RL Aesthetics")	Dr. Sean Ng	50
	Dr. Rachel Lim	50
Cove Wellness Pte. Ltd. (formerly known as Ardmore Wellness Pte. Ltd.) ("Cove Wellness")	Dr. Sean Ng	50
	Dr. Rachel Lim	50
Apicare Medical Pte. Ltd. ("Apicare Medical")	Dr. Wilson Tay	100
Apicare Pain Specialist Pte. Ltd. ("Apicare Pain Specialist")	Dr. Wilson Tay	100
S Chua Pte. Ltd. ("S Chua")	Dr. Sebastian Chua	100
Sebastian Chua MH Pte. Ltd. ("Sebastian Chua MH")	Dr. Sebastian Chua	100

In addition, immediately prior to the Previous Restructuring Exercise, the medical doctors carried out their medical practice under the following entities which are not the Group's companies:

- (i) VS Investment Holdings Pte. Ltd. ("VS Investment Holdings") (formerly known as Ardmore Orthopaedics Pte. Ltd.), which was held by Dr. Sean Ng and Dr. Rachel Lim;
- (ii) VS Venture Pte. Ltd. ("VS Venture") (formerly known as Ardmore Aesthetics (Novena) Pte. Ltd.), which was held by Dr. Sean Ng and Dr. Rachel Lim; and
- (iii) Sebastian Chua Pte Ltd., which was held by Dr. Sebastian Chua.

The Previous Restructuring Exercise was carried out in the following steps:

(a) Incorporation of LSH

LSH was incorporated in the Republic of Singapore on 1 December 2017 under the Companies Act as a private company limited by shares. LSH's principal activity is that of an investment holding company. At the time of incorporation, LSH had an issued and paid-up share capital of S\$1 comprising one share held by Dr. Sean Ng.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

Reorganisation (Continued)

(b) Consolidation of the initial subsidiaries and Company

Pursuant to a restructuring agreement dated 29 December 2017, as supplemented by a supplemental restructuring agreement dated 9 May 2019 (the "Initial Restructuring Agreement") entered into between LSH and Dr. Sean Ng, Dr. Rachel Lim and Dr. Wilson Tay (the "Initial Vendor Shareholders"), LSH acquired all of the issued and paid-up ordinary shares of:

- (i) RL Aesthetics and Cove Wellness from Dr. Sean Ng and Dr. Rachel Lim on 1 December 2017;
- (ii) Apicare Medical and Apicare Pain Specialist from Dr. Wilson Tay on 29 December 2017; and
- (iii) SN Orthopaedics from Dr. Sean Ng and Dr. Rachel Lim on 1 February 2018,

at the aggregate consideration of S\$1,039,074 (the "Initial Subsidiaries Consideration"), which was determined by taking into account the unaudited NAV of the above-mentioned companies (save for SN Orthopaedics for which the consideration was based on its share capital) immediately prior to the said transfers on the abovementioned dates. The Initial Subsidiaries Consideration was satisfied by way of the allotment and issuance of 1,039,074 Shares (the "Initial Subsidiaries Consideration Shares") to the Initial Vendor Shareholders, where such Initial Subsidiaries Consideration Shares were assigned by the Initial Vendor Shareholders to LVS in consideration for the allotment and issuance of paid-up shares in the capital of LVS (the "LVS Shares") to the Initial Vendor Shareholders. In addition, Dr. Sean Ng transferred one (1) share in the capital of LSH to LVS.

(c) Re-injection of the Orthopaedic Practice into the Group

Dr. Sean Ng previously carried out his orthopaedic medical practice under VS Investment Holdings Pte. Ltd. (formerly known as Ardmore Orthopaedics Pte. Ltd.) (the "Orthopaedic Practice"). Pursuant to the original restructuring agreement dated 29 December 2017, LSH had acquired all of the issued and paid-up ordinary shares of VS Investment Holdings from Dr. Sean Ng and Dr. Rachel Lim (the "Initial VS Acquisition").

As VS Investment Holdings held a property, the Initial Vendor Shareholders agreed to divest the property out of the Group while keeping the Orthopaedic Practice within the Group. In accordance with the Initial Restructuring Agreement, and pursuant to a business transfer agreement entered into between VS Investment Holdings, SN Orthopaedics, LSH, LVS, Dr. Sean Ng and Dr. Rachel Lim on 9 May 2019 (the "VS BTA"), the relevant parties carried out the following steps:

- (i) notwithstanding that the entire issued share capital of VS Investment Holdings was transferred back to Dr. Sean Ng and Dr. Rachel Lim on 4 January 2018 on substantially the same terms as the Initial VS Acquisition, the relevant parties undertook to transfer all economic rights, benefits and liabilities attached to the shares of VS Investment Holdings from LSH to Dr. Sean Ng and Dr. Rachel Lim, with effect from 31 December 2017 (the "VS Divestment"); and

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

Reorganisation (Continued)

(c) Re-injection of the Orthopaedic Practice into the Group (Continued)

- (ii) SN Orthopaedics acquired the Orthopaedic Practice from VS Investment Holdings with effect from 1 March 2018 (the “Orthopaedic Practice Acquisition”).

(collectively, the “Orthopaedic Practice Re-Injection”).

Under the Initial Restructuring Agreement and the VS BTA:

- (i) the consideration for the Initial VS Acquisition payable by the Group (the “VS Acquisition Consideration”) was set off against the consideration for the VS Divestment payable by Dr. Sean Ng and Dr. Rachel Lim (the “VS Divestment Consideration”). Each of the VS Acquisition Consideration and the VS Divestment Consideration amounted to S\$10,000 which was based on the share capital of VS Investment Holdings prior to the Initial VS Acquisition and VS Divestment respectively; and
- (ii) the Orthopaedic Practice Acquisition was carried out for the consideration of S\$43,592 (the “Orthopaedic Practice Consideration”), which was determined taking into account the unaudited NAV of the Orthopaedic Practice as at 28 February 2018. LSH assumed the liability to pay the Orthopaedic Practice Consideration to VS Investment Holdings, in consideration for the allotment of 43,592 ordinary shares in the capital of SN Orthopaedics to LSH. VS Investment Holdings then assigned the rights to the Orthopaedic Practice Consideration to Dr. Sean Ng and Dr. Rachel Lim in the proportion of their shareholding in VS Investment Holdings. In turn, Dr. Sean Ng and Dr. Rachel Lim assigned their rights to the Orthopaedic Practice Consideration to LVS, in consideration for LVS Shares issued to Dr. Sean Ng and Dr. Rachel Lim. The Orthopaedic Practice Consideration was satisfied by way of the allotment and issuance of 43,592 Shares to LVS.

The Orthopaedic Practice Re-Injection was deemed to be completed on 1 March 2018.

(d) Subscription of Shares in LSH

LSH entered into a subscription agreement on 31 May 2018, as amended and supplemented on 28 December 2018 (the “Subscription Agreement”) with each of ICH Capital and Dios Assets Management Pte. Ltd (“Dios”) (collectively, the “Pre-Invitation Investors”). Under the Subscription Agreement, the Pre-Invitation Investors agreed to subscribe for:

- (i) in the case of ICH Capital, for a subscription amount of S\$1,000,000, such number of Shares representing 4.49% of the enlarged issued and paid up share capital of LSH; and
- (ii) in the case of Dios, for a subscription amount of S\$100,000, such number of Shares representing 0.45% of the enlarged issued and paid up share capital of LSH,

(collectively, the “Pre-Invitation Investment”).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

Reorganisation (Continued)

(d) Subscription of Shares in LSH (Continued)

In addition under the Subscription Agreement, should LSH undertake to issue Shares, the Pre-Invitation Investors shall be entitled to subscribe for such number of Shares at the aggregate subscription price of S\$1, in order to maintain their respective shareholding percentages in LSH as may be varied or diluted from time to time (the “Anti-Dilution”).

In addition, ICH Capital executed a service agreement on 8 May 2018 with LVS, under which ICH Capital provided business management consultancy services to LVS, in consideration for shares to be transferred to ICH Capital (the “ICH Service Agreement”). Pursuant to the ICH Service Agreement, it was agreed that LVS shall pay ICH Capital a success fee of 2.0% of the Target Company’s pre-invitation share capital during and/or upon the completion of the Previous Restructuring Exercise in conjunction with the Prior Listing Attempt. On 5 July 2019, LVS transferred 4,228,033 shares to ICH Capital.

The subscription by ICH Capital and Dios for the Shares under the Subscription Agreement was completed on 28 December 2018 and 4 January 2019 respectively. On 14 May 2019, pursuant to the FY2017 Accounts Adjustment and the Anti-Dilution, the shareholding of ICH Capital and Dios in the Company were adjusted to 4.61% and 0.46% respectively.

On 28 December 2018, as part of the Restructuring Exercise, LVS subscribed for 9,505 new Shares for the consideration of S\$951, which was satisfied by payment in cash.

(e) Acquisition of the SC Companies

Pursuant to the sale and purchase agreement dated 10 July 2018 (the “SC SPA”), the Company acquired all of the issued and paid-up ordinary shares (the “SC Shares”) of S Chua and Sebastian Chua MH (collectively, the “SC Companies”) from Dr. Sebastian Chua (the “SC Companies Acquisition”). LSH acquired the entire issued share capital of the SC Shares from Dr. Sebastian Chua for the aggregate consideration of S\$1,084,248 (the “SC Companies Consideration”), which was determined taking into account the unaudited NAV of the SC Companies as at 30 September 2018. The SC Companies Consideration was assigned by Dr. Sebastian Chua to LVS in consideration for the allotment and issuance of LVS Shares to Dr. Sebastian Chua. The SC Companies Consideration was satisfied by way of the allotment and issuance of 1,084,248 shares in the capital of LSH to LVS. The SC Companies Acquisition was completed on 1 October 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

Reorganisation (Continued)

(e) Acquisition of the SC Companies (Continued)

The following assets, arising from the acquisition of SC Companies on 30 September 2018, has been transferred to the Group:

Assets acquired and liabilities assumed at the date of acquisition:

	S Chua	Sebastian	
	As at date of	Chua MH	
	acquisition	As at date of	Total
	S\$	acquisition	S\$
Plant and equipment	1,534	2,567	4,101
Cash and cash equivalents	243,408	97,389	340,797
Trade receivables	196,550	71,325	267,875
Other receivables	400,220	195,982	596,202
Other payables	(21,696)	(1,701)	(23,397)
Income tax payable	(74,677)	(26,653)	(101,330)
Net assets acquired	745,339	338,909	1,084,248
Other reserve ⁽¹⁾			(1,084,248)
Total cash consideration			–
Less: Cash and cash equivalents from acquired entities			340,797
Net inflow of cash			340,797

(1) Other reserve pertains to amounts due to holding company for the acquisition of the subsidiary which are unsecured, interest-free and classified as part of quasi-equity.

(f) Streamlining of Operations of the Group and Disposal of VS Venture

Dr. Rachel Lim previously carried out one of her aesthetics businesses under VS Venture (formerly known as Ardmore Aesthetics (Novena) Pte. Ltd.). Pursuant to the original restructuring agreement dated 29 December 2017, LSH had acquired all of the issued and paid-up ordinary shares of VS Venture from Dr. Sean Ng and Dr. Rachel Lim (the “Initial VSV Acquisition”). Nevertheless, as VS Venture was loss-making which resulted in a net liability position and to streamline the Group’s aesthetics business into RL Aesthetics, the Group agreed to transfer VS Venture back to Dr. Sean Ng and Dr. Rachel Lim on substantially the same terms as the Initial VSV Acquisition. As such, in accordance with the Initial Restructuring Agreement, while the entire issued share capital of VS Venture was transferred back to Dr. Sean Ng and Dr. Rachel Lim on 2 May 2019, the relevant parties agreed that all economic rights, benefits and liabilities attached to the shares of VS Venture would be transferred to Dr. Sean Ng and Dr. Rachel Lim with effect from 31 July 2018 (the “VSV Divestment” or the “VSV Disposal”).

The consideration for the Initial VSV Acquisition payable by the Group was set off against the consideration for the VSV Divestment payable by Dr. Sean Ng and Dr. Rachel Lim. As VS Venture was in a net liability position, the gain on disposal in relation to the VSV Divestment amounted to S\$56,685.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

Reorganisation (Continued)

(f) Streamlining of Operations of the Group and Disposal of VS Venture (Continued)

Details of the disposal are as follows:

Carrying amounts of net assets over which control was lost:

	VS Venture As at date of disposal S\$
Plant and equipment	45,479
Cash and cash equivalents	47,977
Other receivables	19,264
Other payables	(1,941)
Deferred revenue	(43,037)
Borrowings	(124,427)
Net liabilities derecognised	(56,685)
Consideration offset against amount owing to holding company	(1)
	<u>(56,686)</u>
Total cash consideration	–
Less: Cash and cash equivalents from disposed off	(47,977)
Net outflow of cash	<u>(47,977)</u>

In addition, VS Venture had certain pre-paid aesthetics packages owing to its customers under which it is obliged to provide aesthetics services, amounting to an aggregate sum of S\$30,298 as at 31 December 2018 (the “Aesthetics Packages”). As part of the Previous Restructuring Exercise, pursuant to a deed of novation dated 13 May 2019, VS Venture novated the liability under the Aesthetics Packages from VS Venture to RL Aesthetics, subsequent to which RL Aesthetics became liable to perform the unfulfilled obligations under the Aesthetics Packages (the “Proposed Packages Transfer”). In consideration for the Proposed Packages Transfer, VS Venture was obliged to transfer a sum of S\$30,298 to RL Aesthetics (the “Aesthetics Packages Consideration”). Further, under the said deed, VS Venture novated its liability to pay the Aesthetics Packages Consideration to Dr. Rachel Lim, subsequent to which Dr. Rachel Lim became liable to pay the Aesthetics Packages Consideration to RL Aesthetics.

(g) Acquisition of the Anaesthesiology Practice of Sebastian Chua Pte Ltd by Sebastian Chua MH

Dr. Sebastian Chua carried out a part of the anaesthesiology practice under Sebastian Chua Pte Ltd (the “Anaesthesiology Practice” or “SCPL”). Sebastian Chua MH, as purchaser, and SCPL, as seller, agreed to transfer the Anaesthesiology Practice to Sebastian Chua MH under the terms of a business transfer agreement dated 7 November 2018 (the “SC BTA”) (the “Anaesthesiology Practice Acquisition”).

Under the SC BTA, the aggregate consideration for the transfer of the SC Business Acquisition was the nominal amount of S\$1 due and payable to Sebastian Chua Pte Ltd (the “Anaesthesiology Practice Consideration”), which was determined taking into account the unaudited NAV of the Anaesthesiology Practice as at 31 October 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

Reorganisation (Continued)

(h) Share Split and Share Consolidation

On 26 June 2019, LVS and the Pre-Invitation Investors, being the shareholders of LSH at the relevant time, approved the sub-division of 2,292,714 shares in the issued and paid-up share capital of LSH into 211,401,632 shares. On 16 July 2019, LVS and the Pre-Invitation Investors approved the consolidation of 211,401,632 shares in the issued and paid-up capital of LSH into 176,168,027 shares.

Following the completion of the Previous Restructuring Exercise, the entire issued and paid up share capital of LSH was held by LVS, Dios, and ICH Capital.

2019 Restructuring

The Group undertook and completed the following internal restructuring exercise:

(i) Disposal of SN Orthopaedics

On 26 December 2019, the Group agreed to dispose the entire issued share capital of SN Orthopaedics for a total consideration of S\$1,831,421 to Dr. Sean Ng. As such, the entire issued share capital of SN Orthopaedics was transferred to Dr. Sean Ng on 31 December 2019. The relevant parties agreed that all economic rights, benefits and liabilities attached to the shares of SN Orthopaedics would be transferred to Dr. Sean Ng with effect from 31 December 2019 (the "SN Orthopaedics" Disposal).

Carrying amounts of net assets over which control was lost:

<u>Group</u>	SN Orthopaedics As at date of disposal S\$
Property, plant and equipment	692,153
Cash and cash equivalents	167,259
Trade receivables	2,634,323
Other receivables	319,386
Inventories	55,431
Trade payables	(232,456)
Other payables	(573,090)
Lease liabilities	(592,718)
Income tax payables	(539,592)
Deferred tax liabilities	(3,881)
Net assets derecognised	1,926,815
Loss of disposal recorded in merger reserve	(95,394)
Total consideration	1,831,421
Less: Consideration received	(1,831,421)
Less: Cash and cash equivalents from disposed off	(167,259)
Net outflow of cash	(167,259)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

2019 Restructuring (Continued)

(j) Acquisition of Phoenix Medical Group Pte Ltd and its subsidiaries (collectively "PMG Group of Companies")

Pursuant to the sale and purchase agreement dated 31 December 2019, LSH acquired 51% of the issued and paid-up ordinary shares (the "PMG Shares") of Phoenix Medical Group Pte Ltd ("Phoenix Medical") from Dr. Chua Hshan Cher, Dr. Lee Kai Lun and Dr. Foong Ching Ching at the aggregate consideration of S\$1,530,000 which was determined by the valuation report performed by an external valuer. The wholly owned subsidiaries of Phoenix Medical which are PMG CACTIII Pte. Ltd. ("PMG CACTIII"), PMG HV Pte. Ltd. ("PMG HV") and PMG PL Pte. Ltd. ("PMG PL") also become the subsidiaries of LSH. The relevant parties agreed that all economic rights, benefits and liabilities attached to the shares of Phoenix Medical Group of companies would be transferred to LSH with effect from 31 December 2019.

As of 31 December 2019, out of the consideration of S\$1,530,000, S\$306,000 has been paid in cash. Considering the effect of net present value, the fair value of the consideration is S\$1,470,391.

As of October 2020, an additional amount of S\$612,000 was paid and 33,721 new shares of Phoenix Medical was issued to LSH. The remaining balance of S\$612,000 will be paid by 31 December 2021 with interest rate of 5.25%. As of 31 March 2021, the net present value of the remaining consideration of S\$612,000 is S\$589,028.

Assets acquired and liabilities assumed at the date of acquisition:

Group	Phoenix Medical Group of Companies Total S\$
Plant and equipment	555,507
Cash and cash equivalents	402,406
Trade receivables	360,661
Other receivables	771,123
Inventories	263,800
Trade payables	(146,335)
Other payables	(315,221)
Bank borrowings	(494,269)
Lease liabilities	(436,034)
Income tax payable	(17,028)
Net assets acquired	944,610
Less: Non-controlling interests	(462,859)
Add: Goodwill on acquisition	988,640
Total considerations	1,470,391
Less: Considerations unpaid as of 31 December 2019	(1,164,391)
Cash paid during the year 2019	306,000
Cash paid for during the year 2019	(306,000)
Add: Cash and cash equivalents from acquired entities	402,406
Net inflow of cash	96,406

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

2019 Restructuring (Continued)

(k) Incorporation of Cove Sports and acquisition of medical practice of Dr. Edwin Tan

Cove Sports & Reconstruction Pte. Ltd. ("Cove Sports") was incorporated in the Republic of Singapore on 11 November 2019 as a private company limited by shares. The principal activity of Cove Sports is that of operating as an Orthopaedic Specialist Clinic. At the time of incorporation, Cove Sports had an issued and paid-up share capital of S\$100 comprising one hundred shares held by LSH.

Dr. Edwin Tan ("Dr. Edwin") was an Orthopaedic Surgeon who practised as an orthopaedic specialist doctor at SN Orthopaedics. Pursuant to Note 2(i) above, LSH initiated discussion and renegotiated with Dr. Edwin for injection of his entire medical practice including his medical team, his operations in the hospital to the Group after divestment of SN Orthopaedics. The Group and Dr. Edwin agreed that Dr. Edwin shall inject his entire medical practice into Cove Sports with effect from 31 December 2019, with aggregate consideration of S\$2,780,000. Considering the effect of net present value, the fair value of the consideration is S\$2,647,011, which represents the goodwill upon acquisition.

As of 31 December 2019, out of the total consideration of S\$2,647,011, S\$1,831,421 has been paid and remaining balances will be paid in the following schedules with discount rate of 5.25% per annum:

Instalments	Date of payment	Actual amount S\$	Present value S\$
1st Instalment	31 December 2020	189,716	180,227
2nd Instalment	31 December 2021	189,716	171,237
3rd Instalment	31 December 2022	189,716	162,696
4th Instalment	31 December 2023	189,716	154,580
5th Instalment	31 December 2024	189,716	146,850
		948,580	815,590

The 2nd and 3rd instalment were made during the financial period. As of 31 March 2021, the remaining balances will be paid in the following schedules with discount rate of 5.25% per annum:

Instalments	Date of payment	Actual amount S\$	Present value S\$
4th Instalment	31 December 2023	189,716	164,785
5th Instalment	31 December 2024	189,716	156,574
		379,432	321,359

Concurrently with the Restructuring which took place subsequent to the Prior Listing Attempt, Dios entered into a sale and purchase agreement with Dr. Sean Ng, Dr. Rachel Lim, Dr. Wilson Tay and Dax Ng on 26 December 2019 for the sale of its entire interest in the Company, representing approximately 0.45% of the entire paid-up share capital of LSH (the "Dios Sale Shares") for a cash consideration of S\$106,183. Dr. Sean Ng, Dr. Rachel Lim, Dr. Wilson Tay and Dax Ng nominated LVS to be the transferee of the Dios Sale Shares. Upon completion of the sale and purchase of the Dios Sale Shares, Dios ceased to be a shareholder of LSH.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

2 Reverse acquisition, reorganisation and basis of preparation and presentation of historical financial information (Continued)

2019 Restructuring (Continued)

(k) Incorporation of Cove Sports and acquisition of medical practice of Dr. Edwin Tan (Continued)

On 21 July 2020, ICH Capital entered into a sale and purchase agreement with LVS, Dax Ng and Chua Hshan Cher for the sale of such number of shares in the capital of LSH for a cash consideration of S\$1,100,208 to each of LVS, Dax Ng and Chua Hshan Cher representing approximately 2.31%, 1.15% and 1.15% of the paid-up share capital of LSH, respectively (the "ICH Capital Sale Shares"). Upon completion of the sale and purchase of the ICH Capital Sale Shares, ICH Capital continues to hold such number of shares representing approximately 2.0% of the paid-up share capital of LSH.

The Group resulting from the above Restructuring Exercise in Notes 2(b) and (c) is regarded as a continuing entity throughout the financial years ended 31 December 2018 and 2019. Accordingly, the consolidated financial statements of the Group for the financial years ended 31 December 2018 and 2019 have been prepared using the principles of merger accounting on the basis that the Restructuring Exercise transfers the equity interest in the combining entities under the common control to LSH has been effected as at the beginning of the period from 1 January 2020 to 31 March 2021 presented in these consolidated financial statements.

The principal activities of the subsidiaries are disclosed in Note 20.

3. Summary of significant accounting policies

3.1 Basis of preparation

The financial statements of the Group and the statement of financial position have been drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I) ("SFRS(I) INT") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group are presented in Singapore Dollar ("S\$") which is also the functional currency of the Group, unless otherwise indicated.

In the current year, the Group has adopted all the new and revised SFRS(I)s and SFRS(I) INT that are relevant to its operations and effective for annual periods beginning on or after 1 January 2020. The adoption of these new or revised SFRS(I)s and SFRS(I) INT did not result in changes to the Group's accounting policies, and has no material effect on the current or prior year's financial statement and is not expected to have a material effect on future periods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

SFRS(I)s and SFRS(I)s INT issued but not yet effective

At the date of authorisation of these statements, the following SFRS(I)s and SFRS(I)s INT that are relevant to the Group were issued but not yet effective:

SFRS (I)	Title	Effective date (annual periods beginning on or after)
SFRS(I) 16	Amendment to SFRS(I) 16: <i>Covid-19- Related Rent Concessions</i>	1 June 2020
SFRS(I) 3	Amendments to SFRS(I) 3: <i>Reference to the Conceptual Framework</i>	1 January 2022
SFRS(I) 1-16	Amendments to SFRS(I) 1-16: <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
SFRS(I) 1-37	Amendments to SFRS(I) 1-37: <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
SFRS(I) 1-1	Amendments to SFRS(I) 1-1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
SFRS(I) 10,	Amendments to SFRS(I) 10 and SFRS(I) 1-28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
SFRS(I) 1-28	Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4,	
Various	SFRS(I) 16: <i>Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Group does not intend to early adopt any of the above new/revised standards, interpretations and amendments to the existing standards. Management anticipates that the adoption of the aforementioned revised/new standards will not have a material impact on the financial statements of the Group in the period of their initial adoption.

3.2 Basis of consolidation

The financial statements of the Group comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities (including structured entities) (i) over which the Group has power and the Group is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Group reassesses whether it controls the subsidiaries if facts and circumstances indicate that there are changes to the one or more of the three elements of control.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.2 Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Investments in subsidiaries are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.3 Revenue recognition

The Group recognises revenue from the following major sources:

- Aesthetics and wellness;
- Anaesthesiology and pain management;
- Family medicine;
- Internal medicine;
- Orthopaedic surgery; and
- Consultancy services

SFRS(I) 15 has a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

The Group is principally in the business of operation of medical clinic. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

Under SFRS(I) 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.3 Revenue recognition (Continued)

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Deferred revenue represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Revenue from provision of aesthetics and wellness services generally relate to performance obligations to provide treatment services. Considerations are generally received upfront and recognised as deferred revenue. Revenue from sale of medication and skincare products is recognised at the point in time when the patient has obtained the control of the medication and skincare products.

Revenue from provision of anaesthesiology and pain management services and family medicine relate to performance obligations to provide consultation and treatment services.

Revenue from provision of internal medicine and orthopaedic surgery relate to performance obligations to provide surgical and treatment services.

Revenue from project consultancy services is recognised over time by reference to the stage of completion of the service contract. The stage of completion is measured by reference to the contract costs incurred to date to the estimated total costs for the contract.

Performance obligations for all services are satisfied over a period of less than one day.

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.5 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

3.6 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

3.7 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profit against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.7 Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

3.8 Dividends

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

3.9 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.9 Foreign currency transactions and translation (Continued)

Exchange differences relating to assets under construction for future productive use, are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed off.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

3.10 Property, plant and equipment

Leasehold buildings held for use in the production or supply of goods or services, or for administrative purposes, are shown at cost less any subsequent accumulated depreciation, and where applicable, accumulated impairment losses.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.10 Property, plant and equipment (Continued)

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold properties	– over the lease term
Computers	– 3 years
Office equipment	– 3 – 5 years
Machines and equipment	– 3 – 8 years
Motor vehicles	– 10 years or according to the Certificate of Entitlement
Renovation and furniture & fittings	– 5 years

For right-of-use assets for which ownership of the underlying asset is not transferred to the Group by the end of the lease term, depreciation is charged over the lease term, using the straight-line method.

For the financial years before 1 January 2019, assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.11 Intangible assets

Intangible assets are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value at the acquisition date. Subsequent to initial recognition, the intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Goodwill on acquisition

Goodwill represents the excess of the cost of an acquisition over the net fair value of the Group's interest in the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity carried at the date of acquisition. Goodwill is at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit (including the goodwill), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The attributable amount of goodwill is included in the determination of gain or loss on disposal of the subsidiary or jointly controlled entity.

On acquisition of an investment in an associate or joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the associate or joint venture is recognised as goodwill, which is included in the carrying amount of the investment. Any excess of the Group's share of net fair value of the identifiable assets and liabilities of the associate or joint venture over the cost of investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.12 Investment in joint venture

Investment in joint ventures are stated at cost and the result of joint ventures are incorporated in these financial statements using the equity method of accounting.

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. 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.

A joint arrangement is classified either as a joint operation or a joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only decisions about the relevant activities require unanimous consent of the parties sharing control.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Group's net fair value of the joint venture's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the joint venture's profit or loss in the reporting period in which the investment is acquired.

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for under SFRS(I) 5, from the date on which the investees become a joint venture. Under the equity method, investments in joint ventures are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any accumulated losses of individual investments. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from the joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Group's share of losses in a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures.

Any goodwill arising on the acquisition of the Group's interest in a joint venture is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.13 Impairment of non-financial assets excluding goodwill

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. 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.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.14 Financial instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Financial assets

Initial recognition and measurement

All financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I)15.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

Financial assets are classified as subsequently measured at amortised cost and fair value through profit or loss ("FVTPL"). The classification at initial recognition depends on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Group's business model refers to how the Group manages its financial assets in order to generate cash flows which determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is recognised, modified or impaired.

Financial assets at FVTPL

A financial asset is subsequently measured at FVTPL if the financial asset is a financial asset held for trading, is not measured at amortised cost, or is irrevocably elected at initial recognition to be designated FVTPL if, by designating the financial asset as FVTPL, eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Gains or losses are recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. At each reporting date, the Group assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Group assumes that the credit risk on a financial assets has not increased significantly since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The Group uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime ECL. Where the credit risk on that financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Group uses a practical expedient to recognise the ECL for trade receivables and, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

While they are not financial assets, arising from the Group's contracts with customers under SFRS(I) 15 are assessed for impairment in accordance with SFRS(I) 9, similar to that of trade receivables.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For details on the Group's accounting policy for its impairment of financial assets, refer to Note 33.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a capitalised borrowing for the proceeds receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Initial recognition and measurement

All financial liabilities are recognised on trade date – the date on which the Group commits to purchase or sell the asset. All financial liabilities are initially measured at fair value, minus transaction costs, except for those financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition. Financial liabilities classified as at fair value through profit or loss comprise derivatives that are not designated or do not qualify for hedge accounting.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis. A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see Note 3.4 above).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments

Derivatives are initially recognised at their fair values at the date the derivative contract is entered into and are subsequently re-measured to their fair values at the end of each financial year. The method of recognising the resulting gain or loss depends on whether the derivative is designated and effective as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

3.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

3.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.17 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.17 Leases (Continued)

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

Right-of-use assets are presented within "property, plant and equipment".

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate.

The Group generally uses the incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group obtains a reference rate and makes certain adjustments to reflect the terms of the lease and the asset leased.

The lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any lease incentive receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- payments of penalties for terminating the lease if the Group is reasonably certain to terminate early and lease payments for an optional renewal period if the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Group remeasures the lease liability when there is a change in the lease term due to a change in assessment of whether it will exercise a termination or extension or purchase option or due to a change in future lease payment resulting from a change in an index or a rate used to determine those payment.

Where there is a remeasurement of the lease liability, a corresponding adjustment is made to the right-of-use asset or in profit or loss where there is a further reduction in the measurement of the lease liability and the carrying amount of the right-of-use asset is reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

3. Summary of significant accounting policies (Continued)

3.18 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 the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

3.19 Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and

- (i) represents a separate major line of business or geographical area of operations;
- (ii) is part of a single co-ordinated plan to dispose of a separate major line or geographical area of operations; or
- (iii) is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations is disclosed separately from continuing operations as a single amount comprising the post-tax profit or loss of discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operation.

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.21 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant shall be recognized in profit or loss on a systematic basis over the periods in which the entity recognizes 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 a general heading such as "Other operating income".

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

4. Critical accounting judgements and key sources of estimation uncertainty

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

4.1 Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

4.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of Singapore and the growth rates of the major industries in which its customers operate. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future.

Impairment of goodwill

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units (CGU) to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the CGU, including their best estimate of the impact of COVID-19 and a suitable discount rate in order to calculate present value. No impairment loss was recognised during the financial year. The carrying amount of goodwill as at 31 March 2021 was S\$3,635,651 (31/12/2019: S\$3,635,651) (Note 19).

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset was already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's and the Company's property, plant and equipment at 31 March 2021 were S\$3,527,157 (31/12/2019: S\$2,809,494) and S\$Nil (31/12/2019: S\$80,226) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised (Note 18).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

4. Critical accounting judgements and key sources of estimation uncertainty (Continued)

4.2 Key sources of estimation uncertainty (Continued)

Provision for income taxes

The Group has exposure to income taxes of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amount of the Group's current tax payable as at 31 March 2021 was S\$858,898 (31/12/2019: S\$254,647).

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where necessary, the Company's assessments are based on the estimation of the value-in-use of the assets defined in SFRS(I) 1-36 Impairment of Assets by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Company's investments in subsidiaries as at 31 March 2021 was S\$73,000,000 (31/12/2019: S\$2,536) (Note 20).

5. Revenue

	01/01/2020 to 31/03/2021 S\$	01/01/2019 to 31/12/2019 S\$
Aesthetics and wellness		
– Treatment services	1,943,842	1,785,986
– Sale of medication and skincare products	5,110	30,294
Anaesthesiology and pain management		
– Treatment services	5,795,218	3,454,042
Family medicine	4,391,476	–
Internal medicine	925,776	81,386
Orthopaedic surgery	11,094,226	–
Other revenue	123,210	807,251
	24,278,858	6,158,959
Timing of revenue recognition:		
At a point in time	5,110	30,294
Over time	24,273,748	6,128,665
	24,278,858	6,158,959

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

6. Other operating income

	01/01/2020 to 31/03/2021	01/01/2019 to 31/12/2019
	S\$	S\$
Interest income	4,787	–
Rental income	39,486	–
Rental rebate	200,369	–
Wage and other employment credit scheme	716,380	3,239
Gain on disposal of fixed assets	771	5,271
Others	93,959	13,032
	1,055,752	21,542

Wage and other employment credit scheme consist of special employment credit, wage credit scheme and Jobs Support Schemes ("JSS").

COVID-19 Government Assistance Schemes

During the financial period, to help businesses cope with the impact from COVID-19, the government introduced the JSS and property tax rebates.

The JSS provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs.

The Group has been awarded certain government grants for which the grant income was recognised in other income.

7. Other operating expense

	01/01/2020 to 31/03/2021	01/01/2019 to 31/12/2019
	S\$	S\$
Marketing expenses	1,507,594	345,296
Loss allowance on trade receivables	–	15,417
Bad debts written off	–	1,718
Rental expenses	102,041	128,454
Hospital administrative charges	399,873	44,201
Professional fees	122,982	595,614
Bank and credit card charges	166,854	50,256
Repair and maintenance	150,720	99,183
Loss on disposal of property, plant and equipment	–	51,190
Property, plant and equipment written-off	1,669	–
Subscription fee	40,725	8,837
Printing and stationery	55,890	11,954
Transportation expenses	28,938	43,449
Others	577,943	140,783
	3,155,229	1,536,352

The Group incurred more promotional and marketing expenses during the financial period to promote new clinics and services of the Group.

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

8. Finance costs

	01/01/2020 to 31/03/2021 S\$	01/01/2019 to 31/12/2019 S\$
Interest expense on lease liabilities	114,183	22,371
Interest expense on bank overdraft	–	30
Interest expense on borrowings	80,193	7,199
Interest expense on acquisition related	111,554	–
	305,930	29,600

9. (Loss)/Profit before tax

The following charges were included in the determination of (loss)/profit before tax:

	01/01/2020 to 31/03/2021 S\$	01/01/2019 to 31/12/2019 S\$
Employee benefit – director of the Company		
– Short term benefits	860,356	404,400
– Post-employment benefits	32,045	32,130
Key management remuneration other than directors		
– Short term benefits	2,509,060	1,271,600
– Post-employment benefits	141,155	75,070
Employee benefits expense (including directors remuneration)		
– Salaries and other related costs	11,051,261	2,373,841
– Defined contribution plan	692,301	167,303

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

10. Income tax expense

	01/01/2020 to 31/03/2021 S\$	01/01/2019 to 31/12/2019 S\$
Current tax expense		
Current financial period/year	844,214	470,128
Overprovision in prior financial year	(20,537)	(1,401)
	823,677	468,727
Deferred tax expense (Note 27)		
Origination and reversal of temporary differences	(255,818)	(58,033)
Overprovision in prior financial year	–	(20,951)
	(255,818)	(78,984)
Income tax expense	567,859	389,743
Income tax expense attributable to the following:		
– Continuing operations	567,859	70,245
– Discontinued operation (Note 11)	–	319,498
	567,859	389,743

The income tax varied from the amount of taxation determined by applying the Singapore statutory income tax rate of 17% (31/12/2019: 17%) to profit before tax as a result of the following differences:

	01/01/2020 to 31/03/2021 S\$	01/01/2019 to 31/12/2019 S\$
(Loss)/Profit before tax from continuing operations	(16,198,915)	490,547
(Loss)/Profit before tax from discontinued operation	–	1,729,583
Total (loss)/profit before tax	(16,198,915)	2,220,130
Share of results from equity-accounted for joint ventures	166,406	157,074
(Loss)/Profit before tax and share of losses from equity-accounted joint ventures	(16,032,509)	2,377,204
Tax (credit)/expense of statutory rate of 17% (31/12/2019:17%)	(2,725,527)	404,125
Tax effects of:		
Effect of tax concessions and tax exemptions	(158,557)	(206,970)
Effects of non-deductible expenses	3,522,930	230,589
Overprovision income tax for prior period/year	(20,537)	(22,352)
Effects of non-taxable income	(124,922)	(15,620)
Others	74,472	(29)
	567,859	389,743

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

11. Discontinued operation

On 26 December 2019, the Group agreed to dispose the entire issued share capital of SN Orthopaedics Pte. Ltd. ("SN Orthopaedics") for a total consideration of S\$1,831,421. The transaction was effective on 31 December 2019.

As at 31 December 2019, the assets and liabilities relating to SN Orthopaedics are disposed as per note 2(i).

The results of the discontinued operations were as follows:

	01/01/2019 to 31/12/2019 S\$
Revenue	8,587,729
Other operating income	21,565
Consumables and medical supplies used	(1,611,972)
Employees benefits expense	(2,979,308)
Depreciation expense	(140,371)
Other operating expenses	(2,127,712)
Finance costs	(20,348)
Profit before tax from discontinued operations	1,729,583
Income tax expense	(319,498)
Profit from discontinued operations, net of tax	1,410,085

All the financial assets and liabilities held by SN Orthopaedics are denominated in Singapore Dollars.

Cash flow statement disclosures

	01/01/2019 to 31/12/2019 S\$
Operating	1,081,264
Investing	(75,570)
Financing	(1,054,943)
Net cash outflows	(49,249)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

12. Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. The following table reflects the profit and share data used in the computation of basic earnings per share:

	31/03/2021 S\$	31/12/2019 S\$
(Loss)/Profit for the financial period/year attributable to the owners of the Company		
– Continued operations	(16,693,659)	420,302
– Discontinued operations	–	1,410,085
	(16,693,659)	1,830,387
Number of shares	315,947,748	176,168,027
Basic and diluted earnings per share (cents)		
– Continued operations	(5.28)	0.24
– Discontinued operations	–	0.80
– Total	(5.28)	1.04

The basic and diluted earnings per share is the same as there were no potentially dilutive instruments.

13. Cash and cash equivalents

	Group		Company	
	31/03/2021 S\$	31/12/2019 S\$	31/03/2021 S\$	31/12/2019 S\$
Cash at banks	6,764,335	1,709,505	16,744	100,118
Cash on hand	10,712	1,535	–	–
	6,775,047	1,711,040	16,744	100,118

Cash at banks earns interest at floating rates based on daily bank deposit rates. Cash and cash equivalents are denominated in Singapore Dollars.

14. Trade receivables

	Group		Company	
	31/03/2021 S\$	31/12/2019 S\$	31/03/2021 S\$	31/12/2019 S\$
Third parties	4,429,114	1,818,550	–	131,040
Subsidiaries	–	–	84,529	–
Less: Loss allowance	(15,246)	(15,417)	–	–
	4,413,868	1,803,133	84,529	131,040

Trade receivables are non-interest bearing and are generally on 30 to 90 (31/12/2019: 30 to 90) days credit terms. Trade receivables are denominated in Singapore Dollars.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

15. Other receivables

	Group		Company	
	31/03/2021	31/12/2019	31/03/2021	31/12/2019
	S\$	S\$	S\$	S\$
Amount due from a subsidiary	–	–	68,045	–
Deposits	409,680	235,741	–	15,331
Prepayments	496,742	160,584	15,607	8,900
Accrued income	–	17,650	–	–
GST receivables	–	–	2,466	7,182
Amount owing from a related party	7,825	100,000	–	–
Others	126,154	95,348	–	–
	1,040,401	609,323	86,118	31,413

Other receivables are non-interest bearing, unsecured and repayable on demand.

Other receivables are denominated in Singapore Dollars.

16. Finance lease receivables

	Company 31/12/2019 S\$
Undiscounted lease payments to be received:	
– Year 1	23,022
– Year 2	23,246
– Year 3	24,366
– Year 4	20,369
– Year 5	542
	91,545
Unguaranteed residual values	–
Gross investment in lease	91,545
Less: Unearned finance income	(9,320)
Present value of lease payment receivables, representing finance lease receivables	82,225
Presented as:	
– Non-current	63,063
– Current	19,162
	82,225

The finance lease receivables have an effective interest rate of 5.8% per annum.

The Group estimates the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessee operates, the Group considers that no finance lease receivable is impaired.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for finance lease receivables.

Further information about the financial risk management are disclosed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

17. Inventories

	Group	
	31/03/2021	31/12/2019
	S\$	S\$
Consumables and medical supplies	520,201	461,241

The cost of inventories recognised as an expense and included in “Consumables and medical supplies used” line item in profit or loss during the current financial year amounted to S\$4,295,549 (31/12/2019: S\$375,961).

18. Property, plant and equipment

Group	Leasehold properties S\$	Computers S\$	Office equipment S\$	Machines and equipment S\$	Motor vehicles S\$	Renovation and furniture and fittings S\$	Total S\$
<u>Cost</u>							
At 1 January 2019	1,931,802	91,391	11,572	877,212	56,500	304,476	3,272,953
Additions	–	41,115	6,992	286,214	–	408,491	742,812
Disposal	–	(4,960)	–	(92,858)	–	(164,288)	(262,106)
Disposal of a subsidiary	(639,392)	(24,278)	–	–	(56,500)	(78,145)	(798,315)
Arising from acquisition	425,779	6,179	2,756	3,218	–	117,575	555,507
At 31 December 2019	1,718,189	109,447	21,320	1,073,786	–	588,109	3,510,851
Additions	1,662,971	84,155	9,320	297,929	–	120,304	2,174,679
Disposal	–	–	–	(14,000)	–	–	(14,000)
Written-off	(546,886)	–	(5,395)	(2,732)	–	(2,126)	(557,139)
At 31 March 2021	2,834,274	193,602	25,245	1,354,983	–	706,287	5,114,391
<u>Accumulated depreciation</u>							
At 1 January 2019	–	62,001	2,367	254,417	11,024	119,865	449,674
Depreciation	240,731	24,888	2,718	129,812	16,536	74,463	489,148
Disposal	–	(1,557)	–	(16,935)	–	(112,811)	(131,303)
Disposal of a subsidiary	(53,283)	(18,339)	–	–	(27,560)	(6,980)	(106,162)
At 31 December 2019	187,448	66,993	5,085	367,294	–	74,537	701,357
Depreciation	1,010,596	40,690	6,789	226,264	–	159,778	1,444,117
Disposal	–	–	–	(2,770)	–	–	(2,770)
Written-off	(546,886)	–	(5,395)	(2,705)	–	(484)	(555,470)
At 31 March 2021	651,158	107,683	6,479	588,083	–	233,831	1,587,234
<u>Carrying amount</u>							
At 31 March 2021	2,183,116	85,919	18,766	766,900	–	472,456	3,527,157
At 31 December 2019	1,530,741	42,454	16,235	706,492	–	513,572	2,809,494

Included in machines and equipment balances is an asset partially financed by finance lease of carrying amount S\$327,479 (2019: S\$Nil).

Details of the right-of-use assets are disclosed in Note 25(a).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

18. Property, plant and equipment (Continued)

<u>Company</u>	Leasehold properties S\$	Office equipment S\$	Total S\$
<u>Cost</u>			
At 1 January 2019 and 31 December 2019	94,012	6,836	100,848
Written-off	(94,012)	(6,836)	(100,848)
At 31 March 2021	–	–	–
<u>Accumulated depreciation</u>			
At 1 January 2019	–	–	–
Depreciation	19,451	1,171	20,622
At 31 December 2019	19,451	1,171	20,622
Depreciation	19,375	869	20,244
Written-off	(38,826)	(2,040)	(40,866)
At 31 March 2021	–	–	–
<u>Carrying amount</u>			
At 31 March 2021	–	–	–
At 31 December 2019	74,561	5,665	80,226

19. Goodwill arising on consolidation

	Group	
	31/03/2021 S\$	31/12/2019 S\$
At cost		
At beginning of financial period/year	3,635,651	–
Arising on acquisition of subsidiaries (Note 2j)	–	988,640
Arising on acquisition of business (Note 2k)	–	2,647,011
At end of financial period/year	3,635,651	3,635,651

Goodwill acquired is allocated to the cash-generating units ("CGU") that are expected to benefit from the CGU.

The carrying amount of goodwill had been allocated by CGU and to reportable operating segments as follows:

	31/03/2021 S\$	31/12/2019 S\$
Family Medicine (Note 2j)	988,640	988,640
Orthopaedic Surgery (Note 2k)	2,647,011	2,647,011
	3,635,651	3,635,651

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

19. Goodwill arising on consolidation (Continued)

Impairment of goodwill

The Group tests CGU for impairment annually, or more frequently when there is an indication for impairment.

The recoverable amounts of the CGU are determined from value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by Board of Directors covering a five-year period. The key assumptions for these value-in-use calculations are those regarding the discount rates, growth rates and expected changes to gross margins during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in gross margins are based on past practices and expectations of future changes in the market.

Key assumptions on which management has based its cash flow projections for the respective periods of the significant CGU are as follows:

	Phoenix Medical Group of Companies		Acquisition of business	
	31/03/2021	31/12/2019	31/03/2021	31/12/2019
Gross margin ⁽ⁱ⁾	71.7%	71.9%	77.5%	79.5%
Growth rates ⁽ⁱⁱ⁾	3.0% to 15.0%	-0.7% to 2.2%	2.2%	-15.3% to 15%
Discount rates ⁽ⁱⁱⁱ⁾	9.0%	8.8%	15.0%	14.5%
Terminal value growth rates ^(iv)	1.2%	1.2%	1.2%	1.2%

Key assumptions used in the value-in-use calculations

- (i) *Budgeted gross margins* – Budgeted gross margins are determined based on past performance and its expectations of market developments.
- (ii) *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.
- (iii) *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.
- (iv) *Terminal value growth rates* – The terminal growth rates are determined based on management's estimate of the long-term industry growth rates.

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

19. Goodwill arising on consolidation (Continued)

Sensitivity to changes in assumptions

Management is of the view that any reasonable possible change in any of the above key assumptions are not likely to materially cause the CGU's carrying amount to exceed its recoverable amount.

Impairment loss recognised

There is no impairment for goodwill identified by the management for the financial period.

20. Investments in subsidiaries

	Company	
	31/03/2021	31/12/2019
	S\$	S\$
Unquoted shares, at cost		
Investments in subsidiaries, at cost	73,000,000	2,536

As at 31 March 2021, the subsidiaries relate to entities held directly or indirectly by the Company subsequent to the Reverse Acquisition as described in Note 2 to the financial statements.

Details of subsidiaries directly held by the Company and held by subsidiaries of the Company as at respective financial period/year ended are as follows:

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Effective equity held by the Company	
			31/03/2021	31/12/2019
			%	%
<u>Held by the Company</u>				
Livingstone Health Ltd. (formerly known as Ardmore Medical Group Limited)*	Investment holding company	Singapore	100	–
Asiapac Recycling Pte Ltd [#]	Dealer in all kinds of ferrous and non-ferrous metals, electrical and electronics and insulated cable scraps	Singapore	100	100
Citicode Corporation Pte Ltd [#]	Investment holding company	Singapore	–	100

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20. Investments in subsidiaries (Continued)

Details of subsidiaries directly held by the Company and held by subsidiaries of the Company as at respective financial period/year ended are as follows: (Continued)

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Effective equity held by the Company	
			31/03/2021 %	31/12/2019 %
N&T Smart Engineering (Pte) Ltd [#]	Research and experimental development of electronics in the area of smart city technology (Internet of things and artificial intelligence)	Singapore	–	100
<u>Held through Livingstone Health Ltd.</u>				
Precision Medical Services Pte Ltd [#]	Orthopaedic clinic	Singapore	100	–
Livingstone Endocrine Pte Ltd [*]	Medical clinic	Singapore	100	–
The Bone and Joint Centre Pte Ltd [*]	Orthopaedic clinic	Singapore	100	–
Alo Ambulance Services Pte Ltd [#]	Medical clinic	Singapore	100	–
Al Tirah Anaesthesia Services Pte Ltd [#]	Medical clinic	Singapore	51	–
RL Aesthetics Pte Ltd [*]	Medical clinic	Singapore	100	–
Cove Wellness Pte Ltd (formerly known as Ardmore Wellness Pte Ltd) [*]	Beauty spa	Singapore	100	–
Apicare Medical Pte Ltd [*]	Medical clinic	Singapore	100	–
Apicare Pain Specialist Pte Ltd [*]	Medical clinic	Singapore	100	–
Sebastian Chua MH Pte Ltd [*]	Medical clinic	Singapore	100	–
S Chua Pte Ltd [*]	Medical clinic	Singapore	100	–
Cove Sports & Reconstruction Pte Ltd [*]	Orthopaedic clinic	Singapore	100	–

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20. Investments in subsidiaries (Continued)

Details of subsidiaries directly held by the Company and held by subsidiaries of the Company as at respective financial period/year ended are as follows: (Continued)

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Effective equity held by the Company	
			31/03/2021 %	31/12/2019 %
Livingstone Cardiology Pte Ltd (formerly known as Ardmore Cardiology Pte Ltd)*	Medical clinic	Singapore	100	–
Livingstone Health International Pte Ltd (formerly known as Ardmore International (Cambodia) Pte Ltd)*	Investment holding company	Singapore	100	–
Phoenix Medical Group Pte Ltd*	Medical clinic	Singapore	51	–
Held through Phoenix Medical Group Pte Ltd				
PMG CACTIII Pte Ltd*	Medical clinic	Singapore	35.7	–
PMG HV Pte Ltd*	Medical clinic	Singapore	51	–
PMG PL Pte Ltd*	Medical clinic	Singapore	51	–
Ardennes Healthcare Pte Ltd#	Medical clinic	Singapore	51	–

* Audited by Mazars LLP as statutory auditors

Not required to be audited

(a) Acquisition of a subsidiary – Livingstone Health Ltd.

On 4 February 2021, the Company completed the acquisition of 176,168,027 shares representing 100% equity interest in Livingstone Health Ltd. and its subsidiaries through a reverse acquisition (Note 2).

(b) Disposal of subsidiaries – Citicode Corporation Pte Ltd and N&T Smart Engineering (Pte) Ltd

During the financial period, the Company disposed of its entire interest in Citicode Corporation Pte Ltd and N&T Smart Engineering (Pte) Ltd to a third-party vendor with a consideration of \$1 respectively. The loss on disposal is approximately \$4,500 and insignificant to the group's results.

(c) Strike-off of a subsidiary – Asiapac Recycling Pte Ltd

During the financial period, the Company had applied to struck off Asiapac Recycling Pte. Ltd. ("APR"). The application was approved on 8 April 2021.

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21. Investments in joint ventures

	31/03/2021 S\$	31/12/2019 S\$
Investments in joint ventures	463,046	463,040
Amount due to joint ventures	(29,612)	(184,543)
Share of post-acquisition results	(320,634)	(157,074)
	112,800	121,423

Details of the joint ventures are as follows:

Name of joint venture	Place of establishment and business	Principal activities	Effective equity held by the Group	
			31/03/2021	31/12/2019
Livingstone Soriya Medical Specialists Co., Ltd ("LSMS") ⁽¹⁾	Cambodia	Medical Clinic	57%	57%
Venture Investment Pte. Ltd. ⁽²⁾	Singapore	Investment holding	60%	—
Activfix Pte Ltd ("Activfix") ⁽²⁾	Singapore	Physiotherapy	60%	60%

(1) Reviewed by Mazars LLP, Singapore, for the purpose of equity accounting.

(2) The unaudited account has been used for the purpose equity accounting as it is not material to the Group's consolidated financial statements.

On 22 January 2020, the Group through its wholly owned subsidiary, Livingstone Health International Pte. Ltd. incorporated Venture Investment Pte. Ltd. together with its joint venture partner to hold the investment of Activfix for S\$6.

Summarised financial information of LSMS

The summarised financial information in respect of LSMS based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	31/03/2021 S\$	31/12/2019 S\$
Assets and liabilities		
Non-current assets	206,516	272,527
Current assets	82,894	372,404
Total assets	289,410	644,931
Current liabilities	(32,637)	(109,194)
Total liabilities	(32,637)	(109,194)
Net assets	256,773	535,737
Group's share of joint venture's net assets	146,361	305,370
Amount due to joint venture	(29,612)	(184,543)
Foreign exchange differences	(3,949)	596
Carrying amount of the investment	112,800	121,423
Results:		
Revenue	64,246	27,008
Loss for the financial period/year	(282,849)	(275,568)

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

22. Trade payables

	Group		Company	
	31/03/2021	31/12/2019	31/03/2021	31/12/2019
	S\$	S\$	S\$	S\$
Third parties	1,242,757	677,413	–	19,500

The average credit period on purchases of goods generally ranges between 30 to 60 days (31/12/2019: 30 to 60 days). No interest is charged on the trade payables. Trade payables are denominated in Singapore Dollars.

23. Other payables

	Group		Company	
	31/03/2021	31/12/2019	31/03/2021	31/12/2019
	S\$	S\$	S\$	S\$
Non-current				
Deferred consideration on reverse acquisition	1,500,000	–	25,000,000	–
Deferred consideration on acquisition of Dr Edwin's business*	321,359	635,363	–	–
Deferred consideration on acquisition of PMG Group of companies*	–	552,391	–	–
	1,821,359	1,187,754	25,000,000	–
Current				
Accruals	762,622	692,901	100,171	327,812
Customer deposits	30,034	33,775	–	–
GST payables	244,083	105,701	–	–
Amounts due to related companies	163,644	–	–	–
Amounts due to subsidiaries	–	–	–	2,344,765
Amount due to directors of the subsidiaries	–	30,800	–	–
Deferred consideration on reverse acquisition	2,000,000	–	2,000,000	–
Deferred consideration on acquisition of PMG Group of companies*	589,028	–	–	–
Deferred consideration on acquisition of Dr Edwin's business*	–	180,227	–	–
Others	109,303	306,697	90,237	40,164
	3,898,714	1,350,101	2,190,408	2,712,741
	5,720,073	2,537,855	27,190,408	2,712,741

Amount due to directors of the Company and the subsidiaries are unsecured, interest-free and repayable on demand.

Amount due to related companies and subsidiaries are unsecured, interest-free and repayable on demand.

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FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

23. Other payables (Continued)

*The deferred consideration payable are non-trade, unsecured, interest bearing at 5.25% and repayable as according to the contracted date.

Accruals mainly consist of accrued operating expenses.

Other payables (current) are non-trade in nature, unsecured, interest-free, repayable on demand.

Other payables are denominated in Singapore Dollars.

24. Borrowings

	Group		Company	
	31/03/2021	31/12/2019	31/03/2021	31/12/2019
	S\$	S\$	S\$	S\$
Loan 1	–	22,570	–	–
Loan 2	–	32,849	–	–
Loan 3	538,150	–	–	–
Loan 4	488,524	–	–	–
Loan 5	4,691,136	–	–	–
Loan 6	–	65,265	–	–
Loan 7	72,604	120,000	–	–
Loan 8	29,504	71,271	–	–
Loan 9	54,607	78,733	–	–
Loan 10	–	5,421	–	–
Loan 11	62,692	110,802	–	–
Loan 12	–	42,776	–	–
Loans from related party	865,000	–	865,000	715,000
	6,802,217	549,687	865,000	715,000
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,128,966)	(549,687)	–	–
Amount due for settlement after 12 months	5,673,251	–	865,000	715,000

Borrowings are classified as current liabilities due to a repayment in demand clause allowing the lenders the right to request for repayments from the Group by the lenders, regardless of occurrence of any default events. Historically, there were no instances where the lenders have requested for repayment of the loans ahead of the due dates.

- (a) Loan 1 of S\$300,000 was raised on 22 May 2015. Repayments commenced on 22 May 2015 and will continue until 22 April 2020. The loan is secured by a joint personal guarantee from certain directors of the Group and the Company. The effective interest of the loan is at 5.51% per annum. The loan has been fully repaid during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

24. Borrowings (Continued)

- (b) Loan 2 of S\$350,000 was raised on 5 June 2015. Repayments commenced on 5 June 2015 and will continue until 5 May 2020. The loan is secured by a joint personal guarantee from certain directors of the Group and the Company. The effective interest of the loan is at 5.51% per annum. The loan has been fully repaid during the year.
- (c) Loan 3 of S\$700,000 was raised on 10 March 2020. Repayments commenced on 14 May 2020 and will continue until 14 April 2023. The loan is secured by guarantee from the Company and its subsidiaries. The effective interest of the loan is at 2.49% per annum.
- (d) Loan 4 of S\$600,000 was raised on 10 March 2020. Repayments commenced on 26 May 2020 and will continue until 26 April 2024. The loan is secured by guarantee from the Company and its subsidiaries. The effective interest of the loan is at 2.80% per annum.
- (e) Loan 5 of S\$4,700,000 was raised on 27 April 2020. Repayments commenced on 24 August 2020 and will continue until 24 July 2025. The loan is secured by guarantee from the Company and its subsidiaries. The effective interest of the loan is at 2.00% per annum.
- (f) Loan 6 of S\$150,000 was raised on 17 April 2018 and is arising from the acquisition of PMG Group in 2019. Repayment commenced on 24 April 2018 and will continue until 24 March 2021. The loan is secured by a joint personal guarantee from certain directors of the Group. The effective interest of the loan is at 5.03% per annum. The loan has been fully repaid during the year.
- (g) Loan 7 of S\$120,000 was raised on 16 December 2019 and is arising from the acquisition of PMG Group in 2019. Repayment commenced on 21 January 2020 and will continue until 21 December 2022. The loan is secured by a joint personal guarantee from certain directors of the Group. The effective interest of the loan is at 6.00% per annum.
- (h) Loan 8 of S\$100,000 was raised on 18 January 2019 and is arising from the acquisition of PMG Group in 2019. Repayment commenced on 01 February 2019 and will continue until 1 February 2022. The loan is secured by a joint personal guarantee from certain directors of the Group. The effective interest of the loan is at 5.74% per annum.
- (i) Loan 9 of S\$100,000 was raised on 28 September 2018 and is arising from the acquisition of PMG Group in 2019. Repayment commenced on 1 November 2018 and will continue until 1 October 2023. The loan is secured by a joint personal guarantee from certain directors of the Group. The effective interest of the loan is at 4.73% per annum.
- (j) Loan 10 of S\$180,000 was raised on 23 January 2017 and is arising from the acquisition of PMG Group in 2019. Repayment commenced on 1 February 2017 and will continue until 1 January 2020. The loan is secured by a joint personal guarantee from certain directors of the Group. The effective interest of the loan is at 5.22% per annum. The loan has been fully repaid during the year.
- (k) Loan 11 of S\$120,000 was raised on 13 September 2019 and is arising from the acquisition of PMG Group in 2019. Repayment commenced on 1 October 2019 and will continue until 1 September 2022. The loan is secured by a joint personal guarantee from certain directors of the Group. The loan carries effective interest at 6.00% per annum.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

24. Borrowings (Continued)

- (l) Loan 12 of S\$140,000 was raised on 15 November 2017 and is arising from the acquisition of PMG Group in 2019. Repayment commenced on 1 December 2017 and will continue until 1 November 2020. The loan is secured by a joint personal guarantee from certain directors of the Group. The effective interest of the loan is at 4.76% per annum. The loan has been fully repaid during the year.
- (m) Loans from related party are financial assistance provided by a director to the Company in the form of an unsecured, interest-free loan during the financial period/year under review. The repayment is due on 31 December 2022. As of 31 December 2019, included in the loan amount is S\$300,000 which bears interest at 5% per annum, with the remainder being interest free.

25. Lease liabilities

The Group leased certain medical equipment and leasehold properties under leases. The lease term is one to three years. Interest rates are fixed at inception of the lease contract dates at 1.60% to 5.65% (31/12/2019: 5.65%) per annum. All leases are on fixed repayment basis with no contingent rental payments. The Group's obligations under leases are secured by the lessor's charge over the leased medical equipment and leasehold properties (Note 18).

The Group leases certain clinic and office for one to three years. Previously, these leases were classified as operating leases under SFRS(I) 1-17.

Recognition exemptions

The Group has certain lease contracts with lease terms of 12 months or less and/or of low value. For such leases, the Group has elected not to recognise right-of-use assets and lease liabilities.

- (a) Right-of-use assets

	Group		Company	
	31/03/2021	31/12/2019	31/03/2021	31/12/2019
	S\$	S\$	S\$	S\$
Leasehold properties				
At beginning of financial period/year	1,530,741	1,931,802	74,561	94,012
Arising from acquisition	1,662,971	425,779	–	–
Disposal of a subsidiary	–	(639,392)	–	–
Depreciation, net of disposal and acquisition of subsidiaries	(1,010,596)	(187,448)	(19,375)	(19,451)
Written-off	–	–	(55,186)	–
At end of financial period/year	2,183,116	1,530,741	–	74,561
Machines and equipment				
At beginning of financial period/year	182,523	–	5,665	6,836
Additions	215,000	190,800	–	–
Depreciation, net of disposal and acquisition of subsidiaries	(70,044)	(8,277)	(869)	(1,171)
Written-off	–	–	(4,796)	–
At end of financial period/year	327,479	182,523	–	5,665

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

25. Lease liabilities (Continued)

Recognition exemptions (Continued)

(b) Lease liabilities

	Group		Company	
	31/03/2021	31/12/2019	31/03/2021	31/12/2019
	S\$	S\$	S\$	S\$
Lease liabilities – current	1,259,695	660,498	–	38,324
Lease liabilities – non-current	1,254,911	889,623	–	126,127
At end of financial period/year	2,514,606	1,550,121	–	164,451

The maturity analysis of lease liabilities is disclosed in Note 33.

(c) Amounts recognised in profit or loss

	Group	
	01/01/2020 to 31/03/2021	01/01/2019 to 31/12/2019
	S\$	S\$
Interest expense on lease liabilities	114,183	22,371
Expense relating to short-term leases	102,041	73,844
Expense relating to low-value assets	10,136	54,610

26. Deferred revenue

	31/03/2021	31/12/2019
	S\$	S\$
Group		
At beginning of the period/year	1,031,432	1,011,556
Receipt from customers	1,185,778	1,827,922
Revenue recognised during the period/year	(981,159)	(1,808,046)
At end of financial period/year	1,236,051	1,031,432

There were no significant changes in the nature of deferred revenue balances during the reporting period, the deferred revenue is expected to be realised within the next financial period/year.

27. Deferred tax

	Group	
	31/03/2021	31/12/2019
	S\$	S\$
Deferred tax assets	255,818	–
Deferred tax liabilities	2,144	2,144

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

27. Deferred tax (Continued)

Deferred tax assets and liabilities principally arise as a result of difference between carrying amount and tax written down value of property, plant and equipment.

Deferred tax assets are recognised to the extent that realisation of the related tax benefits through future taxable profits is probable.

The movements in deferred tax position for the financial period/year are as follows:

	Accelerated tax depreciation Group	
	31/03/2021	31/12/2019
	S\$	S\$
At beginning of the period/year	2,144	85,009
Charge to profit or loss (Note 10)	(255,818)	(80,818)
Discontinued operations (Note 10)	–	1,834
Disposal of a subsidiary (Note 2i)	–	(3,881)
At end of financial period/year	(253,674)	2,144

28. Share capital

Group	31/03/2021	31/12/2019	31/03/2021	31/12/2019
	Number of shares		S\$	S\$
Ordinary shares				
At beginning of the period/year	176,168,027	9,955	3,267,868⁽¹⁾	1,000,952
Issue of new ordinary shares	233,314,000	2,282,759	19,037,179⁽²⁾	2,266,916
	409,482,027	2,292,714	22,305,047	3,267,868
Effect of sub-division of shares (Note 2h)	–	209,108,918	–	–
Effect of share consolidation (Note 2h)	(93,534,279)	(35,233,605)	–	–
At end of financial period/year	315,947,748	176,168,027	22,305,047⁽⁴⁾	3,267,868

Company	31/03/2021	31/12/2019	31/03/2021	31/12/2019
	Number of shares ('000)		S\$	S\$
Ordinary shares				
Beginning of period/year	41,316,908	41,316,908	209,581,289	209,581,289
Issue of new ordinary shares	233,314	–	46,662,800⁽³⁾	–
	41,550,222	41,316,908	256,244,089	209,581,289
Effect of share consolidation	(41,234,274)	–	–	–
End of period/year	315,948	41,316,908	256,244,089	209,581,289

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

28. Share capital (Continued)

The cash received for the share capital are as follows:

	31/03/2021 S\$	31/12/2019 S\$
Group		
Issued share capital	19,037,179	2,266,916
Less: Shares converted from other payables	(562,800)	–
Less: Shares issued as professional expense	(100,000)	–
Less: Shares deemed issued for reverse acquisition (Note 2)	(17,374,379)	–
Less: Shares converted from other reserve (Note 29)	–	(2,123,322)
Less: Shares issued for investment in subsidiaries (Note 2(c))	–	(43,592)
Cash receipts from issued of share capital	1,000,000	100,002

- (1) The equity structure (i.e. the number and types of equity instruments issued) reflects the equity structure of the Company, being the legal parent, including the equity instruments issued by the Company to effect the reverse acquisition.
- (2) This represents (i) the fair value of the consideration transferred in relation to the Reverse Acquisition of \$17,374,379 (Note 2) ii) shares issued to other payables of S\$562,800; (iii) professional expenses of S\$100,000; and (iv) share placement of S\$1,000,000.
- (3) Included in this amount are amounts pertaining to (i) the purchase consideration for the Company's acquisition of LSH Group which was satisfied by the allotment and issuance of 225 million ordinary shares at \$0.20 per share, amounting to S\$45,000,000; (ii) shares issued to other payables of S\$562,800; (iii) professional expenses of S\$100,000; and (iv) share placement of S\$1,000,000.
- (4) The amount recognised as issued equity instruments in the consolidated financial statements is determined by adding the cost of acquisition to the issued equity of LSH Group immediately before the Reverse Acquisition.

29. Reserves

Merger reserve

This represents the difference between the consideration and the aggregate nominal amounts of the share capital of the entities under common control at the date when these entities were consolidated as part of the restructuring exercise to the Group.

Foreign currency translation reserve

The 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.

Other reserves

This represents amounts due to immediate holding company and are unsecured, interest-free and not expected to be repaid. During 31 December 2019, the Company converted S\$2,123,322 of its quasi-loan to the share capital (Note 28).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

30. Dividends

During the financial period ended 31 March 2021, the Group declared interim tax-exempt dividend totalling S\$1,418,313 in respect of the financial period ended 31 March 2021.

During the financial year ended 31 December 2019, the Group declared total dividends of S\$3,873,408, of which S\$1,643,311 were used to offset the total amount due from directors of the Company and its subsidiaries and remaining paid by cash to shareholders of the Company.

31. Segment 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. This forms the basis of identifying the segments of the Group under SFRS(I) 8 Operating segments as follows:

(i) 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.

(ii) 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.

(iii) Family medicine

Provision of 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.

(iv) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

31. Segment information (Continued)

(v) 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).

The group's operations are mainly domiciled in Singapore.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of other gains and losses, distribution and selling expenses, administrative expenses, finance income and finance cost. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment revenue and results

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

	Aesthetics and wellness S\$	Anaesthesiology and pain management S\$	Family Medicine S\$	Internal Medicine S\$	Orthopaedic surgery S\$	Others S\$	Total S\$
31 MARCH 2021							
Segment revenue	1,948,952	5,795,218	4,391,476	925,776	11,094,226	123,210	24,278,858
Segment (loss)/profit	(71,907)	2,962,705	(28,646)	(747,759)	3,398,797	1,009	5,514,199
Unallocated loss							11,252,575
							16,766,774
Depreciation	429,355	21,737	509,646	237,692	77,043	–	1,275,473
Unallocated depreciation							168,644
							1,444,117
Share of losses from joint ventures	–	–	–	–	–	166,406	166,406
Finance costs	27,569	–	60,944	43,211	4,474	–	136,198
Unallocated finance cost							169,732
							305,930
Income tax (credit)/expense	(82,359)	310,555	8,303	(160,101)	477,399	65	553,862
Unallocated income tax expense							13,997
							567,859
Segment assets	1,355,805	2,197,177	3,575,137	1,196,481	3,202,671	472,807	12,000,078
Unallocated assets							8,280,865
							20,280,943
Segment liabilities	1,740,247	1,247,451	1,854,514	630,068	2,066,680	5,977	7,544,937
Unallocated liabilities							10,831,809
							18,376,746

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

31. Segment information (Continued)

Segment revenue and results (Continued)

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

	Aesthetics and wellness S\$	Anaesthesiology and pain management S\$	Family Medicine S\$	Internal Medicine S\$	Orthopaedic surgery S\$	Others S\$	Total S\$
31 DECEMBER 2019							
Segment revenue	1,816,280	3,454,042	–	81,386	8,587,729	807,251	14,746,688
Segment (loss)/profit	(150,343)	1,293,237	–	(139,567)	1,406,471	74,389	2,484,187
Unallocated loss							(653,800)
							1,830,387
Depreciation	232,944	23,049	–	31,908	140,371	–	428,272
Unallocated depreciation							60,876
							489,148
Share of losses from joint ventures	–	–	–	–	–	157,074	157,074
Finance costs	21,492	–	–	5,670	20,348	–	47,510
Unallocated finance cost							2,438
							49,948
Income tax (credit)/expense	(84,422)	137,400	–	–	319,498	5,154	377,630
Unallocated income tax expense							12,113
							389,743
Segment assets	2,792,755	1,902,497	2,725,969	1,036,863	1,574,329	630,855	10,663,268
Unallocated assets							488,037
							11,151,305
Segment liabilities	124,844	413,423	1,398,649	883,072	1,668,437	244,661	4,733,086
Unallocated liabilities							1,870,213
							6,603,299

32. Significant related party transactions

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

32. Significant related party transactions (Continued)

- (b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employees are also related to the Company;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The effect of the Group's and Company's transactions and arrangements with related parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

In addition to the related party information disclosed elsewhere in the financial statements, the Company had the following significant transactions with related parties on terms agreed between the parties as follows:

	01/01/2020 to 31/03/2021 S\$	01/01/2019 to 31/12/2019 S\$
<i>Company related to a director of the Company</i>		
Disposal of fixed assets	–	(56,194)
Acquiring of fixed assets	–	87,942
Payment on behalf	–	(3,155)
Purchase of services	38,804	24,961

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

32. Significant related party transactions (Continued)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the period/year was as follows:

	01/01/2020 to 31/03/2021 S\$	01/01/2019 to 31/12/2019 S\$
Short-term benefits	3,369,416	1,676,000
Post-employment benefits	173,200	107,200
	3,542,616	1,783,200

The remuneration of directors and key management is determined by the board of directors and shareholders having regard to the performance of individuals.

33. Financial instruments and financial risks

The Group's activities expose it to credit risks, market risks (including foreign currency risks, interest rate risks and equity price risks) and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out by the Group's treasury department ("Group Treasury") in accordance with the policies set by the management. The Group Treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The reporting team of Group Treasury measures actual exposures against the limits set and prepares daily reports for review by the Heads of Group Treasury and each operating unit. Regular reports are also submitted to the management and the Board of Directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risks

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises mainly from bank balances, trade and other receivables, other debt instruments carried at amortised cost and FVOCI as well as bank balances are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies and the Group does not expect the impairment loss from bank balances to be material, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

33. Financial instruments and financial risks (Continued)

Credit risks (Continued)

To assess and manage its credit risks, the Group categorises the aforementioned financial assets and according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 90 days past due as per SFRS(I) 9's presumption.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risks ^{Note 1}	12-months ECL
2	Non-significant increase in credit risks since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition ^{Note 2} or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial asset is credit-impaired ^{Note 3}	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write off amount ^{Note 4}	Written off

Note 1. Low credit risks

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

33. Financial instruments and financial risks (Continued)

Credit risks (Continued)

Note 2. Significant increase in credit risks

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due (i.e. whether it is more than 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

33. Financial instruments and financial risks (Continued)

Credit risks (Continued)

Note 4. Write off (Continued)

The Group does not have any significant credit exposure to any single counterparty or any Groups of counterparties having similar characteristics.

As at the end of the financial period/year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables (Note 14)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 3 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries and the growth rates of the major industries which its customers operate in.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

33. Financial instruments and financial risks (Continued)

Credit risks (Continued)

Note 4. Write off (Continued)

Trade receivables (Note 14) (Continued)

The loss allowance for trade receivables are determined as follows:

	Current	Past due more than 1 to 30 days	Past due more than 31 to 60 days	Past due more than 61 to 90 days	Past due more than 91 to 180 days	Past due more than 180 days	Total
Group							
31 March 2021							
Expected credit loss rates	0%	0%	0%	0%	0%	5.7%	0.3%
Trade receivables (gross) (S\$)	2,136,124	875,998	382,298	245,688	524,882	264,124	4,429,114
Loss allowance (S\$)	–	–	–	–	–	(15,246)	(15,246)
31 December 2019							
Expected credit loss rates	0%	0%	0%	0%	0%	5.7%	0.8%
Trade receivables (gross) (S\$)	918,663	240,162	166,587	105,107	118,473	269,558	1,818,550
Loss allowance (S\$)	–	–	–	–	–	(15,417)	(15,417)
Company							
31 March 2021							
Expected credit loss rates	0%	0%	0%	0%	0%	0%	0%
Trade receivables (gross) (S\$)	84,529	–	–	–	–	–	84,529
Loss allowance (S\$)	–	–	–	–	–	–	–
31 December 2019							
Expected credit loss rates	0%	0%	0%	0%	0%	0%	0%
Trade receivables (gross) (S\$)	131,040	–	–	–	–	–	131,040
Loss allowance (S\$)	–	–	–	–	–	–	–

Other receivables (Note 15)

As of 31 March 2021, the Group recorded deposits paid of S\$409,680 (31/12/2019: S\$235,741), amount due from a related party of S\$7,825 (31/12/2019: S\$100,000) and other receivables of S\$126,154 (31/12/2019: \$95,348). The Group assessed the latest performance and financial position of the respective debtor, adjusted for the future outlook of the industry which the debtors operate in, by referring to expert publications on the industry, and for any market talks on the debtors' credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Market risks

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. Except for foreign currency forward contracts to hedge against foreign currency risk, the Company did not enter into a variety of derivative financial instruments to hedge against foreign currency risk and interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

33. Financial instruments and financial risks (Continued)

Market risks (Continued)

Foreign currency risks

The Group's exposure to foreign currency risks is minimal.

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk relates to interest bearing liabilities.

The Group's policy is to maintain an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short-term borrowings.

The Group's interest rate risks arise primarily from the floating rate borrowings with financial institutions.

<u>Group</u>	Principal S\$	Interest rate range
<u>31/03/2021</u>		
Borrowings from financial institutions	5,937,217	2.00% – 6.00%
<u>31/12/2019</u>		
Borrowings from financial institutions	549,687	4.73% – 6.00%

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for bank deposits and interest-bearing financial liabilities at the end of the financial period/year and the stipulated change taking place at the beginning of the period/year and held constant throughout the financial period/year in the case of instruments that have floating rates. A 100-basis point increase or decrease is used and represents management's assessment of the possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the profit for the financial period ended 31 March 2021 of the Group would decrease/increase by S\$56,458 (31/12/2019: S\$4,562) respectively.

Liquidity risks

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

33. Financial instruments and financial risks (Continued)

Liquidity risks (Continued)

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on contractual undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

Group	Effective interest rate %	On demand or less than 1 year S\$	2 to 5 year S\$	Total amount S\$
Undiscounted financial assets				
Cash and cash equivalents	–	6,775,047	–	6,775,047
Trade receivables	–	4,413,868	–	4,413,868
Other receivables excluding prepayment	–	543,659	–	543,659
As at 31 March 2021		11,732,574	–	11,732,574
Cash and cash equivalents	–	1,711,040	–	1,711,040
Trade receivables	–	1,803,133	–	1,803,133
Other receivables excluding prepayment	–	448,739	–	448,739
As at 31 December 2019		3,962,912	–	3,962,912
Undiscounted financial liabilities				
Trade payables	–	1,242,757	–	1,242,757
Non-interest bearing other payables excluding GST payables	–	3,065,603	1,500,000	4,565,603
Interest bearing other payables	5.25%	612,000	379,432	991,432
Lease liabilities	1.60% – 5.65%	1,113,870	1,610,907	2,724,777
Borrowings	2.00% – 6.00%	1,223,435	5,842,657	7,066,092
As at 31 March 2021		7,257,665	9,332,996	16,590,661
Trade payables	–	677,413	–	677,413
Non-interest bearing other payables excluding GST payables	–	1,064,173	–	1,064,173
Interest bearing other payables	5.25%	189,716	1,370,864	1,560,580
Lease liabilities	5.65%	728,193	961,340	1,689,533
Borrowings	4.73% – 6.00%	565,848	–	565,848
As at 31 December 2019		3,225,343	2,332,204	5,557,547
Total undiscounted net financial assets/(liabilities)				
– At 31 March 2021		4,474,909	(9,332,996)	(4,858,087)
– At 31 December 2019		737,569	(2,332,204)	(1,594,635)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

33. Financial instruments and financial risks (Continued)**Liquidity risks** (Continued)

Company	Effective interest rate %	On demand or less than 1 year S\$	2 to 5 year S\$	Total amount S\$
Undiscounted financial assets				
Cash and cash equivalents	–	16,744	–	16,744
Trade receivables	–	84,529	–	84,529
Other receivables excluding prepayment and GST	–	68,045	–	68,045
As at 31 March 2021		169,318	–	169,318
Cash and cash equivalents	–	100,118	–	100,118
Trade receivables	–	131,040	–	131,040
Other receivables excluding prepayment and GST	–	15,331	–	15,331
Lease receivable	5.80%	23,022	68,523	91,545
As at 31 December 2019		269,511	68,523	338,034
Undiscounted financial liabilities				
Other payables	–	2,190,408	1,500,000	3,690,408
Borrowings	–	–	865,000	865,000
As at 31 March 2021		2,190,408	2,365,000	4,555,408
Trade payables	–	19,500	–	19,500
Other payables	–	2,712,741	–	2,712,741
Lease liabilities	5.80%	46,299	136,599	182,898
Borrowings	5.00%	–	415,000	415,000
Borrowings	–	15,000	302,000	317,000
As at 31 December 2019		2,793,540	853,599	3,647,139
Total undiscounted net financial liabilities				
– At 31 March 2021		(2,021,090)	(2,365,000)	(4,386,090)
– At 31 December 2019		(2,524,029)	(785,076)	(3,309,105)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

33. Financial instruments and financial risks (Continued)

Liquidity risks (Continued)

Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

	31/03/2021 S\$	31/12/2019 S\$
Group		
Financial assets at amortised cost		
Cash and cash equivalents	6,775,047	1,711,040
Trade receivables	4,413,868	1,803,133
Other receivables excluding prepayment	543,659	448,739
	11,732,574	3,962,912
Financial liabilities at amortised cost		
Trade payables	1,242,757	677,413
Other payables excluding GST payables	5,475,990	2,432,154
Lease liabilities	2,514,606	1,550,121
Borrowings	6,802,217	549,687
	16,035,570	5,209,375
	31/03/2021 S\$	31/12/2019 S\$
Company		
Financial assets at amortised cost		
Cash and cash equivalents	16,744	100,118
Trade receivables	84,529	131,040
Other receivables excluding prepayment	70,511	22,513
Lease receivable	–	82,225
	171,784	335,896
Financial liabilities at amortised cost		
Trade payables	–	19,500
Other payables excluding GST payables	3,690,408	2,712,741
Lease liabilities	–	164,451
Borrowings	865,000	715,000
	4,555,408	3,611,692

The Group maintains sufficient cash and cash equivalents and internally generated funds to finance its activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

34. Fair value of financial assets and financial liabilities

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.

35. Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowings and lease liabilities as disclosed in Note 24 and 25 and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed in Notes 28 and Note 29.

The Group's management reviews the capital structure on a regularly basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from 2019.

Management monitors capital based on a gearing ratio and the gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus lease liabilities less cash and cash equivalents.

	31/03/2021	31/12/2019
	S\$	S\$
Net debt	2,541,776	388,768
Total equity	1,904,197	4,548,006
Gearing ratio	N.M.	9%

* N.M. – not meaningful to disclose

36. Comparative Information

Change of financial year end

The current financial period comprises 15 months from 1 January 2020 to 31 March 2021 as the Company changed its financial year end from 31 December to 31 March.

The audited comparative figures presented in the financial statements are not entirely comparable as they cover a period from 1 January 2019 to 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2021

37. Subsequent event after reporting date

- (a) Livingstone Gastroenterology & Liver Pte. Ltd. ("LVG"), was incorporated in the Republic of Singapore on 7 April 2021 as a private company limited by shares. The principal activity of LVG is that of a medical clinic. At time of incorporation, LVG had an issued and paid-up capital of \$100 comprising one hundred shares held by the LSH.
- (b) Prism Partnerships (SG) Pte. Ltd. ("Prism"), was incorporated in the Republic of Singapore on 27 April 2021 as a private company limited by shares. The principal activity of Prism is that of a management consultancy services. At time of incorporation, Prism had an issued and paid-up capital of \$100 comprising one hundred shares held by LSH.
- (c) Atlas Podiatry Pte. Ltd. ("Atlas"), was incorporated in the Republic of Singapore on 8 April 2021 as a private company limited by shares. The principal activity of Atlas is that of health services. At time of incorporation, Atlas had an issued and paid-up capital of \$50,000 comprising fifty thousand shares of which twenty five thousand and five hundred shares are held by LSH.
- (d) Quantum Orthopaedics Pte. Ltd. ("Quantum"), was incorporated in the Republic of Singapore on 8 June 2021 as a private company limited by shares. The principal activity of Quantum is that of an orthopaedic clinic. At time of incorporation, Quantum had an issued and paid-up capital of \$100 comprising one hundred shares of which fifty one shares are held by LSH.
- (e) On 21 May 2021, Livingstone Health Ltd had submitted its application of strike off S Chua Pte Ltd to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA"). ACRA has accepted the application and the process of striking off is underway.

38. Development of COVID-19 outbreak and its corresponding impact on the Group

COVID-19 outbreak has brought about an unprecedented challenge for many entities, with increased uncertainty in the global economy. As the situation is still evolving, the full effect of the outbreak is still uncertain and the Group is therefore unable to provide a quantitative estimate of the potential impact of this outbreak on the Group. Nonetheless, the Group remained profitable in financial period ended March 2021, excluding one-off reverse acquisition related costs, despite the initial impact of the COVID-19, including the Circuit Breaker in Singapore. The management remains financially prudent and is closely monitoring development in the COVID-19 situation to ensure the Group can adapt swiftly to minimise disruption. Based on management's latest assessment, there is no indicator that the going concern assumption used by the Group in preparing the financial statements is inappropriate.

STATISTICS OF SHAREHOLDINGS

AS AT 16 JUNE 2021

Number of Issued Shares	:	315,947,748
Class of Shares	:	Ordinary
Voting Rights	:	One vote per ordinary share
Number of Treasury Shares	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1,805	35.52	53,657	0.01
100 – 1,000	1,987	39.11	821,222	0.26
1,001 – 10,000	1,023	20.13	3,434,927	1.09
10,001 – 1,000,000	251	4.94	21,101,341	6.68
1,000,001 AND ABOVE	15	0.30	290,536,601	91.96
TOTAL	5,081	100.00	315,947,748	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LIVINGSTONE HEALTH CONSOLIDATED PTE. LTD.	215,311,056	68.15
2	TEH WING KWAN	23,743,922	7.52
3	APZENITH CAPITAL PTE LTD	7,378,100	2.34
4	MAYBANK KIM ENG SECURITIES PTE. LTD.	7,362,828	2.33
5	PLATON RESOURCES PTE. LTD.	7,312,000	2.31
6	PHILLIP SECURITIES PTE LTD	5,760,210	1.82
7	KGI SECURITIES (SINGAPORE) PTE. LTD.	5,412,980	1.71
8	ICH CAPITAL PTE LTD	4,315,000	1.37
9	FORT CANNING (ASIA) PTE LTD	2,697,990	0.85
10	DAX NG YUNG SERN (DAX HUANG YONGSHENG)	2,595,172	0.82
11	CHUA HSHAN CHER	2,594,472	0.82
12	OCBC SECURITIES PRIVATE LIMITED	2,251,720	0.71
13	DBS NOMINEES (PRIVATE) LIMITED	1,651,143	0.52
14	ANTHONY TAN @ TAN AH SENG	1,150,000	0.36
15	LIM CHWEE POH	1,000,008	0.32
16	FIRSTLINK CAPITAL PTE. LTD.	946,830	0.30
17	NG HEE THONG	750,000	0.24
18	LIM LIANG MENG	600,006	0.19
19	UOB KAY HIAN PRIVATE LIMITED	570,942	0.18
20	LEE ZHEN NAN DEREK (LI ZHENNAN)	550,000	0.17
TOTAL		293,954,379	93.03

STATISTICS OF SHAREHOLDINGS

AS AT 16 JUNE 2021

SUBSTANTIAL SHAREHOLDERS AS AT 16 JUNE 2021

	Direct interest		Deemed interest		Total interest	
	Number of shares	% ⁽¹⁾	Number of shares	% ⁽¹⁾	Number of shares	% ⁽¹⁾
Directors						
Teh Wing Kwan	24,743,922	7.52%	–	–	24,743,922	7.52%
Tay Ching Yit, Wilson ⁽²⁾	100,000	0.03%	215,311,056	68.15%	215,411,056	68.18%
Fong Heng Boo	–	–	–	–	–	–
Chan Yu Meng	–	–	–	–	–	–
Steven Lim	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Livingstone Health Consolidated Pte. Ltd.	215,311,056	68.15%	–	–	215,311,056	68.15%
Edwin Tan ⁽³⁾	–	–	215,311,056	68.15%	215,311,056	68.15%
Sebastian Chua ⁽⁴⁾	–	–	215,311,056	68.15%	215,311,056	68.15%

Notes:

- (1) Based on 315,947,748 Shares in the issued and paid-up share capital of the Company (excluding nil treasury shares and nil subsidiary holdings).
- (2) Dr Tay Ching Yit, Wilson is deemed interested in the 215,311,056 Shares held by Livingstone Health Consolidated Pte. Ltd. ("**LVS**") as he is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in LVS pursuant to Section 4 of the Securities and Futures Act, Cap. 289 of Singapore ("**SFA**").
- (3) Dr Edwin Tan is deemed interested in the 215,311,056 Shares held by LVS as he is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in LVS pursuant to Section 4 of the SFA.
- (4) Dr Sebastian Chua is deemed interested in the 215,311,056 Shares held by LVS as he is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in LVS pursuant to Section 4 of the SFA.

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

16.41% of the Company issued paid-up capital is held in the hands of public. Accordingly, the Company had complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.



LIVINGSTONE

HEALTH

LIVINGSTONE HEALTH HOLDINGS LIMITED

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