



LIVINGSTONE HEALTH HOLDINGS LIMITED
(Formerly known as Citicode Ltd.)
(Incorporated in the Republic of Singapore)
(Company Registration Number 200404283C)

THE PROPOSED CAPITAL REDUCTION

1. Introduction

- 1.1 Livingstone Health Holdings Limited (formerly known as Citicode Ltd.) (the **“Company”** and together with its subsidiaries, the **“Group”**) completed the Reverse Takeover of Livingstone Health Ltd (the **“RTO”**) on 5 February 2021. For further details on the Reverse Takeover, please refer to the Company’s circular dated 31 December 2020 and the Company’s announcement dated 4 February 2021.
- 1.2 The Board of Directors (**“Board”** or **“Directors”**) of the Company wishes to announce that following the completion of the RTO, the Company is proposing to undertake a capital reduction exercise pursuant to Section 78A read with Section 78C of the Companies Act, Cap. 50 of Singapore (the **“Companies Act”**) to reduce the share capital of the Company. (the **“Proposed Capital Reduction”**).
- 1.3 The Proposed Capital Reduction entails the reduction and cancellation of the Company’s share capital that has been lost or is unrepresented by available assets to the extent of the Accumulated Losses (as defined below) arose mainly from the Company’s legacy loss-making businesses prior to completion of the RTO.
- 1.4 The Company will be seeking approval from the shareholders of the Company (**“Shareholders”**) for the Proposed Capital Reduction at an extraordinary general meeting (**“EGM”**) to be convened in due course.

2. Details of the Proposed Capital Reduction

- 2.1 As at the date of this announcement, the Company has an issued and paid-up share capital of S\$256,244,089 comprising 315,947,748 ordinary shares in the capital of the Company (**“Shares”**). The Proposed Capital Reduction will be effected in the following manner:
 - (a) by reducing the share capital of the Company via cancellation of the share capital of the Company that has been lost or is unrepresented by the available assets to the extent of the accumulated losses of the Company of S\$211,112,106 as at 31 March 2021 (**“Accumulated Losses”**); and
 - (b) thereafter by applying the amount of S\$211,112,106, being the credit arising from the aforesaid cancellation of share capital, towards writing off the Accumulated Losses.
- 2.2 Shareholders have previously been informed on the financial effects of the RTO in the Company’s press releases on 13 April 2021 and the details of which had been reported in the Company’s results announcement for the financial year ended 31 March 2021 on 28 May 2021.

3. Rationale

3.1 The purpose of the Proposed Capital Reduction is to

- write off the Accumulated Losses with a view to restructuring the finances of the Company following the completion of the RTO;
- rationalise the post-RTO balance sheet of the Company to more accurately reflect the value of the existing underlying assets of Livingstone Health Ltd, and thus its financial position;
- facilitate future equity-related fund-raising exercises as and when required.

3.2 Once the Accumulated Losses are written off, the Company would also be in a better position to retain profits and pay future dividends, when appropriate. However, it should be noted that the Company has no existing dividend policy and the Directors will take into consideration the Group's working capital requirement and financial position before declaring any dividends.

4. Financial Effects of the Proposed Capital Reduction

4.1 The Proposed Capital Reduction is an accounting procedure to write off the Accumulated Losses that will reduce the existing share capital of the Company by S\$211,112,106.

4.2 The Proposed Capital Reduction represents merely a change in the composition of reserves and does not entail any reduction or distribution of cash or other assets of the Company.

4.3 There will also be no change in the total number of issued Shares in the Company held by the Shareholders immediately after the Proposed Capital Reduction nor will the Proposed Capital Reduction involve the payment to any Shareholder of any paid-up share capital of the Company.

4.4 As there will be no changes to the number of issued Shares following the Proposed Capital Reduction, the Proposed Capital Reduction will not have any effect on the return on equity to Shareholders, net tangible assets per Share, earnings per Share and the gearing ratio of the Company and the Group.

5. Conditions of the Proposed Capital Reduction and Creditor Objections

5.1 The Proposed Capital Reduction is subject to, *inter alia*, the following:

- (a) the approval of the Shareholders by way of the special resolution for the Proposed Capital Reduction at the EGM (the "**Special Resolution**");
- (b) compliance with the relevant publicity requirements as prescribed in the Companies Act;
- (c) no application having been made for the cancellation of the Special Resolution by any creditor of the Company within the timeframe prescribed in the Companies Act; and
- (d) the Company after the end of six (6) weeks (but before the end of eight (8) weeks) beginning with the date that the Special Resolution is passed, lodging with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"):
 - (i) a statement made by the Directors confirming that the publicity requirements under Section 78C(1)(c) of the Companies Act have been complied with, and that no application for cancellation of the resolution has been made; and
 - (ii) a notice containing information in relation to the Proposed Capital Reduction specified under the Companies Act.

5.2 In the event that during the six (6) weeks beginning with the date that the Special Resolution is passed, one (1) or more applications for the cancellation of the Special Resolution has been made under Section 78D(2) of the Companies Act, for the Proposed Capital Reduction to take effect, the following conditions must be satisfied:

- (a) the Company must give ACRA notice of the application(s) for the cancellation of the Special Resolution as soon as possible after such application(s) have been served on the Company by the creditor(s);
- (b) the proceedings in relation to each application for the cancellation of the Special Resolution must be brought to an end by either (i) the dismissal of the application under Section 78F of the Companies Act; or (ii) without determination (for example, because the application has been withdrawn); and
- (c) the Company must, within fifteen (15) days beginning with the date on which the last such proceedings were brought to an end in accordance with paragraph 5.2(b) above, lodge with ACRA:
 - (i) a statement made by the Directors confirming that the requirements under Section 78C(1)(c) and Section 78D(4) of the Companies Act have been complied with, and that the proceedings in relation to each such application have been brought to an end by the dismissal of the application or without determination;
 - (ii) in relation to each such application which has been dismissed by the Court, a copy of the order of the Court dismissing the application; and
 - (iii) a notice containing information in relation to the Proposed Capital Reduction specified under the Companies Act.

6. Interest of Directors and Substantial Shareholders

None of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Capital Reduction, other than through their respective shareholdings in the Company, if any.

7. Circular

A circular to Shareholders containing further details on, *inter alia*, the Proposed Capital Reduction will be despatched to Shareholders in due course together with the notice of EGM.

8. Directors' Responsibility Statement

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

9. Cautionary Statement

Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the Shares. The Proposed Capital Reduction is subject to certain conditions and as at the date of this announcement, there is no certainty or assurance that the Proposed Capital Reduction will be completed. The Company will make the necessary announcements when there are further development. Shareholders and potential investors are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Tay Ching Yit, Wilson

Executive Director and Chief Executive Officer
4 June 2021

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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