



Company Registration No. 200404283C

Livingstone Health Holdings Limited

Unaudited Condensed Interim Financial Statements
For the six-month financial period ended 30 September 2023 (“**HY2024**”)

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.

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Livingstone Health Holdings Limited

Condensed interim consolidated statement of profit or loss and other comprehensive income
For the six months ended 30 September 2023

	Note	Group		Change %
		6 months ended 30 September		
		2023 ("HY2024") S\$'000	2022 ("HY2023") S\$'000	
Revenue	4	13,329	16,370	(18.6)
Other operating income		190	395	(51.9)
Consumables and medical supplies used		(2,783)	(3,033)	(8.2)
Employee benefits expense		(7,382)	(8,723)	(15.4)
Depreciation expenses		(1,063)	(894)	18.9
Other operating expenses		(2,103)	(2,620)	(19.7)
Finance costs		(138)	(123)	12.2
Share of results from joint ventures		-	-	-
Profit before tax	5	50	1,372	(96.4)
Income tax credit/ (expense)	7	24	(240)	NM
Profit for the financial period		74	1,132	(93.5)
Other comprehensive 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		(5)	-	NM
Total comprehensive income for the financial period		69	1,132	(93.9)
Profit attributable to:				
Owners of the Company		67	892	(92.5)
Non-controlling interests		7	240	(97.1)
		74	1,132	(93.5)
Total comprehensive income attributable to:				
Owners of the Company		62	892	(93.0)
Non-controlling interests		7	240	(97.1)
		69	1,132	(93.9)
Earnings per share attributable to owners of the Company (cents per share)				
Basic and diluted	8	0.02	0.20	(90.0)

NM: Not meaningful

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

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Condensed interim statements of financial position As at 30 September 2023

Note	Group		Company		
	30.09.2023 S\$'000	31.03.2023 S\$'000	30.09.2023 S\$'000	31.03.2023 S\$'000	
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	10	4,144	4,900	-	-
Goodwill arising on consolidation	12	3,807	3,636	-	-
Investments in subsidiaries		-	-	73,000	73,000
Investments in joint ventures		-	-	-	-
Investment in an associate		30	-	-	-
Loan to a joint venture		362	362	-	-
Deferred tax assets		687	429	-	-
Other receivables		344	451	-	-
Total non-current assets		9,374	9,778	73,000	73,000
<u>Current assets</u>					
Trade receivables		6,643	6,858	-	-
Other receivables		1,454	1,226	23	22
Inventories		743	708	-	-
Cash and cash equivalents		2,218	4,227	24	25
Total current assets		11,058	13,019	47	47
Total assets		20,432	22,797	73,047	73,047
EQUITY AND LIABILITIES					
<u>Equity attributable to owners of the Company</u>					
Share capital	15	22,764	22,764	69,091	69,091
Merger reserve		57	57	-	-
Foreign currency translation reserve		-	5	-	-
Other reserves		22	22	-	-
Accumulated (losses)/ profits ¹		(17,585)	(17,652)	(415)	(235)
Equity attributable to owners of the Company		5,258	5,196	68,676	68,856
Non-controlling interests		937	1,133	-	-
Total equity		6,195	6,329	68,676	68,856
<u>Non-current liabilities</u>					
Loans and borrowings	14	1,677	2,541	-	-
Lease liabilities		1,272	1,564	-	-
Deferred tax liabilities		58	58	-	-
Total non-current liabilities		3,007	4,163	-	-
<u>Current liabilities</u>					
Trade payables		1,194	1,070	-	-
Other payables		4,935	6,070	3,891	3,561
Contract liabilities		150	-	-	-
Loans and borrowings	14	2,297	2,504	480	630
Lease liabilities		1,126	1,301	-	-
Deferred revenue		986	842	-	-
Income tax payable		542	518	-	-
Total current liabilities		11,230	12,305	4,371	4,191
Total liabilities		14,237	16,468	4,371	4,191
Total equity and liabilities		20,432	22,797	73,047	73,047

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

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

Livingstone Health Holdings Limited

Condensed interim statement of changes in equity
For the six months ended 30 September 2023

Group	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Other reserve S\$'000	Accumulated (losses)/profits S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
30 September 2023								
Balance as at 1 April 2023	22,764	57	5	22	(17,652)	5,196	1,133	6,329
Profit for the period	-	-	-	-	67	67	7	74
<u>Other comprehensive income</u>								
Exchange differences on translating foreign operations	-	-	(5)	-	-	(5)	-	(5)
Total comprehensive income for the period	-	-	(5)	-	67	62	7	69
<u>Transaction with owners recognized directly in equity</u>								
Dividends paid	-	-	-	-	-	-	(203)	(203)
Balance as at 30 September 2023	22,764	57	-	22	(17,585)	5,258	937	6,195
30 September 2022								
Balance as at 1 April 2022	22,764	57	5	22	(17,851)	4,997	693	5,690
Profit for the period	-	-	-	-	892	892	240	1,132
<u>Transaction with owners recognized directly in equity</u>								
Dividends paid	-	-	-	-	(524)	(524)	(122)	(646)
Balance as at 30 September 2022	22,764	57	5	22	(17,483)	5,365	811	6,176

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

Livingstone Health Holdings Limited

Condensed interim statement of changes in equity
For the six months ended 30 September 2023

Company	Share capital S\$'000	Accumulated (losses)/profits S\$'000	Total equity S\$'000
30 September 2023			
Balance as at 1 April 2023	69,091	(235)	68,856
Loss for the period, representing total comprehensive loss for the period	-	(180)	(180)
Balance as at 30 September 2023	69,091	(415)	68,676
30 September 2022			
Balance as at 1 April 2022	45,591	733	46,324
Loss for the period, representing total comprehensive loss for the period	-	(194)	(194)
<u>Transactions with owners recognised directly in equity</u>			
Issue of shares	23,500	-	23,500
Dividends paid	-	(524)	(524)
Balance as at 30 September 2022	69,091	15	69,106

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

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**Condensed interim consolidated statement of cash flows
For the six months ended 30 September 2023**

	Note	Group	
		HY2024 S\$'000	HY2023 S\$'000
Operating activities			
Profit before tax		50	1,372
Adjustments for:			
Depreciation expense		1,063	894
Interest expense		138	123
Bad debts (written-back)/written-off		(4)	42
Unrealised exchange differences		(5)	-
Plant and equipment written-off		3	53
Loss/(gain) on disposal of plant and equipment		17	(1)
Total operating cash flows before movements in working capital		1,262	2,483
Changes in working capital:			
Trade receivables		229	(476)
Other receivables		(270)	(311)
Inventories		(35)	103
Trade payables		124	(84)
Other payables		(1,157)	(274)
Contract liabilities		150	-
Deferred revenue		144	(18)
Cash generated from operations		447	1,423
Interest paid		(67)	(49)
Income tax paid		(211)	(431)
Net cash generated from operating activities		169	943
Investing activities			
Acquisition of a subsidiary, net of cash	11	133	-
Loan and advances to joint ventures		(154)	-
Purchase of plant and equipment	10	(83)	(438)
Proceeds from disposal of plant and equipment		91	1
Formation of an equity-accounted investee		(30)	-
Net cash used in investing activities		(43)	(437)
Financing activities			
Repayment of lease liabilities		(861)	(842)
Repayment of loans and borrowings		(1,071)	(926)
Proceeds from issue of shares to non-controlling interest		*	-
Dividends paid		-	(524)
Dividends paid to non-controlling interest		(203)	(122)
Net cash used in financing activities		(2,135)	(2,414)
Net decrease in cash and cash equivalents		(2,009)	(1,908)
Cash and cash equivalents at the beginning of financial period		4,227	5,353
Cash and cash equivalents at the end of financial period		2,218	3,445

*Less than S\$1,000

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 September 2023**

1. Corporate information

Livingstone Health Holdings Limited (the "**Company**") is a limited liability company incorporated and domiciled in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). These condensed interim financial statements as at and for the six months ended 30 September 2023 comprise the Company and its subsidiaries (collectively, the "**Group**").

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

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

2. Basis of preparation

The condensed interim financial statements for the six months financial period ended 30 September 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2023.

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

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

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 March 2023.

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

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

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

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

- Note 12: Impairment testing of goodwill - Key assumptions underlying recoverable amounts

3. Seasonal operations

The Group's businesses are not materially affected by seasonal or cyclical factors.

4. Segment and revenue information

Change in Segment Reporting

With effect from the financial year ending 31 March 2024 ("FY2024"), the Group adopted a new segment classification for reporting its segment revenue and results. Previously, the Group has reported its financial performance based on the business segments of Aesthetics and Wellness, Anaesthesiology and Pain Management, Family Medicine, Internal Medicine, Orthopaedic Surgery and Others respectively.

Going forward, the Group will be reporting its financial performance based on the new business segments of Specialist Healthcare, Primary Healthcare and Others respectively. Beginning in FY2024, our financial statements will reflect the new reporting segments with prior periods adjusted accordingly. The change in segments better reflects the Group's core businesses and strategy. This reclassification will have no impact on the consolidated revenue, operating income or profit for the Group.

i. Specialist Healthcare

The Specialist Healthcare segment includes services provided by healthcare professionals who focus on a specific field of medicine. Specialists have advanced training in their respective fields of expertise and accreditation in their branch of medicine. This segment comprises (a) Anaesthesiology and Pain Management; (b) Orthopaedic Surgery; (c) Dermatology; and (d) Internal Medicine fields, and this specialist suite will develop in the normal course of business as per the Group's patient needs.

ii. Primary Healthcare

The Primary Healthcare segment includes services provided by general practitioners or family physicians who are often the first point of contact of our patients. Non-exhaustively, the services here include the provision of vaccination and general medicine services that include, amongst others, the management of general acute conditions such as simple respiratory/gastrointestinal infections, musculoskeletal complaints, headaches, and dermatological conditions as well as chronic conditions such as diabetes, hypertension, dyslipidemia and asthma. In general, the Group's Primary Healthcare team is responsible for preventative care and disease management, and may also coordinate with specialists when necessary.

iii. Others

The Others segment is in the business of Aesthetics and Wellness, Allied Health, managing healthcare solutions, consultancy functions, and provision of management services.

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

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**Notes to the condensed interim consolidated financial statements
For the six months ended 30 September 2023**

4. Segment and revenue information (cont'd)

Reportable segments:

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

	Specialist Healthcare S\$'000	Primary Healthcare S\$'000	Others S\$'000	Total S\$'000
<u>HY2024</u>				
Segment revenue	8,537	3,119	1,673	13,329
Segment profit/(loss)	1,132	(51)	200	1,281
Unallocated loss				<u>(1,207)</u>
				<u>74</u>
Depreciation	193	353	221	767
Unallocated depreciation				<u>296</u>
				<u>1,063</u>
Share of losses from joint ventures	-	-	-	-
Finance costs	10	28	12	50
Unallocated finance costs				<u>88</u>
				<u>138</u>
Income tax expense/(credit)	79	(19)	-	60
Unallocated income tax expense				<u>(84)</u>
				<u>(24)</u>
	Specialist Healthcare S\$'000	Primary Healthcare S\$'000	Others S\$'000	Total S\$'000
<u>HY2023</u>				
Segment revenue	11,473	3,165	1,732	16,370
Segment profit	1,835	336	477	2,648
Unallocated loss				<u>(1,516)</u>
				<u>1,132</u>
Depreciation	252	311	188	751
Unallocated depreciation				<u>143</u>
				<u>894</u>
Share of losses from joint ventures	-	-	-	-
Finance costs	8	31	11	50
Unallocated finance costs				<u>73</u>
				<u>123</u>
Income tax expense	186	60	55	301
Unallocated income tax expense				<u>(61)</u>
				<u>240</u>

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**Notes to the condensed interim consolidated financial statements
For the six months ended 30 September 2023**

4. Segment and revenue information (cont'd)

Geographical information

The Group's operations are mainly in Singapore.

(a) Disaggregation of revenue

Group	Specialist Healthcare		Primary Healthcare		Others	
	HY2024	HY2023	HY2024	HY2023	HY2024	HY2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of good or service						
Treatment services	8,537	11,473	3,119	3,165	948	1,111
Other revenue	-	-	-	-	725	621
Total Revenue	<u>8,537</u>	<u>11,473</u>	<u>3,119</u>	<u>3,165</u>	<u>1,673</u>	<u>1,732</u>
Timing of transfer of good or service						
At a point in time	<u>8,537</u>	<u>11,473</u>	<u>3,119</u>	<u>3,165</u>	<u>1,673</u>	<u>1,732</u>

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

5. Profit before tax

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

	Group	
	HY2024	HY2023
	S\$'000	S\$'000
Wage and other employment credit scheme	(45)	(289)
Loss/(gain) on disposal of plant and equipment	17	(1)
Rental income	(58)	(25)
Other grants	*	(83)
Interest income	(4)	(6)
Marketing expenses	848	1,178
Rental expenses	27	145
Hospital administrative charges	330	243
Professional fees	190	250
Bank and credit card charges	126	113
Repair and maintenance	61	46
Plant and equipment written-off	3	53
Bad debts (written-back)/written-off	(4)	42
Interest expense on:		
- loans and borrowings	67	49
- lease liabilities	71	74

*Less than S\$1,000

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Notes to the condensed interim consolidated financial statements For the six months ended 30 September 2023

6. Related party transactions

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

	Group	
	HY2024 S\$'000	HY2023 S\$'000
Sales of services to a company related to key management personnel	561	439
Purchase of services from a company related to key management personnel	11	24
Professional fees paid to a company related to key management personnel	-	1
Sales of services to a company related to a substantial shareholder	44	-
Purchase of services from a company related to a substantial shareholder	15	-
Rental paid to a substantial shareholder	10	36

Companies related to key management personnel and substantial shareholder

The Group had the following transactions with companies related to key management personnel and substantial shareholder:

- (i) The Group had engaged or being engaged by SN Orthopaedic Pte Ltd, a company related to Dr Rachel Lim Pang Yen, Chief Operating Officer and shareholder of the Company and Dax Ng Yung Sern, Chief Business Officer and shareholder of the Company, for medical related services. The Group generated S\$561,000 (HY2023: S\$439,000) for rendering medical services. The Group also paid S\$11,000 (HY2023: S\$24,000) for the medical services purchased and Nil (HY2023: S\$1,000) for nursing services.
- (ii) The Group had entered into lease agreements with Dr Edwin Tan Tze Sheng ("Dr Edwin"), a deemed controlling shareholder of the Company and former Head of Orthopaedic Surgery, to lease commercial premises for rental of S\$10,000 (HY2023: S\$36,000). The Group also engaged or is being engaged by Auspicius Medical Pte Ltd, a Company related to Dr Edwin for medical related services. The Group generated S\$44,000 (HY2023: Nil) for rendering medical services and paid S\$15,000 for medical services purchased (HY2023: Nil). Dr Edwin ceased being the Company's Head of Orthopaedic Surgery effective from 6 May 2023.

7. Income tax credit/expense

The Group calculates the period's income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense for the financial periods ended 30 September 2023 and 2022 are:

	Group	
	HY2024 S\$'000	HY2023 S\$'000
<i>Condensed interim consolidated statement of profit or loss and other comprehensive income</i>		
Current income tax		
- current income taxation	234	242
Deferred income tax		
- origination and reversal of temporary differences	(258)	(2)
Income tax (credit)/expense	(24)	240

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Notes to the condensed interim consolidated financial statements For the six months ended 30 September 2023

8. Earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue of 436,391,448 (HY2023: 436,391,448) during the financial period.

9. Net assets value

	<u>Group</u>		<u>Company</u>	
	<u>30.09.2023</u>	<u>31.03.2023</u>	<u>30.09.2023</u>	<u>31.03.2023</u>
Net assets value per share (cents)	1.20	1.19	n.m.	n.m.

n.m. – not meaningful

Net asset value per ordinary share is calculated based on 436,391,448 and 436,391,448 outstanding as at 30 September 2023 and 31 March 2023 respectively.

10. Property, plant and equipment

During the financial period, the Group acquired plant and equipment for an aggregate of approximately S\$335,000 (HY2023: S\$438,000) of which S\$252,000 (HY2023: S\$Nil) was acquired by means of leases and other non-cash arrangement.

11. Step-up acquisition of Venture Investment Pte. Ltd. (“VIPL”) and its subsidiary (collectively the “VIPL subgroup”)

On 31 May 2023, the Company through Livingstone Health International Pte. Ltd. (“LHI”), a wholly-owned subsidiary of the Group, acquired the remaining 40% of the issued share capital of VIPL (formerly a joint venture of the Group) for a cash consideration of S\$1. Prior to the step-up acquisition, LHI owns 60% of the total issued share capital of VIPL.

The purchase consideration was negotiated at arm’s length and on a willing-buyer willing-seller basis, after taking into consideration of the unaudited net assets of the VIPL subgroup as at 31 May 2023. Following the completion of the step-up acquisition, LHI has increased its shareholdings in VIPL from 60% to 100%. Accordingly, the VIPL subgroup became subsidiaries of the Group.

Details of the recognition of the consideration paid, the assets acquired and liabilities assumed recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

a. Assets and liabilities recognised as a result of the acquisition

Assets	S\$’000
Property, plant and equipment	111
Trade and other receivables	17
Cash and cash equivalents	133
	<hr/>
	261
Liabilities	
Trade and other payables	(332)
Lease liabilities	(100)
	<hr/>
	(432)
	<hr/>
Net identifiable liabilities	(171)

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Notes to the condensed interim consolidated financial statements
For the six months ended 30 September 2023

11. Step-up acquisition of Venture Investment Pte. Ltd. (“VIPL”) and its subsidiary (collectively the “VIPL subgroup”) (cont’d)

b. Consideration

	S\$’000
Cash paid	*
Less: Provisional fair value of net identifiable liabilities	171
Provisional goodwill arising on acquisition	171

c. Net cash inflow arising from the acquisition

	S\$’000
Cash paid	*
Less: Cash and cash equivalents acquired	133
Net cash inflow from acquisition	133

*The purchase consideration amounts to S\$1.

The initial accounting for the acquisition of the VIPL subgroup has been determined provisionally based on management’s best estimate of the net identifiable liabilities at the date of acquisition and is therefore still subject to subsequent assessment. Any revision to the goodwill will be presented in the financial statements of the latest financial reporting period once such a review is done.

12. Goodwill

Goodwill acquired through business combinations is allocated to the cash-generating units (“CGU”) that are expected to benefit from the business combination.

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

The carrying amount of goodwill has been allocated to the CGU in the reportable segments as follows:

	Group	
	30.09.2023 S\$’000	31.03.2023 S\$’000
CGUs:		
Primary Healthcare	989	989
Specialist Healthcare	2,647	2,647
Others	171	-
Total	3,807	3,636

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

	Specialist Healthcare		Primary Healthcare	
	30.09.2023	31.03.2023	30.09.2023	31.03.2023
Growth rates	-30.0% to 5.0%	-30.0% to 5.0%	8.0%	8.0%
Discount rates	12.2%	12.2%	12.2%	12.2%
Gross margin	79.9%	79.9%	78.5%	78.5%
Terminal value growth rates	3.4%	3.4%	3.4%	3.4%

Notes to the condensed interim consolidated financial statements
For the six months ended 30 September 2023

12. Goodwill (cont'd)

No impairment testing of goodwill arising from the acquisition of VIPL as the fair value of the net identifiable liabilities was determined only provisionally for the reason disclosed in Note 11.

Key assumptions used in the value-in-use calculation

The calculations of value-in-use for the CGUs are most sensitive to the following assumptions:

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

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

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

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

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.

13. Financial assets and financial liabilities

	<u>Group</u>		<u>Company</u>	
	30.09.2023 S\$'000	31.03.2023 S\$'000	30.09.2023 S\$'000	31.03.2023 S\$'000
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	6,643	6,858	-	-
- Other receivables excluding prepayments and GST receivables	1,464	1,420	-	-
- Loan to a joint venture	362	362	-	-
- Cash and bank balances	2,218	4,227	24	25
	10,687	12,867	24	25
Financial liabilities				
Financial liabilities at amortised cost:				
- Trade payables	1,194	1,070	-	-
- Other payables and accruals*	4,366	5,040	3,891	3,561
- Lease liabilities	2,398	2,865	-	-
- Loans and borrowings	3,974	5,045	480	630
	11,932	14,020	4,371	4,191

*Excluding GST payables, provision for unutilised leave and provision for reinstatement cost.

Livingstone Health Holdings Limited

Notes to the condensed interim consolidated financial statements
For the six months ended 30 September 2023

14. Loans and borrowings

	<u>Group</u>		<u>Company</u>	
	30.09.2023 S\$'000	31.03.2023 S\$'000	30.09.2023 S\$'000	31.03.2023 S\$'000
<u>Amounts repayable within one year</u>				
Secured	1,787	1,874	-	-
Unsecured	510	630	480	630
<u>Amounts repayable after one year</u>				
Secured	1,677	2,541	-	-
	<u>3,974</u>	<u>5,045</u>	<u>480</u>	<u>630</u>

Total loans and borrowings amounted to S\$3,464,000 (31.3.2023: S\$4,415,000) are secured by corporate guarantee taken by eleven subsidiaries of the Group.

15. Share capital

<u>Group</u>	<u>30.09.2023</u>		<u>31.03.2023</u>	
	<u>Number of shares</u> <u>'000</u>	<u>S\$'000</u>	<u>Number of shares</u> <u>'000</u>	<u>S\$'000</u>
<u>Issued and fully paid ordinary shares:</u>				
Beginning of period	436,392	22,764	318,892	22,764
Issue of new ordinary shares	-	-	117,500	-
At the end of financial period	<u>436,392</u>	<u>22,764</u>	<u>436,392</u>	<u>22,764</u>
<u>Company</u>				
	<u>30.09.2023</u>		<u>31.03.2023</u>	
	<u>Number of shares</u> <u>'000</u>	<u>S\$'000</u>	<u>Number of shares</u> <u>'000</u>	<u>S\$'000</u>
<u>Issued and fully paid ordinary shares:</u>				
Beginning of period	436,392	69,091	318,892	45,591
Issue of new ordinary shares	-	-	117,500	23,500
At the end of financial period	<u>436,392</u>	<u>69,091</u>	<u>436,392</u>	<u>69,091</u>

As announced on 20 May 2022, in accordance with the sale and purchase agreement dated 29 July 2020 and as set out in Section 2.5.2 of the circular dated 31 December 2020 ("**Circular**") in relation to the RTO, the total consideration payable to the Vendors (comprising Livingstone Health Consolidated Pte. Ltd. ("**LVS**"), ICH Capital Pte Ltd, Dax Ng, and Dr Chua Hshan Cher) includes a deferred consideration component of up to S\$25,000,000, the exact amount of which is to be determined based on the 2021 Adjusted NPAT (as defined in the Circular) of the Company. Specifically, if the 2021 Adjusted NPAT of the Company is "no less than S\$4,800,000, the amount of the deferred consideration payable shall be S\$25,000,000. For the avoidance of doubt, the amount of the deferred consideration shall be capped at S\$25,000,000 even if the 2021 Adjusted NPAT is higher than S\$4,800,000."

On 20 May 2022, the Company has achieved the 2021 Adjusted NPAT, the amount of which is S\$5,395,418, and it is determined that the deferred consideration payable to the Vendors is S\$25,000,000. Accordingly, the deferred consideration shares have been allotted to the Vendors. Please refer to the Circular, the announcements dated 20 May 2022 and 1 June 2022 for more information.

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

15. Share capital (cont'd)

The Company does not hold any treasury shares in the Company as at 30 September 2023, 31 March 2023 and 30 September 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2023, 31 March 2023 and 30 September 2022.

There are no outstanding convertibles as at 30 September 2023, 31 March 2023 and 30 September 2022.

16. Fair value measurement

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

17. Subsequent events

Incorporation of a subsidiary

On 24 October 2023, the Company through Phoenix Medical Group Pte. Ltd. (an indirect 51%-owned subsidiary of the Group), incorporated a wholly-owned subsidiary in Singapore known as PMG TH Pte. Ltd. ("**PMGTH**").

The issued and paid-up capital of PMGTH is S\$10,000, comprising 10,000 ordinary shares, and was funded through the Group's internal resources. The principal activity of PMGTH is the provision of healthcare medical services by general practitioners.

Other Information Required by Appendix 7C of the Catalist Rules

Livingstone Health Holdings Limited

Other information required by Appendix 7C of the Catalist Rules For the six months ended 30 September 2023

1. Review

The condensed interim statements of financial position of Livingstone Health Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as at 30 September 2023 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim consolidated statement of cash flows for the financial period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

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

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

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

Not applicable. The Company’s latest audited financial statements for the financial year ended 31 March 2023 were not subjected to any adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of performance of the Group

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (HY2024 vs HY2023)

Revenue

The Group’s revenue declined by 18.6% from S\$16.4 million in HY2023 to S\$13.3 million in HY2024 as our Specialist Healthcare segment was affected by the increased attrition in the competitive operating environment and lower patient loads. Revenue from Primary Healthcare segment fell marginally by 1.5% on lower patient loads. Revenue from the Others segment fell marginally by 3.4% on lower contribution from Aesthetics and Wellness division; partially offset by the effects arising from the consolidation of the VIPL subgroup following the completion of the step-up acquisition.

Other operating income

Other operating income comprised mainly rental income, government grants, and other reliefs and gain on disposal of assets. The decrease was mainly due to lower government grants received in HY2024.

Consumables and medical supplies used

Consumables and medical supplies used decreased by S\$0.2 million to S\$2.8 million in HY2024 due to lower revenue during the financial period.

Employee benefits expenses

Employee benefits expenses decreased by S\$1.3 million to S\$7.4 million in HY2024 as a result of attrition of the doctors in Specialist Healthcare segment and other medical support staff.

Depreciation expenses

Depreciation expenses increased by S\$0.2 million to S\$1.1 million in HY2024 mainly due to the addition of new premises resulting in an increase in right-of-use assets and the purchase of equipment subsequent to HY2023.

2. **Review of performance of the Group (cont'd)**

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

Other operating expenses

Other operating expenses decreased by S\$0.5 million to S\$2.1 million in HY2024. The decrease was largely due to lower marketing and advertising expenses of S\$0.3 million, lower rental expenses of S\$0.1 million and a decrease in plant and equipment written-off of S\$0.1 million as compared to HY2023.

Finance costs

Finance costs remained relatively unchanged at approximately S\$0.1 million.

Income tax credit/expense

The Group recorded an income tax credit in HY2024 as compared to an income tax expense of S\$0.2 million mainly due to movement in temporary differences.

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

As a result of the above, the Group's recorded a Net Profit of S\$0.1 million in HY2024, compared to S\$0.9 million in HY2023.

Condensed Interim Statements of Financial Position
(30 September 2023 vs 31 March 2023)

Non-current assets decreased by S\$0.4 million to S\$9.4 million as at 30 September 2023 due mainly to net depreciation on plant and equipment, reclassification of other receivables; partially offset by the increase in deferred tax assets and higher goodwill arising from the consolidation of VIPL subgroup.

Current assets decreased by S\$2.0 million to S\$11.1 million as at 30 September 2023 as a result of lower cash and cash equivalents due to reasons mentioned in the review of cash flow statements and the decrease in trade receivables of S\$0.2 million. This is partially offset by the increase in other receivables of S\$0.2 million as a result of an increase in deposits paid for leasing of new premises and an increase in prepaid expenses.

Current liabilities decreased by S\$1.1 million to S\$11.2 million as at 30 September 2023 mainly due to (i) lower payroll-related accruals and; (ii) repayment of loans and borrowings and lease liabilities; partially offset by the increase in (i) contract liabilities relating to service fees that are to be recognised over time; (ii) deferred revenue due to lower utilisation of customer packages and; (iii) income tax payable.

Non-current liabilities decreased by S\$1.2 million to S\$3.0 million as at 30 September 2023, mainly due to reclassification of non-current loans and borrowings and lease liabilities of S\$0.9 million and S\$0.3 million respectively to that of current portion.

Please refer to Note 15 to the condensed interim financial statements for details of movements in share capital.

Condensed Interim Consolidated Statement of Cash Flows
(HY2024 vs HY2023)

Net cash generated from operating activities of S\$0.2 million was mainly derived from total operating cash flows before movements in working capital of S\$1.3 million, partially offset by net working capital outflow of S\$0.8 million, interest paid of S\$0.1 million and income tax paid of S\$0.2 million.

2. Review of performance of the Group (cont'd)

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
(HY2024 vs HY2023)

Net cash used in investing activities were mainly attributable to (i) advances to a joint venture of S\$0.2 million; (ii) purchase of plant and equipment of S\$0.1 million; and the (iii) formation of equity-accounted investee in relation to our first joint investment clinic within our Primary Healthcare segment; partially offset by (iv) net cash from the acquisition of a subsidiary of S\$0.1 million; (v) proceeds from disposal of plant and equipment of S\$0.1 million.

Net cash used in financing activities amounted to S\$2.1 million, mainly attributable to (i) repayment of lease liabilities of S\$0.9 million; (ii) repayment of loans and borrowings of S\$1.1 million; and (iii) dividends paid to non-controlling interest of S\$0.2 million.

Given the abovementioned, the Group's cash and cash equivalents decreased by approximately S\$2.0 million to S\$2.2 million as at 30 September 2023.

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

On 2 November 2023, the Company issued a profit guidance on the Group's financial results for HY2024 ("**Profit Guidance Announcement**"). The financial results contained in this announcement is in line with the Profit Guidance Announcement. Save for the Profit Guidance Announcement, no specific forecast or prospect statement has been previously disclosed to shareholders.

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

In the near term, the Group expects to be impacted by the influx of new doctors and the attrition of existing healthcare talent. One of the foundation aspects of our performance hinges on the ability of our healthcare groups to attract and retain healthcare professionals, including doctors with similar expertise, as the supply of medical professionals is generally competitive and limited in the market.

The Group remains committed to its mission of pursuing organic growth through recruitment initiatives to attract new medical specialists who share similar mindsets and values. Accordingly, the Group has strengthened its specialists team and added a Dermatologist, an Orthopaedic Surgeon, and a Medical Aesthetician during the period. Beyond these recruitment efforts, the Group continues its focus on the growth of its ecosystem within its Primary Healthcare division.

With a focus on growing the Group's patient base post-Covid, the Group's Primary Healthcare subsidiary, Phoenix Medical Group ("**PMG**"), has set up a new clinic in August 2023, which has commenced operation in November 2023. In 2023, the nation has officially shifted its emphasis from reactively caring for those who are sick, to proactively preventing individuals from falling ill through Healthier SG initiatives. The Group aims to grow alongside with the programme and capture the fast-growing demand for general practitioner services initiatives with its well-established foundation in its Primary Healthcare network, established through more than a decade of Primary Healthcare and patient brand experience. This will progressively grow the Group's patient base and provide a positive and sustainable ecosystem for our specialist partners.

While the overall macro landscape, including the inflationary environment, remains challenging, the Group remains committed to providing consistent service quality across our clinics. In addition, efforts will be put into improving the Group's revenue stream through marketing and business development efforts to further improve the existing cross-referrals among various medical disciplines as the integration matures.

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

Moving forward, the Group will continue to strengthen its ecosystem through operational excellence and expand patient outreach while optimizing internal operations. The Group will explore strategic acquisition plans and/or new business opportunities to grow its healthcare business, including potential fundraising options.

5. Dividend information

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

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

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

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

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 30 September 2023 as it is deemed appropriate to conserve cash for working capital and future expansion plans.

7. Interested person transactions

The Group does not have a general mandate for interested person transactions. The aggregate value of the interested person transactions conducted during the six months financial period ended 30 September 2023 is disclosed below:

7. Interested person transactions (cont'd)

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

- (1) There is no interest paid to Teh Wing Kwan on the outstanding loan amounting to S\$480,000 owed by the Group to Teh Wing Kwan.
- (2) Relates to the rental expenses paid to and medical services purchased from Dr Edwin amounting to S\$10,000 and S\$15,000 respectively, and the amount of S\$44,000 generated for rendering medical services for the financial period ended 30 September 2023.

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

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

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

Refer to paragraph 2 of this section for details.

10. Disclosures of Incorporation, Acquisition or sale of shares in subsidiaries and/or associated companies pursuant to Rule 706A of the Catalist Rules

Incorporation and Establishment of Subsidiaries and Associated Companies

i. Incorporation of Cove Dermatology Pte. Ltd.

On 22 August 2023, the Company through Livingstone Health Limited (a wholly-owned subsidiary of the Company) incorporated a wholly-owned subsidiary, Cove Dermatology Pte. Ltd. ("**CDPL**") in Singapore. The issued and paid-up capital of CDPL is S\$10,000, comprising 10,000 ordinary shares, was funded through the Group's internal resources. The principal activity of CDPL is the provision of specialised medical services.

ii. Incorporation of Cove Aesthetics T Pagar Pte. Ltd.

On 24 August 2023, the Company through RL Aesthetics Pte. Ltd. (a wholly-owned subsidiary of the Group), incorporated a wholly-owned subsidiary, Cove Aesthetics T Pagar Pte. Ltd. ("**CAPL**") in Singapore. The issued and paid-up capital of CAPL is S\$10,000, comprising 10,000 ordinary shares, was funded through the Group's internal resources. The principal activity of CAPL is the provision of aesthetics and wellness treatment services.

10. Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706A of the Catalist Rules (cont'd)

Incorporation and Establishment of Subsidiaries and Associated Companies

iii. Incorporation of PMG TH Pte. Ltd.

On 24 October 2023, the Company through Phoenix Medical Group Pte. Ltd. (an indirect 51%-owned subsidiary of the Group), incorporated a wholly-owned subsidiary in Singapore known as PMG TH Pte. Ltd. ("**PMGTH**"). The issued and paid-up capital of PMGTH is S\$10,000, comprising 10,000 ordinary shares, and was funded through the Group's internal resources. The principal activity of PMGTH is the provision of healthcare medical services by general practitioners.

iv. Investment in an associate company

PMGPO Pte. Ltd. ("**PMGPO**") is a direct 15%-owned associated company of Phoenix Medical Group Pte. Ltd. (an indirect 51%-owned subsidiary of the Company). The investment in an associate is our first joint investment clinic which was incorporated in Singapore on 11 August 2023. The issued and paid-up capital of PMGPO is S\$200,000, comprising 200,000 ordinary shares. The investment by Phoenix Medical Group Pte. Ltd. in PMGPO amounted to S\$30,000 and was funded through the Group's internal resources. The principal activities of PMGPO is the provision of healthcare medical services by general practitioners. Following its establishment, PMGPO has become an indirect associated company of the Company.

Change in Shareholding in Subsidiaries and Associated Company

i. Step-up Acquisition of Venture Investment Pte. Ltd.

Further details of the acquisition are disclosed in Note 11 to the condensed interim financial statements.

Confirmation by the Board

We, the undersigned, hereby confirm on behalf of the Board of Directors of the Company (the "**Board**") that to the best of our knowledge, nothing has come to the Board's attention which may render the unaudited condensed interim financial statements of the Group for the six-month financial period ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Teh Wing Kwan
Non-Executive and Non-Independent Chairman

Dr Wilson Tay Ching Yit
Executive Director and Chief Executive Officer

Singapore
14 November 2023