



LIVINGSTONE

HEALTH

ADAPTABILITY AND AGILITY



TRUSTED INTEGRATED
HEALTHCARE PROVIDER

ANNUAL REPORT 2022

CORPORATE PROFILE

Livingstone Health Holdings Limited (“Livingstone Health” or “Company” and together with its subsidiaries, the “Group”) is a Singapore-based multidisciplinary healthcare group with a network of primary care clinics, private medical specialists, and allied health care professionals, providing an extended range of medical services such as Anaesthesiology and Pain Management, Endocrinology, Gastroenterology, Orthopaedic Surgery, Podiatry, Physiotherapy, and Aesthetics and Wellness.

The Group strives to be recognised as a trusted integrated healthcare provider for patients and as a centre of excellence for medical professionals. In May 2021, we launched Ardennes Healthcare Pte Ltd, a one-stop health screening and radiology centre, strengthening Livingstone Health’s ecosystem. We commenced operations of Atlas Podiatry and Atlas Physio Clinic at the Mandarin Gallery in September 2021 and April 2022 respectively, expanding our portfolio in allied health services.

As at the date of this annual report, the Group has 19 medical doctors and healthcare professionals, practising at 13 medical clinics, one medical spa, one podiatry and physiotherapy clinic, and one health screening centre located at convenient and accessible locations throughout Singapore. In addition, the Group also ventured into other paramedical products and services, such as the provision of project consultancy services to Olympia City Development Co., Ltd. on the development of two key levels in its medical hub at Olympia City, a mixed-use development in Phnom Penh, Cambodia.

TABLE OF CONTENTS

GROUP STRUCTURE	01
JOINT STATEMENT BY CHAIRMAN & CEO	02
BOARD OF DIRECTORS	04
KEY MANAGEMENT	06
OUR DOCTORS	10
RESULTS AT A GLANCE	11
OPERATIONS AND FINANCIAL REVIEW	13
SUSTAINABILITY REPORT	16
CORPORATE INFORMATION	30
CORPORATE GOVERNANCE	31
ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION	72
FINANCIAL STATEMENTS	79
STATISTICS OF SHAREHOLDINGS	168

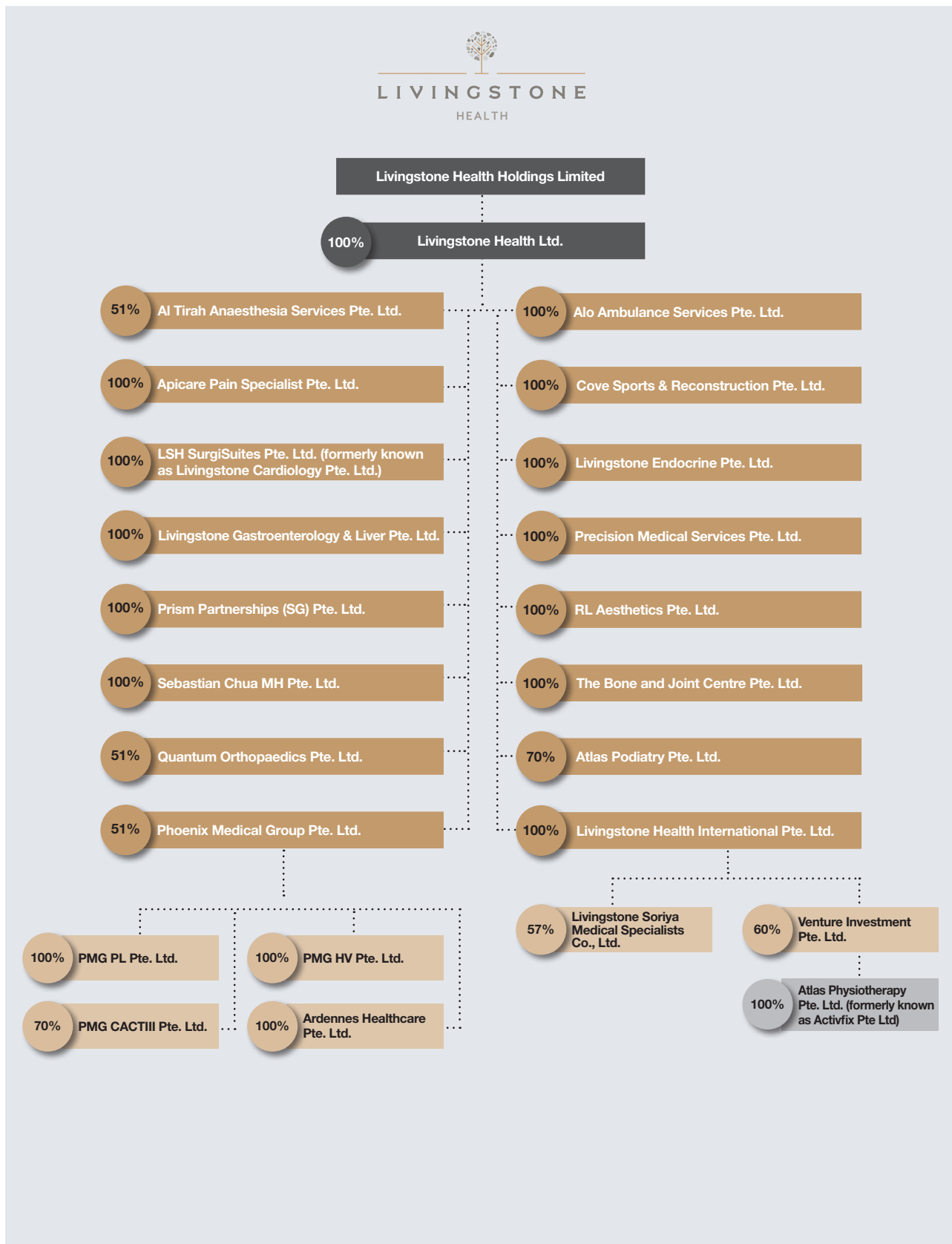
This annual report has been reviewed by the Company’s Sponsor, SAC Capital Private Limited (the “Sponsor”).

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



DEAR STAKEHOLDERS,

We are pleased to present Livingstone Health Holdings Limited's ("Livingstone Health" or the "Group") annual report for the financial year ended 31 March 2022 ("FY2022"), our first full financial year since the successful completion of our reverse takeover ("RTO") on 5 February 2021.

OVERVIEW

The Group started off FY2022 by executing several post-RTO strategies to propel us into the next stage of growth. Despite the challenges of the pandemic, we delivered a strong set of results under our strategic thrust. For the 12 months of FY2022, our revenue increased by 41% to S\$34.1 million, compared to the 15 months ended 31 March 2021 ("FY2021") as a result of higher contributions from all business segments.

On the back of higher revenue, we recorded net profit after tax of S\$3.0 million for FY2022, reversing from a net loss of S\$16.7 million for FY2021 (which included S\$20.3 million non-recurring RTO-related costs and accounting adjustments in aggregate). For more details of our full-year results for FY2022, you may refer to Results at a Glance on Page 11 & 12.

Our performance has to be seen through the lens of how we executed our growth strategies, as outlined in our Corporate and Business Update in April 2021, amid the lockdowns, movement restrictions and other challenges of the COVID-19 pandemic. Many of these challenges have only been eased gradually in the recent months; the improved financial performance underscores the resilience of the entire Livingstone Health team.

PAYMENT OF DEFERRED CONSIDERATION

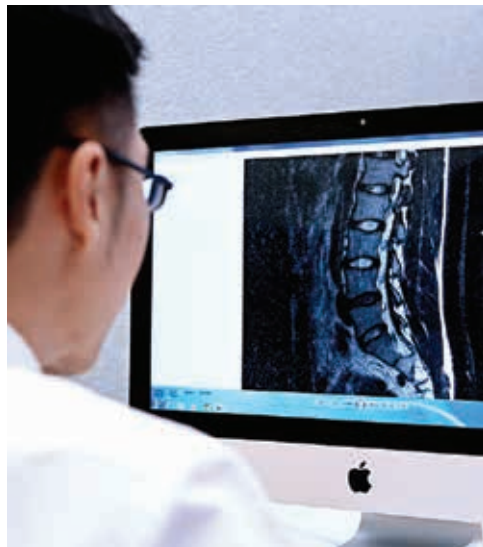
As you may have read earlier, the total consideration for the RTO was S\$72.0 million, comprising a base consideration of S\$47.0 million (which was paid in new shares and cash) and a deferred consideration of S\$25.0 million. As announced on 23 May 2022, the Group recorded an adjusted net profit after tax of S\$5.4 million for calendar year 2021, exceeding the profit target set out in the RTO circular and thus, the deferred consideration has been paid to the Vendors which has enlarged our issued share capital base by 117.5 million new shares (issued at S\$0.20 each) to approximately 436.4 million shares.

LOOKING AHEAD

The Singapore healthcare industry remains robust. As Singapore begins to transit from the pandemic to endemic, we expect to see increasingly higher demand for healthcare from both local and foreign patient foot traffic as Singapore lifts its safe-distancing measures and travel restrictions. In response, we will expand our teams, execute our organic growth strategy, and explore regional expansion opportunities.

More recently, the Government has outlined its "Healthier SG" strategy toward proactive healthcare, with primary healthcare providers serving as a core tenant of the strategy. We believe Phoenix Medical Group ("PMG"), our primary healthcare arm, is well-positioned to gain prominence under this strategy, given its network of primary care clinics. Meanwhile, we have made significant progress in adding tertiary care services and medical specialisations.

JOINT STATEMENT BY CHAIRMAN & CEO



In March 2022, we announced the appointment of Dr Chua Hshan Cher as Deputy CEO of the Group. Dr Chua has significant clinical experience as a medical director of PMG and he will provide strong support to our operational teams while the Group is expanding and implementing its growth initiatives.

That said, we see several headwinds amid renewed uncertainty arising from inflation concerns, higher rates, wars, lockdowns and new variants risk, which will continue to disrupt key supply chains, causing medical supplies and operating costs to rise. We are monitoring the situation closely and will respond swiftly as the landscape evolves.

As healthcare service is a highly personal experience, we believe our value proposition will help to build trust among patients, increase our patient outreach, attract new doctors and grow cross-disciplinary referrals for the Group, reflecting the underlying strength of the Livingstone Health brand and its ecosystem.

APPRECIATION

On behalf of the Board of Directors and management, we would like to thank our patients, business partners, associates and bankers for their trust and support. At the same time, we must thank our clinical staff who had to shoulder massive responsibilities while serving our patients during the pandemic period. We also appreciate our office support staff for their hard work and dedication.

Finally, we would like to thank our shareholders. Driven by the improved financial performance for FY2022, we have proposed a final cash dividend of 0.12 Singapore cent per ordinary share (our maiden dividend since completing the RTO) for shareholders' approval.

We look forward to meeting you at the upcoming AGM.

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 corporate restructuring exercise and he transformed Sapphire by acquiring one of the largest privately-owned urban rail transit engineering group in China. 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 Titato-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 16 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 of four other listed SGX companies, as well as being a Board member of Singapore Health Services Pte Ltd, Agency of Integrated Care (AIC) Pte Ltd and Surbana Jurong Pte 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 currently the Head of Legal, Risk and Compliance at Golden Energy and Resources Limited, which is listed on the Mainboard of the SGX-ST. He was previously a partner in the corporate department of Lee & Lee, a law firm in Singapore. He has more than 20 years of experience 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 also served as an independent director on several SGX-listed companies. Mr. Chan is an ordinary member of the Singapore Academy of Law and the Singapore Institute of Directors (SID).



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 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



DR. CHUA HSHAN CHER

DEPUTY CHIEF EXECUTIVE OFFICER, HEAD OF FAMILY MEDICINE

Dr. Chua Hshan Cher was appointed as Deputy Chief Executive Officer of the Company on 1 March 2022, and is responsible for providing strategy and operational leadership to the Livingstone Health team. He works closely with CEO Dr. Wilson Tay to create management practices to enable a high-performing and effective executive team.

He also heads the Group's family medicine segment. As a medical doctor with 18 years of clinical experience, Dr. Chua strongly believes in journeying with his patients and empowering them to take charge of their own health under his guidance. He especially enjoys good rapport with patients both young and old.

Dr. Chua Hshan Cher's keen interest is in dermatology, which he pursued by completing a 1-year postgraduate Diploma of Dermatology at the world-renowned Cardiff University in 2011.

Dr. Chua Hshan Cher graduated with a Bachelor of Medicine and Bachelor of Surgery from NUS in 2003 and completed his hospital rotations in various departments including internal medicine, adult and paediatric emergency, dermatology, family medicine and psychiatry.



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.

KEY MANAGEMENT



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 16 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.



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 23 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.

KEY MANAGEMENT



MR. JOHN YEO
CHIEF LEGAL COUNSEL

Mr. John Yeo is the Chief Legal Counsel at Livingstone Health. He is responsible for all the legal, regulatory and compliance matters of the Group. Other than providing expert and strategic legal advice to the management team, John also sets the internal governance policies, and looks after the risk management aspects of the Group. In addition to his legal portfolio, John is spear-heading the patient acquisition and retention arm of the Group, which is in charge of bringing in new patients for the Group, both from local and overseas markets. This involves working closely with various partners from different specialities and jurisdictions.

John has over 15 years of experience working in various multi-national organisations, start-ups, and even a governmental statutory body. Prior to joining the Group, John held strategic executive and senior management positions spanning across the entertainment, sports, media and hospitality industries, and frequently handled multi-million dollar deals across different countries in Asia. In addition to being directly responsible for the legal function of these organisations, John has also been placed in charge of overseeing the optimization of business processes and procedures, as well as the creation and formulation of new business opportunities to sustain a revenue-generating business pipeline. John has further experience in the operational management of crucial business projects, including the maintaining of key client relationships.

Mr. John Yeo graduated from King's College London with a Bachelor of Laws Degree, and is an Advocate & Solicitor of the Supreme Court of Singapore. He previously worked in the dispute resolution department of one of the top local law firms in Singapore.



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.

During his time in audit, Mr. Leow Chin Yew handled the portfolios of multiple listed company giants from the industries of oil and gas, manufacturing, and publication. He was even involved in restructuring a company that was financially weak, bringing them out of the rut and propelling them towards better heights.

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.



MS. TELVINA TAN
HEAD OF HUMAN RESOURCE

Ms. Telvina Tan is the Head of Human Resource at Livingstone Health. She manages and leads the Human Resource team in the full spectrum of Human Resources. She is a highly skilled HR Specialist and Practitioner with a demonstrated history of working in the Security Training, Education & Healthcare industry, specializing in Strategic Negotiations, Innovation, Sustainability, Company Secretarial Work, Insurance Management, Human Resources Administration, and People Development.

Being one with a strong will to master change, Ms. Telvina Tan actively helps companies on their transformation projects. She was involved in new start-ups under lean managements, reviewed and evaluated on HRIS systems besides the insurance schemes for both companies & employees, resulting in substantial cost savings with better and more extensive coverage.

Being not just limited to only General HR, Ms. Telvina Tan is equally proficient in Procurement, Sales and Marketing, Analysis & Grants Administration. She has hands on experience in handling and managing liquidation, merger & acquisition as well as retrenchment processes to ensure smooth transitions. Experienced in the review of payrolls for various countries in SE Asia, she has also managed and facilitated HR audits.

A strong believer that formal learning helps in career development when one acquires new knowledge and in-demand skills, Ms. Telvina Tan attended several executive courses at renowned institutions, in tandem with her Master of Business Administration from Anglia Ruskin University. She has industriously pursued relevant programmes to acquire the new skill sets required; she is a Certified HR Manager from HRSingapore and has even obtained certifications in PDPA and BizSafe.

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. JAMES TAN CHUNG HUI**
M.B.B.S. (Singapore)
M.R.C.S. (Edinburgh)
M. Med Surgery (Singapore)
F.R.C.S. (Edinburgh)
3. **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
4. **DR. JOHN HSIANG**
MB ChB (NZ)
F.R.A.C.P. (Aus)
MD
GASTROENTEROLOGY

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
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)
M. Med (Family Medicine)
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 ENDED 31 MARCH 2022

	FY2022 12 months ended 31 March 2022 S\$'000	FY2021 15 months ended 31 March 2021 S\$'000	Change %	
Continuing operations				
Revenue	34,141	24,278	41%	Revenue increased by S\$9.86 million driven by higher contributions from our primary healthcare arm (PMG) and tertiary specialisations (such as anaesthesiology and pain management, and orthopaedic surgery).
Other income	1,192	1,056	13%	Other Income comprised mainly government grants and other relief.
Consumables and medical supplies used	(6,817)	(4,295)	59%	Consumables and medical supplies used increased in tandem with higher revenue.
Purchased and contracted services	-	(108)	(100%)	
Employees benefits expense	(17,503)	(11,744)	49%	Employee Benefits Expenses increased by S\$5.76 million as we continue to grow our team of medical doctors, adding new specialities while strengthening existing ones and higher provisions for performance-related remuneration.
Depreciation expense	(1,543)	(1,444)	7%	Depreciation Expenses increased by S\$0.10 million mainly due to the addition of facilities for tertiary specialisations.
Share of results from joint ventures	(142)	(166)	(15%)	
Other operating expenses	(4,735)	(3,155)	50%	Other Operating Expenses increased by S\$1.58 million due mainly to higher marketing expenses, administrative charges and higher insurance costs
Finance costs	(344)	(306)	12%	Finance Costs increased by S\$0.03 million mainly due to (a) additional working capital borrowings for business expansion (b) finance leases for new medical facilities (c) accounting adjustment on time value of money for purchase consideration payable on previous acquisition.
Profit before exceptional items	4,249	4,116	3%	
Exceptional items:				Exceptional Items comprised of those non-recurring RTO-related expenses (i.e accounting loss on reverse acquisition and incidental RTO costs) in prior financial period.
Reverse acquisition-related cost	-	(1,423)	(100%)	
Loss on reverse acquisition	-	(18,892)	(100%)	
Profit/(Loss) before tax after exceptional items	4,249	(16,199)	N.M	
Income tax expense	(704)	(567)	24%	
Profit/(Loss) for the year	3,545	(16,766)	N.M	
Profit/(Loss) attributable to:				
Continuing operations, net of tax				
Owners of the Target Company	3,025	(16,693)	N.M	
Non-controlling interests	520	(73)	N.M	
	3,545	(16,766)	N.M	
Continuing operations	S\$'000	S\$'000	%	
Profit before exceptional items	4,249	4,116	3%	
Income tax expense	(704)	(567)	24%	
Profit after tax, excluding exceptional items	3,545	3,549	N.M	Profit/(Loss) Attributable To Equity Holders of the Company As a result of the above, the Group reported a Net Profit of \$3.55 million in FY2022.

N.M: Not meaningful

RESULTS AT A GLANCE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

ASSET	Group 31-Mar-22 S\$'000	31-Mar-21 S\$'000	
Non-current assets			NON-CURRENT ASSETS
Property, plant and equipment	3,369	3,527	Property, plant and equipment Fell by S\$0.16 million mainly due to depreciation charge during the year.
Goodwill arising on consolidation	3,636	3,636	Goodwill arising on consolidation Relates to acquisition of PMG and the newly-acquired orthopaedic segment.
Investments in joint ventures	-	113	
Loan to a joint venture	375	-	Loan to a joint venture Relates to interest bearing loan to newly set up joint venture.
Deferred tax asset	412	256	
	7,792	7,532	
Current assets			CURRENT ASSETS
Trade receivables	5,905	4,413	Trade Receivables Rose by S\$1.49 million on the back of higher revenues.
Other receivables	1,378	1,041	Other Receivables Rose by S\$0.34 million mainly due to non-interest bearing advances to newly set up joint venture.
Inventories	658	520	Inventories Rose by S\$0.14 million mainly due to inventories for new clinics.
Cash and cash equivalents	5,353	6,775	Cash and Cash Equivalents Fell by S\$1.42 million mainly due to settlement of deferred considerations.
Current assets	13,294	12,749	
Total assets	21,086	20,281	
EQUITY AND LIABILITIES			CAPITAL AND RESERVES
Capital and reserves			Accumulated Losses Related to the non-recurring RTO Financial Effects, net of current year earnings
Share capital	22,764	22,305	
Merger reserve	57	57	
Foreign currency translation reserve	5	4	
Other reserves	22	22	
Accumulated losses	(17,851)	(20,876)	
Total attributable to equity holders of the Company	4,997	1,512	Total Equity Rose by S\$3.79 million mainly due to current year earnings and issuance of share for payment of deferred considerations.
Non-controlling interests	693	393	
Total equity	5,690	1,905	
Non-current liabilities			NON-CURRENT LIABILITIES
Other payables	1,500	1,821	Other Payables Related to deferred consideration payable for the RTO.
Lease liabilities	871	1,255	Lease Liabilities (Current and Non-current) Related to clinic leases.
Borrowings	2,986	5,673	
Deferred tax liabilities	33	2	
	5,390	8,751	
Current liabilities			Borrowings (Current and Non-current) Related to working capital loan for business expansion.
Trade payables	660	1,243	
Other payables	4,273	3,898	
Borrowings	2,528	1,129	
Lease liabilities	981	1,260	
Deferred revenue	868	1,236	CURRENT LIABILITIES
Income tax payable	696	859	Trade Payables Fell by S\$0.58 million due to more timely settlement.
	10,006	9,625	Other Payables Included consideration payable to vendors for the RTO and accrual of performance-related remuneration.
Total liabilities	15,396	18,376	Deferred Revenue Revenue for Aesthetic and Wellness segment which has not been recognised.
Total equity and liabilities	21,086	20,281	Income Tax Payable Fell by S\$0.16 million due to settlement of prior year tax.

OPERATIONS AND FINANCIAL REVIEW

OPERATIONS REVIEW

As outlined in our post-RTO Corporate and Business Update on 13 April 2021, Livingstone Health intends to pursue growth opportunities revolving around four key strategies:

- (i) Strengthening the Group's ecosystem;
- (ii) Deepening market penetration within Singapore via the existing footprint of clinics;
- (iii) Enlarging the pool of doctors and range of surgical specialisations; and
- (iv) Building up our network and alliances in the emerging Asian region.



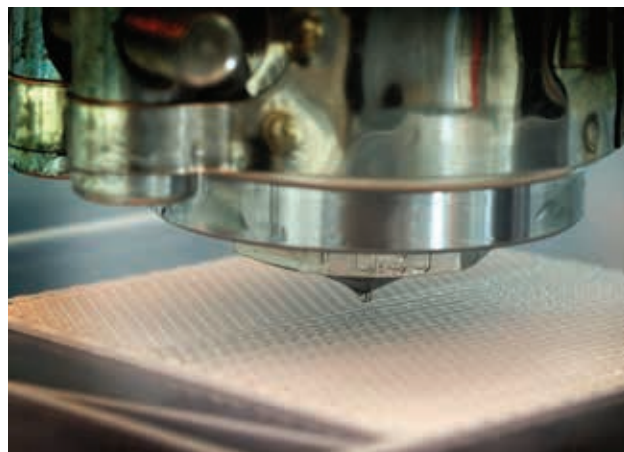
During the year under review, we have seen improved financial performance and made significant progress in executing our growth strategies. More specifically:

- We have continued to grow our team of medical doctors, and increased our healthcare offerings. We have added gastroenterology and endocrinology to our range of specialisations. In May 2021, we launched our allied health services through our medical screening centre, Ardenes Healthcare; and in September 2021 and April 2022, we opened Atlas Podiatry and Physiotherapy respectively. Both Ardenes and Atlas serve as platforms to strengthen the Livingstone's ecosystem and provide us with greater outreach to patients thereby increasing patient referrals for our primary and tertiary healthcare services;



- In September 2021, Livingstone Health's subsidiary was appointed by Singapore's Ministry of Health of Singapore in September 2021 to lead the procurement of 101,000 additional doses of SINOVA Biotech Ltd's ("Sinovac") CoronaVac® Vaccines on behalf of private healthcare institutions in Singapore. Livingstone Health has set up a dedicated central call team and deployed additional manpower to manage high demand; and we also worked closely with other healthcare players to deliver vaccines locally. The procurement and delivery of Sinovac vaccine underscored our execution ability amid the challenges of the pandemic;

OPERATIONS AND FINANCIAL REVIEW



- In March 2022, we entered into a partnership with National Phytopharma Joint Stock company and Truth Asset Management to pursue healthcare project opportunities in Vietnam; and



- In June 2022, we signed an MoU to collaborate with ASX-listed Osteopore to develop 3D-printed bioresorbable implants made from patented scaffolds, for bone and tissue healing and regeneration. The scaffolds reduce post-surgery complications compared to conventional procedures such as bone grafting, and Livingstone's orthopaedic specialists will be the first in Singapore to apply Osteopore's implants in an orthopaedic surgery.

FINANCIAL REVIEW

Note: For the ease of reference, we have included “**Results At A Glance**” on Pages 11 to 12 in our Annual Report providing explanatory notes to financial performance for the financial year ended 31 March 2022 (“**FY2022**”) and financial position as at 31 March 2022.

Financial Performance for FY2022

Total revenue increased by S\$9.86 million to S\$34.14 million driven by higher contributions from various segments and the addition of new specialisations and doctors.

Other income comprised mainly government grants and other relief during FY2022.

Employee benefits expenses increased by S\$5.76 million to S\$17.50 million as we continue to grow our team of medical doctors, adding new specialties while strengthening existing ones. On top of that, the increase also contributed by higher provisions for performance-related remuneration.

Depreciation expenses increased by S\$0.10 million to S\$1.54 million in FY2022 mainly due to the addition of new premises and equipment increase for orthopaedic surgery, internal medicine and family medicine segment in FY2022.

Share of results from our joint ventures reduced by S\$0.03 million mainly due to lower losses shared from Cambodia operation which is dormant during the financial year.

Other operating expenses increase by S\$1.58 million to S\$4.74 million in FY2022 on the back of higher revenue as a result of higher marketing expenses, administrative and bank charges and insurance cost.

OPERATIONS AND FINANCIAL REVIEW

Finance costs increased by S\$0.03 million to S\$0.34 million in FY2022 mainly due to (a) additional borrowings for business expansion and working capital needs; (b) finance leases for medical equipment; (c) lease expenses for new clinics during the year; and (d) accounting adjustment pertaining to time value of money arising from purchase consideration payable for acquisition of businesses in year 2019.

As a result of the above, the Group reported S\$3.02 million for FY2022 compared to Net Loss of S\$16.69 million (including RTO financial effects) for FY2021.

Financial Position as at 31 March 2022

Assets

Non-current assets increase by S\$0.26 million mainly due to an interest bearing loan extended to Atlas Podiatry Pte Ltd, our new joint venture during the financial year.

Current assets increased by S\$0.55 million to S\$13.29 million as at 31 March 2022, mainly due to increases in (i) trade and other receivables of S\$1.83 million, which is in tandem with higher revenue; (ii) inventories of S\$0.14 million arising from new clinic set up during the financial year; and (iii) advances to our joint venture. The increase is offset by lower cash and cash equivalent of S\$1.42 million mainly due to deferred consideration paid during the financial year.

Liabilities

Current liabilities increased by S\$0.38 million to S\$10.01 million as at 31 March 2022 mainly due to reclassification of borrowings from non-current to current and higher provision for performance related remuneration during the financial year. The increase was partially offset by (i) decrease in trade payables of S\$0.58 million; (ii) decrease in deferred revenue of S\$0.37 which has been recognised as revenue during the financial year; and (iii) lower lease liabilities and tax liabilities.

Non-current liabilities decreased by S\$3.36 million to S\$5.39 million as at 31 March 2022, mainly due to (i) reclassification from non-current borrowings to that of current and (ii) payment of deferred consideration for acquisition of businesses in year 2019.

Shareholders' Equity

Total equity, including Net Profit for FY2022, increased by S\$3.79 million to S\$5.69 million as at 31 March 2022; after accounting for accumulated losses previously attributed to one-off exceptional items relating to loss on reverse acquisition and RTO-related expenses.

Cash flows for FY2022

Net cash flows generated from operating activities was S\$4.65 million in FY2022 after accounting for operating profit before working capital changes of S\$6.36 million, working capital investments of S\$0.57 million, and interest of S\$0.14 million and income tax payment of S\$0.99 million.

Net cash flows used in investing activities was S\$3.30 million in FY2022 mainly attributed to (i) purchase of equipment of S\$0.98 million, (ii) advances to a joint venture of S\$0.83 million; and (iii) payment of deferred consideration of S\$1.53 million.

Net cash flows used in financing activities was S\$2.77 million in FY2022 mainly attributed to proceeds from working capital loans of S\$1.62 million; offset by (i) repayment of loans and borrowings of S\$2.91 million; (ii) lease payments of S\$1.26 million; and (iii) dividend paid to NCI of \$0.22 million.

As a result of the above, cash and cash equivalents decreased by S\$1.42 million to S\$5.35 million as at 31 March 2022.

SUSTAINABILITY REPORT

1 CORPORATE PROFILE

Livingstone Health Holdings Limited (“**Livingstone Health**” or “**Company**” and together with its subsidiaries, the “**Group**”) is a Singapore-based multidisciplinary healthcare group with a network of primary care clinics, private medical specialists, and allied health care professionals, providing an extended range of medical services such as Anaesthesiology and Pain Management, Endocrinology, Gastroenterology, Orthopaedic Surgery, Podiatry, Physiotherapy, Aesthetics and Wellness.

The Group strives to be recognised as a trusted integrated healthcare provider for patients and as a centre of excellence for medical professionals. In May 2021, we launched Ardennes Healthcare Pte Ltd, a one-stop health screening and radiology centre, strengthening Livingstone

Health’s ecosystem. In September 2021, we commenced operations of Atlas Podiatry Pte Ltd, expanding our portfolio of allied health services.

As at 31 March 2022, the Group has 17 medical doctors practising at 14 medical clinics 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.

2 OUR SUSTAINABILITY VISION



SUSTAINABILITY REPORT

3 BOARD STATEMENT

Livingstone Health is pleased to issue its first sustainability report, prepared in respect of the financial year ended 31 March 2022 (“**SR2022**”).

The Board of Directors (“**Board**”) and senior management (“**Management**”) oversee the management and monitoring of material environmental, social and governance (“**ESG**”) matters of the Group and take them into consideration in the determination of the Group’s strategic direction and policies.

The Company strives to continually evaluate material ESG matters as part of our risk management strategy. This report seeks to present an accurate account of our practices and performance in our quest to be a sustainable, responsible corporate citizen, as well as provide insights to demonstrate our sustainability commitment.

The Company acts in the best interest of all shareholders through our efforts of being financially prudent while managing both operational and strategic risks. In addition, the Company recognises the importance of investing in human capital and environmental solutions and seeks to enhance our strategies to influence and impact economies, societies, and environments positively.

The Board and Management remain committed to establishing and maintaining an effective sustainability framework, which is supported by underlying internal controls, risk management practices, clear accountability, and reporting processes. As the Company’s prominence in Asia as a quality healthcare provider progress, we will continue to enhance our sustainability efforts across our various business functions.

4 ABOUT THE REPORT

Reporting Scope and Period

The SR2022 has been prepared in accordance with the Global Reporting Initiative (“**GRI**”) Standards: Core Option and Rule 711A and 711B of Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures.

This report covers data and information in the financial year commencing from 1 April 2021 to 31 March 2022 (“**FY2022**”) and discusses Livingstone Health’s achievements and performance towards ESG matters. We use a consolidated operating approach to determine organisational boundaries. Our data is an aggregation of our main operations in Singapore.

Reporting Boundaries and Standards

The SR2022 has applied the following GRI reporting principles for defining this report’s contents, namely:

- **Materiality:** Focusing on issues that impact business growth and are of utmost importance to stakeholders
- **Stakeholders’ Inclusiveness:** Responding to stakeholders’ expectations and interests
- **Sustainability Context:** Presenting performance in the wider context of sustainability
- **Completeness:** Including all information that is of significant economic, environmental and social impact to enable stakeholders in assessing Company’s performance

Independent Assurance

The ESG performance data presented in this report is mainly extracted from internal information systems and original records to ensure accuracy. No external assurance was sought for the preparation of this SR2022.

Feedback

We appreciate stakeholders’ feedback to improve our sustainability practices. Kindly address all feedback to ir@livingstonehealth.com.sg. Your feedback will be valuable to us in achieving our goals to build a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this report. This report is published exclusively online and is available for download from our corporate website at <https://livingstonehealth.com.sg/investor-relations>.

SUSTAINABILITY REPORT

5 OUR STRATEGIC APPROACH TO SUSTAINABILITY

Our focus on sustainability is integral to our Company's strategy and reflects our commitment to develop a business that creates a positive impact for both its customers and the ecosystem it operates in. This commitment is underpinned by our sustainability policies, which have been integrated into material and relevant aspects of our operations.

Our approach to sustainability is focusing on providing high quality service to our patients while placing great emphasis on the importance of tackling environmental issues. In addition, our Company is committed to continuously delivering positive social impact and robust corporate governance.

Our sustainability efforts are led by our Management who ensures that we deliver long-term value creation whilst maintaining business sustainability. The Management also engages with multiple stakeholders to understand their priorities and identify emerging trends. Ultimately, our Company aims to continuously create value for our patients, society, employees, and shareholders.

For FY2022, Management has determined that this report should address the material ESG matters that are significant to us and our stakeholders.

The Company, together with the help of an independent external consultant, has reviewed and defined our approach to sustainability management, and Management has determined six key sustainability topics (i.e. Anti-Corruption, Environmental Compliance, Employment, Occupational Health and Safety, Training and Education, and Customer Privacy) based on the materiality assessment of such matters to the sustainability of our economic performance and business operations, for reporting disclosure in this report.

6 ORGANISATION PROFILE

We strive to build a responsible and sustainable supply chain by ensuring all our partners and suppliers adopt responsible business practices. Our supply chain mainly comprises of suppliers that can be classified under the following four key categories:

- Medications
- Consumables
- Medical Implants
- Imaging Services

In Singapore, it is mandatory that all suppliers and vendors supplying such medical resources to be registered with relevant local regulatory body for the sales of health products. Our preferred suppliers abide by established ethical guidelines, is committed to sustainable development, and have a good track record of Health, Safety and Environmental ("HSE") competence.

In managing our supply chain, we ensure that our suppliers are assessed by management in accordance with established procurement policies. The main factors that are considered in the evaluation process are obtained from Accounting and Corporate Regulatory Authority, open-source feedback, and licensing. All suppliers that have been assessed and approved are based on following broad categories, such as credibility, technical capability and cost competitiveness and are added to the Company's approved suppliers listing ("**listing**") after appropriate internal approval. This listing is also reviewed periodically to ensure that we are partnering with only preferred suppliers that are aligned with our objectives.

We are constantly working towards achieving a more sustainable supply chain via continuous engagement with our suppliers. For FY2022, there were no significant changes to our organisation and supply chain.

SUSTAINABILITY REPORT

7 MEMBERSHIP OF ASSOCIATIONS

Aspiring to widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices, the Group participate as members of organisations that include:

- Singapore Medical Council ("SMC")
- Singapore Medical Association ("SMA")
- Singapore Nursing Board ("SNB")
- Singapore Nursing Association ("SNA")
- Allied Health Professions Council

8 AWARDS & CERTIFICATIONS

As a group and across our various subsidiaries, we have attained and maintained various awards and certifications, such as the following:

- Licence under Private Hospitals and Medical Clinics Act (Chapter 248) of Singapore
- Licence under the Radiation Protection Act (Chapter 262) of Singapore to have in possession a non-ionising radiation irradiating apparatus ("NEA Equipment Licence")
- NEA Equipment Licence in respect of ultrasound equipment
- NEA Equipment Licence in respect of laser equipment

9 OUR KEY STAKEHOLDERS

Stakeholders	Our Engagement with Them	Key Topics	Our Responses
 Customers	• Informal feedback • Feedback portal via clinic feedback forms or Livingstone Health's website	• Customer feedback regarding satisfaction of service and quality of treatment	• We strive to maintain the highest quality of service. All customers' feedback are brought up to senior management to be reviewed and addressed. This ensures that all customers' expectations are met.
 Shareholders and Financial Community	• Annual General Meeting • Emails and tele-conferences	• Financial results • Key business developments such as new acquisition or divestment	• The Company actively tracks queries raised to ensure all concerns are addressed. All announcements of the Company's performance and developments are communicated with shareholders timely via various communication channels.
 Employees	• Internal communication through emails • Regular Employee meetings (i.e. gatherings, team bonding and company events) • Confirmation and Annual appraisal • Practice of an open-door concept • Whistle blowing	• Information update by management to staff • Employee feedback • Workplace Health and Safety • Job security • Professional growth-training and development	• Employees' concerns are attended to, and the Company strives to ensure that employees' expectations are met through continuous engagement. • Suggestions regarding professional development are considered for the development of employee support programmes.

SUSTAINABILITY REPORT

Stakeholders	Our Engagement with Them	Key Topics	Our Responses
 Suppliers/ Service Providers	- Regular meetings - Emails and telephone calls	- Feedbacks on their products and services - Information of their new product or service	Active engagement with key suppliers is maintained to ensure all issues are addressed and solved promptly.
 Government and Regulatory Agencies	- Consultations - Discussions through industry forums and events	Regulatory and industry standards and guidelines	The Company ensures that all relevant regulatory requirements are complied with and regulations are adhered to through internal controls.

We have identified the above key stakeholder groups that are relevant to us.

We strive to be a responsible corporate citizen by working closely with our stakeholders to understand their concerns and feedback. All concerns are taken into consideration and are used in the determination and assessment of ESG matters for GRI disclosure. The engagement method employed varies and includes formal and informal channels of communication. The stakeholder engagement provides valuable information for our sustainability reporting, particularly in determining the material environmental and social issues.

We will continue to engage our external stakeholders to identify areas that are material, sustainable and necessary for future development.

10 MATERIALITY ASSESSMENT

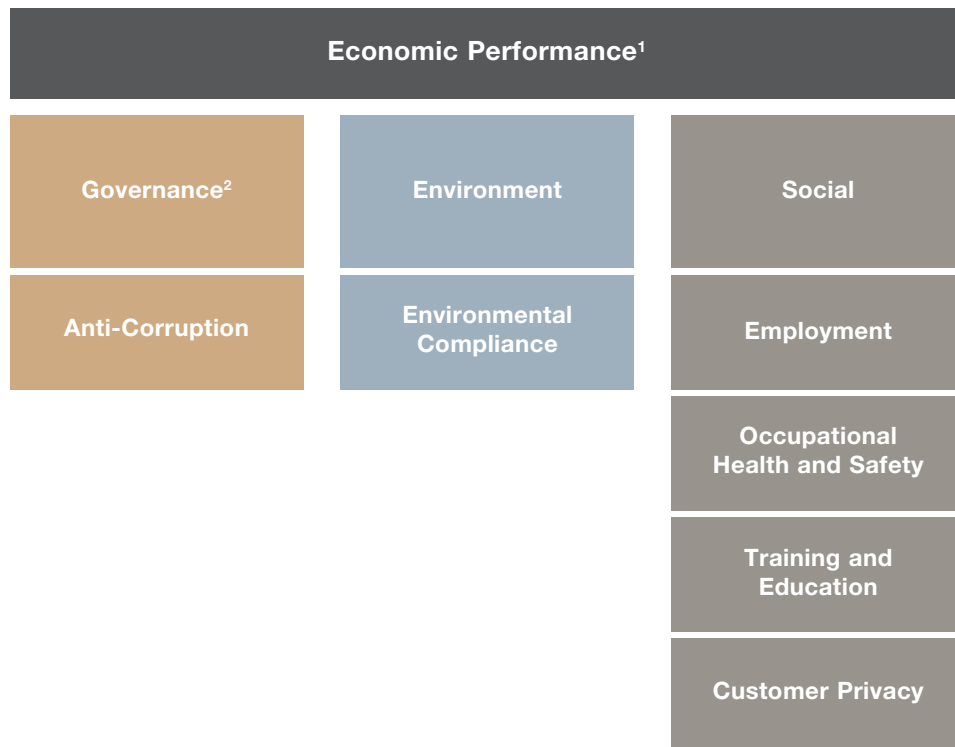
Materiality with respect to sustainability reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation's significant economic, environmental, and social impacts; and would substantively influence the assessments and decisions of stakeholders.

Management has reviewed and assessed the relevant topics to focus on for the Group, as well as targets and commitments. Based on our materiality assessment process employed in consultation and assessment with internal and external stakeholders, the Group has highlighted the following material ESG topics to be discussed in this report.

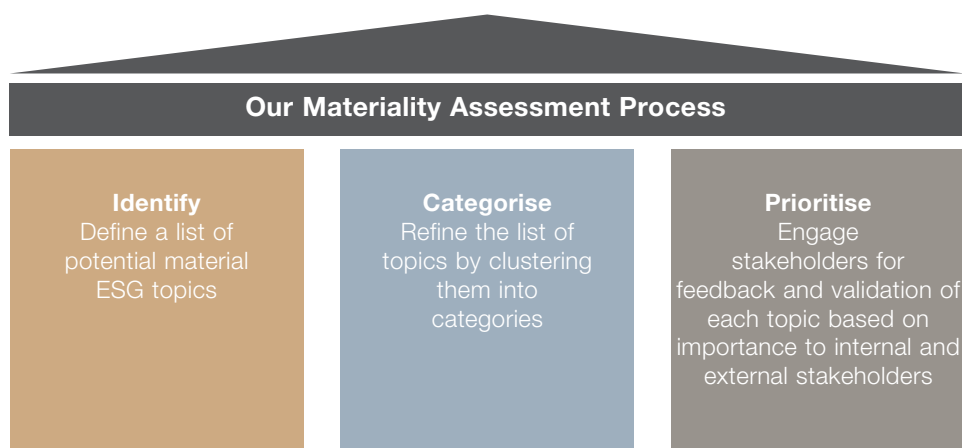
SUSTAINABILITY REPORT

The main financial aspect towards the Company's sustainability

Three main non-financial aspects towards sustainability of our economic performance and business operations



Supported by a systematic and interactive process to identify, categorise and prioritise material ESG topics



Notes:

¹ Please refer to Financial Statement of FY2022 Annual Report.

² Please refer to the Corporate Governance Report of FY2022 Annual Report.

SUSTAINABILITY REPORT

11 ECONOMIC

In today's ever-evolving world, there is increasing importance to integrate sustainability initiatives into our Company's business strategy. Global issues such as climate change, resource scarcity and demographic changes shape the competitive environment in which companies like Livingstone Health operates.

Recognising the importance of the relationship between sustainability drivers and economic performance, the Company strives to ensure that our operations follow our sustainability principles. We continue to work closely with Management and staff to identify and consider any sustainability opportunities and risks that may arise.

Our business model focuses on capturing value for all stakeholders without compromising the natural, economic, and social capital it relies upon. The Company strives to maintain our business model for sustainability and ensure that our business ecosystems support these initiatives.

GRI 201: ECONOMIC PERFORMANCE

The Company remained profitable in FY2022 despite the impact of the COVID-19 pandemic, including the Circuit Breaker in Singapore. In FY2022, our continuing operations recorded a total revenue of S\$34.1 million (an increase of 41% from last year revenue, 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.

In comparison with last financial year's performance (net loss of S\$16.69 million in FY2021), the Group has recorded a net profit of S\$3.02 million in FY2022.

Please refer to the Company's Annual Report for FY2022 for a detailed analysis and commentary of financial performance.

Targets and Commitments:

- ✓ Explore other healthcare-related fields to complement the Company's multidisciplinary approach
- ✓ Constantly deliver quality and efficient healthcare services to our patient

12 GOVERNANCE

GRI 205: ANTI-CORRUPTION

We hold ourselves to the highest standards of professional behaviour. The Company believes that corporate governance plays an essential part for our long-term viability of the Company's businesses and the enhancement of shareholder value.

We are committed to employ "best practices" of corporate governance to ensure sustainability of our operations. The Company ensures that all employees and members abide by the principles of professional integrity and strives to inculcate an environment that encourages employees to be confident in speaking up on potential areas of concerns, if any. We believe that the constant drive to upkeep corporate excellence will allow us to establish a more transparent, accountable, and equitable system, thereby increases the value of the Company and the value to our shareholders as well as attract and retain the best employees, suppliers, and partners.

To achieve a high standard of corporate governance for the operations of the Group, the Group has implemented a whistle-blowing policy. 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. There were no whistle-blowing reports received in FY2022. Please refer to our Corporate Governance Report in our FY2022 Annual Report for further details.

13 ENVIRONMENTAL

The Company acknowledges that navigating and adapting through the current environment requires forward thinking and critical evaluation of current operations. A conscious effort is made to ensure that our operations effectively manage and minimise our environmental footprint across our value chain, including our business operations, suppliers, and customers.

SUSTAINABILITY REPORT

Our environmental efforts largely focus on the Company's radiation management. Our clinics operate a plethora of medical devices and equipment, and the Company is aware of the impact of operating such equipment on the environment. With an increased pressure on healthcare providers to be accountable for their environmental impact, we strive to not only comply with regulatory requirements but integrate the best practices across our business operations to reduce our impact on the ecosystem.

GRI 307: ENVIRONMENTAL COMPLIANCE

The medical and therapeutic ultrasound equipment and high-power lasers for treatments used by the Group are regulated under the Radiation Protection Act. A licence from the National Environment Agency ("NEA") is required to possess and use such equipment. The Group possesses such licenses and ensures that only licensed workers are allowed to access and operate high power lasers and only registered medical doctors are allowed to operate class 4 high power lasers on patients.

For occupational health and safety as well as the safety of our patients, employees adhere to strict observation of guidelines when operating these machines. To ensure continued compliance, the licences for such equipment are renewed yearly with NEA.

There were no incidents of environmental non-compliance and no monetary fines or penalties imposed on the Group in FY2022.

Targets and Commitments:

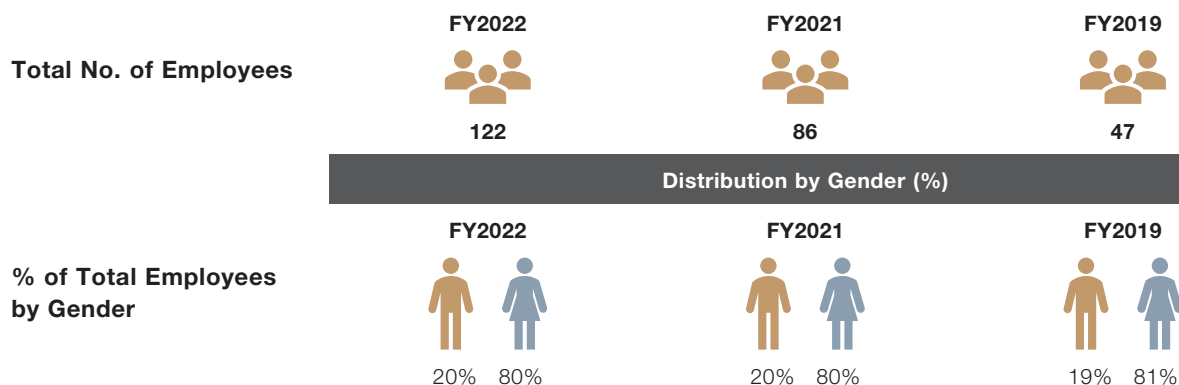
- ✓ Continue to maintain NEA licenses required for operation of equipment.
- ✓ Remain proactive in implementing policies to improve the Company's environmental performance.
- ✓ Develop innovative and efficient ways to decrease our operational impact on the environment such as using energy efficient electrical appliances and encourage reduce/reuse/recycle of materials used.

14 SOCIAL

Our employees are the most valuable assets in our Company. Their abilities, knowledge and expertise spearhead our efforts in providing quality healthcare services to all our patients. We aspire to create a conducive environment for all our employees, where opportunity to grow and succeed is available to everyone. The creation of an inclusive culture allows the Company to benefit from all employees' unique skill sets and perspectives.

A fair system to ensure equal opportunities and non-preferential treatment for all employees has been instituted. There is no preference or prejudice towards religion, age, ethnicity, any physical disability, or gender.

GRI 401-1: EMPLOYMENT



SUSTAINABILITY REPORT

	Distribution by Age Group (New Hire)								
	FY2022			FY2021			FY2019		
	< 30	30 – 50	> 50	< 30	30 – 50	> 50	< 30	30 – 50	> 50
Total No. of New Hire by Age Group	27	41	6	20	37	7	11	21	2
% of New Hire by Age Group	37%	55%	8%	31%	58%	11%	32%	62%	6%
	Distribution by Age Group (Turnover)								
	FY2022			FY2021			FY2019		
	< 30	30 – 50	> 50	< 30	30 – 50	> 50	< 30	30 – 50	> 50
Total No. of Turnover by Age Group	12	21	5	8	16	1	5	7	3
% of Turnover by Age Group	32%	55%	13%	32%	64%	4%	33%	47%	20%

Due to the inherent nature of our services provided, medical nurses make up the majority of our headcount, resulting in a higher percentage of female employees. The Company, however, makes a conscious effort to maintain diversity in middle management, to generate creativity and innovation and improve the organisation's culture. There were no reported incidences of discrimination raised by our employees in FY2022.

Targets and Commitments:

- ✓ Continue to promote diversity and equal opportunity in the workplace
- ✓ Strictly prohibit discrimination and maintain a track record of zero incidents of reported discrimination
- ✓ Fully comply with Singapore Employment Act
- ✓ Closely monitor employee wellbeing aiming to reduce employee turnover

GRI 401-3: PARENTAL LEAVE

The Company ensures that all mothers and fathers working for our Company have adequate number of paid parental leave. The allocation of parental leave for employees are in line with the Ministry of Social and Family Development's guidelines. A total of 20 employees took parental leave for FY2022. The Group has achieved a 100% return-to-work rate for a consecutive of 4 years since FY2019.

The welfare and wellbeing of our employees are of high priority to the Company. In addition to the employee benefit detailed above, the Company has organised additional initiatives for all employees. Despite the situation, the Company was able to keep employees engaged through the initiatives organised. Some key initiatives* include:

- All employees received red packets in celebration of the Lunar New Year
- To celebrate employees' birthdays, birthday vouchers are given to employees
- Gifts were given to celebrate festivals including Christmas, Nurses Day, Deepavali, Hari Raya, Chinese New Year, and Mid-Autumn

* Due to the ongoing COVID-19 pandemic, physical gatherings were minimised, and activities organised were engaged in small groups in compliance with the COVID-19 government regulations.

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

Our employees are the backbone of our Company, and we are committed to the safety and wellbeing of all our employees. Regular assessment of workplace safety needs and implementation of safety policies are conducted to enhance operational safety. We believe that preventing worker injury is not only important to employees but helps to provide a safer environment for our patients and save resources for the Company.

SUSTAINABILITY REPORT

Due to the COVID-19 pandemic, there were additional measures and guidelines (i.e., Safe Distancing and Safe Entry etc.) issued by the Ministry of Health and Ministry of Manpower. We strictly adhered to such guidelines, including any new guidelines issued from time-to-time, to ensure our patients and employees remain safe. The Company was quick to adapt to such changes and implemented appropriate measures to allow our operations to continue to run smoothly. Employees whose roles could be performed remotely were able to work from home, flexible working hours were adopted to allow our employees better manage the changes in working arrangement. For employees who are unable to perform their roles remotely, staggered working hours were arranged.

As we navigate through the ever-evolving COVID-19 situation, the Company will continue to follow the advice of the Government and other public health related agencies to ensure the health and wellbeing of our employees and patients. The Company closely monitors all its measures adopted on a monthly basis to ensure continued vigilance and safe management measures is enforced.

Our commitment to protect the health and safety of our employees is supported by our track record. For a consecutive of 4 years, there were zero fatalities, zero injuries, zero absentees due to work-related injury or disease and there were no incidents of non-compliance with safety laws, requirements, and standards in FY2022.

Targets and Commitments:

- ✓ Zero fatalities and/or workplace injuries
- ✓ Evaluate and identify safety hazards to improve health and safety practices every 2 years
- ✓ Conduct annual safety training to educate employees on the best health and safety practices

GRI 404: TRAINING AND EDUCATION

The Group recognises that employees need to stay updated in their skill sets in our ever-changing global work environment. To encourage and support our employees to develop their potential and craft out a fulfilling career, both on-the-job and ad-hoc trainings are made available to our employees in FY2022. Employees are encouraged to attend courses which are relevant to their respective job scopes.

The Group places high priorities on these training sessions which aim to empower employees on the technical skills and safety across different modes of operations, such as:

- Artificial Intelligence in Healthcare Training
- Advanced Cardiac Life Support/Automated External Defibrillator Training
- Personal Data Protection Act (“PDPA”) Training
- Biz Safe Training
- System Training (including Microsoft Office, HR Analytics etc.)
- Effective Writing Training

Programmes for Upgrading Employee Skills and Transition Assistance

The Group is committed to allocate budget and plan programmes to equip employees with the relevant skills to meet the strategic targets of the Group. We believe that more skilled employees will enhance Livingstone Health’s human capital and contribute to their satisfaction, which will then in turn enhance their overall performance. To incentivise employees to engage in continuous learning and self-upgrading, employees are offered potential salary increments in the event that they obtain higher education qualifications or qualification certificates.

In addition, the Group has established learning and development roadmaps according to feedback obtained from annual technical tests to ensure employees are optimally trained. Most importantly, internal surveys are conducted to obtain employees’ opinion on the effectiveness and relevancy of the training provided to ensure future programs provided are aligned with their career aspirations.

Performance and Career Development Review

Performance and career development review of employees are performed during the performance appraisal process. This process is conducted annually whereby there will be two-way communication and engagement between supervisors and subordinates to assess the performance of the employee. Upon completion of the appraisal process, consideration of career advancement such as promotion, quantum of salary increments, and annual variable bonus will be determined based on the performance appraisal results. In FY2022, 90% of employees are assessed based on their experience, qualifications, and performance.

SUSTAINABILITY REPORT

The Group shall continue to provide training and education opportunities through development programmes wherever applicable and promote a conducive corporate environment where everyone could achieve their potential.

Targets and Commitments:

- ✓ Achieve an average of 2 hours of training per employee annually.
- ✓ Ensure learning and development roadmap account for future skills required to improve the efficiency of the business.

GRI 418: CUSTOMER PRIVACY

Patient confidentiality is of utmost importance to us as a healthcare service provider and we strive to maintain it. Our patients' medical record and health information are retained in a secured manner and such information is not disclosed without prior consent. In this respect, the Company has formalised process and policies in place to guide our employees to discharge their duties diligently.

The Company has an established policy pertaining to the PDPA and we ensure that the policy is communicated to all patients and employees. A notice is displayed in all clinics to provide a sense of security for our patients. To ensure that medical information is only disclosed to authorised personnel, proof of identification is required for the collection of any medical related documents.

All employees that are privy to handling and processing patients' data are informed of their obligation to keep patients' data private. As part of the employment contract, employees are prohibited from keeping a copy of any confidential information including the patient list. Established segregation of duties is also maintained to ensure that access to customer information stored in the Company database is granted based on a need-to-know basis as well as their designation and/or function.

The Company maintains strict controls to safeguard the usage of patients' information. Consent and authorisation from patients are required prior to any marketing, advertising and promotional information, materials or document relating to the Company's products, services and activities are sent.

Under the PDPA, the Company is legally obligated to properly dispose of documents containing personal data. To dispose of private, confidential, or otherwise sensitive documents, a document shredder is made available in all clinics and office locations.

Any complaints or feedback from patients can be done through Livingstone Health's website or through a feedback form in the clinic. As a Group, we received zero substantiated complaints in the year. No complaints were raised to regulatory bodies. No incident of leak, theft or loss of customer data has been identified in FY2022.

Targets and Commitments:

- ✓ Perform annual security testing to ensure customers' information is securely stored
- ✓ Conduct e-training during onboarding and annually to ensure all employees are updated on the latest cybersecurity threats and PDPA practices
- ✓ Zero complaints concerning breaches of customer privacy and zero known incidents of identified leaks, thefts, or losses of customer data

SUSTAINABILITY REPORT

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: General Disclosures	102-1 *	Name of the organization	Page 16
	102-2 *	Activities, brands, products, and services	Page 16
	102-3 *	Location of headquarters	Page 16
	102-4 *	Location of operations	Page 16
	102-5 *	Ownership and legal form	Page 16
	102-6 *	Markets served	Page 16
	102-7 *	Scale of the organization	Page 16
	102-8 *	Information on employees and other workers	Pages 23 – 24
	102-9 *	Supply chain	Page 18
	102-10 *	Significant changes to the organization and its supply chain	No significant changes
	102-11 *	Precautionary Principle or approach	Page 17
	102-12 *	External initiatives	Page 22
	102-13 *	Membership of associations	Page 19
GRI 102: Strategy	102-14 *	Statement from senior decision-maker	Page 17
GRI 102: Ethics and Integrity	102-16 *	Values, principles, standards, and norms of behaviour	Page 17
GRI 102: Governance	102-18 *	Governance structure	Page 17
GRI 102: Stakeholder Engagement	102-40 *	List of stakeholder groups	Pages 19 – 20
	102-41 *	Collective bargaining agreements	Pages 19 – 20
	102-42 *	Identifying and selecting stakeholders	Pages 19 – 20
	102-43 *	Approach to stakeholder engagement	Pages 19 – 20
	102-44 *	Key topics and concerns raised	Pages 19 – 20

SUSTAINABILITY REPORT

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: Reporting Practice	102-45 *	Entities included in the consolidated financial statements	Refer to AR FY2022 – <i>Notes to The Finance Statement – Note 18 & 19</i>
	102-46 *	Defining report content and topic Boundaries	Page 17
	102-47 *	List of material topics	Page 21
	102-48 *	Restatements of information	No restatement of information
	102-49 *	Changes in reporting	N.A.
	102-50 *	Reporting period	Page 17
	102-51 *	Date of most recent report	Page 17
	102-52 *	Reporting cycle	Page 17
	102-53 *	Contact point for questions regarding the report	Page 17
	102-54 *	Claims of reporting in accordance with the GRI Standards	Page 17
	102-55 *	GRI content index	Pages 27 – 29
	102-56 *	External assurance	The Group has not sought external assurance for this sustainability report.
GRI 201: Economic Performance	DMA	Management approach disclosures	Page 22
	201-1	Direct economic value generated and distributed	Refer to AR FY2022 – <i>Notes to The Financial Statement – Note 5 and 6</i>
	201-4	Financial assistance received from government	Refer to AR FY2022 – <i>Notes to The Financial Statement – Note 6</i>
GRI 205: Anti-corruption	DMA	Management approach disclosures	Page 22
	205-3	Confirmed incidents of corruption and actions taken	Page 22
GRI 307: Environmental Compliance	DMA	Management approach disclosures	Page 23
	307-1	Non-compliance with environmental laws and regulations	Page 23
GRI 401: Employment	DMA	Management approach disclosures	Pages 23 – 26
	401-1	New employee hires and employee turnover	Pages 23 – 24
	401-3	Parental leave	Page 24

SUSTAINABILITY REPORT

Category	Disclosure	Description	Page Reference and Remarks
GRI 403: Occupational Health and Safety	DMA	Management approach disclosures	Pages 24 – 25
	403-1	Occupational health and safety management system	Pages 24 – 25
	403-9	Work-related injuries	Page 25
GRI 404: Training and Education	DMA	Management approach disclosures	Pages 25 – 26
	404-2	Programs for upgrading employee skills and transition assistance programmes	Page 25
	404-3	Percentage of employees receiving regular performance and career development reviews	90% of full-time employees are assessed regularly and remunerated fairly based on their experience, qualifications and performance.
GRI 418: Customer Privacy	DMA	Management approach disclosures	Page 26
	418-1	Complaints concerning breaches of customer privacy and losses of customer data	Page 26

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

217 Henderson Road

#01-09

Henderson Industrial Park

Singapore 159555

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

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 year ended 31 March 2022 (“**FY2022**”), 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 Catalyst (“**Catalist Rules**”). The Company has adhered to the principles, guidelines and provisions as set out in the Code and Catalyst 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

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: Provision 1.1

- (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;
- (e) identify the key stakeholder groups and recognise that their perceptions affect the Company’s reputation;

CORPORATE GOVERNANCE

- (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) review, evaluate and 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 Chief Executive Officer (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) found in this Annual Report.

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 issue 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 his/her roles as Executive Director, Non-Executive Director and Independent Director, 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

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, the Directors had attended appropriate courses, conferences and seminars including programmes conducted by the Singapore Institute of Directors and SGX.

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 (International), 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’s 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’s 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;

CORPORATE GOVERNANCE

- (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.

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 Committees 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.

CORPORATE GOVERNANCE

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.

The Company's Constitution allows for Directors to participate in Board and Board Committees 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.

The number of Board meetings 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	4	4	4	4	3	3	3	3
Tay Ching Yit, Wilson	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Fong Heng Boo	4	4	4	4	3	3	3	3
Lim Jun Xiong Steven	4	4	4	4	3	3	3	3
Chan Yu Meng	4	4	4	4	3	3	3	3

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.

CORPORATE GOVERNANCE

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

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.

CORPORATE GOVERNANCE

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 Committees 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.

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 Catalist 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	Non-Executive 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	Executive Director and Chief Executive Officer	4 February 2021	30 July 2021	–	–	–
Fong Heng Boo	Lead Independent and Non-Executive Director	20 July 2018	29 June 2020	Chairman	Member	Member
Lim Jun Xiong Steven	Independent and Non-Executive Director	4 February 2021	30 July 2021	Member	Chairman	Member
Chan Yu Meng	Independent and Non-Executive Director	20 July 2018	30 July 2021	Member	Member	Chairman

CORPORATE GOVERNANCE

It is a requirement of the Code that Independent Directors should make up a 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

It is also a requirement of the Catalist Rules that Independent Directors must comprise at least one-third of the Board.

Catalist
Rule 406(3)(c)

Although Mr Teh Wing Kwan, our Non-Independent and Non-Executive Chairman, is not considered independent, we comply with the Code and the Catalist Rules as our Independent 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.

CORPORATE GOVERNANCE

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.

The Board have also considered the new Rule 406(3)(d)(iii) of the Catalist Rules which came into effect on 1 January 2022. Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, the continued appointment of an individual as an independent director after he has been a director for an aggregate period of more than nine (9) years (whether before or after listing) is subject to approval in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors, chief executive officer, and their associates. For the purpose of the resolution referred to in (B), the directors and the chief executive officer of the Company, and their respective associates, shall not accept appointment as proxies unless specific instructions as to voting are given.

The Independent and Non-Executive Directors have declared their independence for FY2022, pursuant to their compliance with the guidelines under the Code and with Rule 406(3)(d)(i), (ii) and (iii) 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 guidance thereto although the Company has not adopted a written board diversity policy. 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. With the introduction of Rule 710A of the Catalist Rules effective from 1 January 2022, the Board will endeavour to maintain a board diversity policy and describe such policy accordingly in its annual report for the financial year ending 31 March 2023.

CORPORATE GOVERNANCE

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.

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

CORPORATE GOVERNANCE

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
Catalist
Rule
1204(10A)

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.

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:

Provision 3.2

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

CORPORATE GOVERNANCE

- (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.

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.

CORPORATE GOVERNANCE

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.

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

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 Teh Wing Kwan and Mr Fong Heng Boo shall retire pursuant to Regulation 104 of the Company's Constitution at the forthcoming AGM.

Mr Teh Wing Kwan and Mr Fong Heng Boo 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 Catalyst 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.

CORPORATE GOVERNANCE

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 Director 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.

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

CORPORATE GOVERNANCE

Multiple Directorships

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

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 Committees 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 Committees 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.

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.

CORPORATE GOVERNANCE

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) Heng Fai Enterprises Limited (n.k.a. Zensun Enterprises Ltd) (HKEX) Sapphire Corporation Limited (SGX)
Dr. Tay Ching Yit, Wilson	4 February 2021	Livingstone Health Consolidated Pte. Ltd.	NIL
Fong Heng Boo	20 July 2018	Bonvest Holdings Limited (SGX) Keong Hong Holdings Limited (SGX) Kwan Yong Holdings Limited (HKEX) SY Holdings Ltd (f.k.a. Shengye Capital Ltd) (HKEX) TA Corporation Ltd (SGX) UOA Development Bhd (KLSE)	Asian American Medical Group Limited (ASX) Colex Holdings Limited (SGX) Pteris Global Limited (SGX) Sapphire Corporation Limited (SGX) CapitaLand China Trust Management Ltd (SGX) (f.k.a. CapitaLand Retail China Trust Management Ltd)
Lim Jun Xiong Steven	4 February 2021	Bund Center Investment Ltd (SGX) Hong Fok Corporation Limited (SGX) Riverstone Holdings Limited (SGX) Sinarmas Land Limited (SGX)	Emerging Towns & Cities Singapore Ltd. (SGX) Mirach Energy Limited (SGX) Sapphire Corporation Limited (SGX) Keong Hong Holdings Limited (SGX)
Chan Yu Meng	20 July 2018	NIL	NIL

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

CORPORATE GOVERNANCE

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.

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

(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

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 consultant(s)

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

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 reverse takeover of Livingstone Health Ltd on 5 February 2021 ("**RTO**"), 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

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

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.

CORPORATE GOVERNANCE

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 year ended 31 March 2022 as Mr Teh Wing Kwan, who is also a substantial Shareholder, was of the view that whilst the operations are expanding, the Company had just completed a major corporate turnaround plan via the RTO in February 2021.

Meanwhile, the RC had reviewed the remuneration of the Directors 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\$156,000 as Directors' fees for the financial year ending 31 March 2023. This recommendation will be tabled for shareholders' approval at the forthcoming AGM.

CORPORATE GOVERNANCE

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 (%)
S\$500,001 to S\$1,000,000					
Tay Ching Yit, Wilson	80	20	-	-	100
Below S\$250,000					
Teh Wing Kwan	-	-	100	-	100
Fong Heng Boo	-	-	100	-	100
Lim Jun Xiong Steven	-	-	100	-	100
Chan Yu Meng	-	-	100	-	100
Key Management Personnel					
S\$1,000,001 to S\$2,000,000					
Edwin Tan	54	38	-	8	100
S\$500,001 to S\$1,000,000					
Sebastian Chua	86	14	-	-	100
S\$250,001 to S\$500,000					
Chua Hshan Cher ⁽¹⁾	84	16	-	-	100
Dax Ng	86	14	-	-	100
John Yeo	86	13	-	1	100
Below S\$250,000					
Rachel Lim	87	13	-	-	100
Cindy Lau	79	19	-	2	100
Telvina Tan	81	15	-	4	100
Leow Chin Yew	83	15	-	2	100

(1) Dr Chua Hshan Cher was appointed as Deputy Chief Executive Officer of the Company with effect from 1 March 2022.

CORPORATE GOVERNANCE

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

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.

CORPORATE GOVERNANCE

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.

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 Catalist 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.

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 Catalist 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 2022 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business scope and environment.

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 "Chairman & CEO's Statement" 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. 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

The Management maintains the risk management and internal control systems and the Board monitors the Group's risks through the AC and internal auditors, and has delegated the Company's risk governance to the AC. 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.

The Company has set up an enterprise risk management framework whereby periodic enterprise risk assessments will be performed by the Management and Nexia 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.

For the financial year under review, the healthcare business accounted for 100% of the total Group's revenue and the Group thus specifically highlights the following non-exhaustive list of key operational risks relating to its healthcare business.

(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).

CORPORATE GOVERNANCE

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.

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 and barring unforeseen circumstances, 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.

Please also refer to section entitled “Risk Factors” as set forth in the Company’s Circular to Shareholders dated 31 December 2020 for additional details of significant risks known to the Group.

The Board has received positive assurance from:

Provision 9.2

- (a) the CEO and Group Financial Controller (“**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, regarding the adequacy and effectiveness of the Company’s risk management and internal control systems.

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 Catalist Rule 1204(10), 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 view 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 2022 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)

CORPORATE GOVERNANCE

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;
- (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.

CORPORATE GOVERNANCE

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 Catalyst 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 sets out the framework by which staff and other stakeholders can raise concerns on any illegal or unethical conduct without any fear of harassment or retribution.

The whistle-blowing policy enables staff of the Group and any other persons, in confidence, to raise concerns about any possible misconduct, irregularities or malpractices e.g. 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, and/or any failure to comply with legal or regulatory obligations. 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 Chairman of the AC is an Independent Non-Executive Director, and the AC, as an independent body, shall have the responsibility of overseeing the implementation and enforcement of the whistle-blowing policy. The AC is committed to treating all concerns raised under the policy with utmost confidentiality, and protecting any whistle-blower from any detrimental or unfair treatment. The AC will ensure that adequate processes and safeguards are in place for all concerns raised to be independently investigated, and for appropriate follow-up action to be taken. The AC shall also conduct regular reviews of the policy, and implement any adjustments or amendments accordingly. Details of the whistle-blowing policy have also been made accessible to all staff of the Group, and periodic training on the principles of the policy will be carried out.

CORPORATE GOVERNANCE

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

Key Audit Matter

The AC reviewed the key audit matter ("KAM") highlighted by the EA for the financial year ended 31 March 2022 on 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 matter 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.

Composition of AC

The RC 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 RC 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

CORPORATE GOVERNANCE

Internal Audit

As disclosed under Provision 9.1 of this Corporate Governance 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 is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

Nexia 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 possesses vast experience in providing internal audits, risk management services and advisory services in the region. The engagement team assigned comprises of several staff members led by the Head of Internal Audit.

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)

CORPORATE GOVERNANCE

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	170	95%
Non-Audit Fees	10	5%
Total	180	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 re-appointment of Mazars LLP as external auditors of the Company at the forthcoming AGM. The audit partner in charge of auditing the Company also has not been in charge of more than five (5) consecutive audits in respect of the Company.

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 Catalist 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 Catalist Rules in relation to the appointment of Mazars LLP as the auditors of the Company and its subsidiaries.

Catalist
Rule 712

Catalist
Rule 715

CORPORATE GOVERNANCE

(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.

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 has set out 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.

CORPORATE GOVERNANCE

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.

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	1	1
Fong Heng Boo	1	1	1	1
Tan Jun Xiong Steven	1	1	1	1
Chan Yu Meng	1	1	1	1

CORPORATE GOVERNANCE

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 was 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.

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 Board 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)

Driven by the improved financial performance for the financial year ended 31 March 2022 ("FY2022") as announced on 30 May 2022, the Board has recommended a first and final tax exempt (one-tier) dividend of 0.12 cents per ordinary share for FY2022. The final dividend is subject to Shareholder approval in the upcoming Annual General Meeting.

CORPORATE GOVERNANCE

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.

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) Press Release on financial results and other key corporate development;
- (d) other announcements on key developments of corporate strategies, including performance guidance and corporate updates; and
- (e) updates through the Company's website at www.livingstonehealth.com.sg.

CORPORATE GOVERNANCE

On 13 April 2021, the Company released a key corporate and business update, in which the Company updated Shareholders on its corporate strategies, impact and response to the COVID-19 pandemic, financial effects of the RTO and the outlook.

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

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

CORPORATE GOVERNANCE

(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 are detailed in the Company's Sustainability Report, which is found in the section entitled "Sustainability Report" of this Annual Report. Provision 13.2

A copy of the Company's Sustainability Report will also 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 mobiles devices as well. Provision 13.3

CORPORATE GOVERNANCE

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 FY2022, the Company has no general mandate for IPTs pursuant to Rule 920 of the Catalist Rules.

CORPORATE GOVERNANCE

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.

TREASURY SHARES

There are no treasury shares held by the Company at the end of the financial year under review.

CONTINUING SPONSOR

No fees relating to non-sponsorship activities or services were paid/payable to the Company's continuing sponsor, SAC Capital Private Limited, during FY2022.

CORPORATE GOVERNANCE

Additional Information on Directors Seeking Re-election

Details	Name of Director	
	Teh Wing Kwan ("Mr Teh")	Fong Heng Boo ("Mr Fong")
Date of Appointment	27 June 2018	20 July 2018
Date of last re-appointment (if applicable)	25 April 2019	29 June 2020
Age	50	73
Country of principal residence	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 Teh Wing Kwan, is of the view that Mr Teh Wing Kwan has the requisite experience and capability to assume the responsibility as the Non-Executive and Non-Independent Chairman of the Company. Accordingly, the Board of Directors approved the appointment of Mr Teh Wing Kwan as the Non-Executive and Non-Independent Chairman 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 Fong Heng Boo, is of the view that Mr Fong Heng Boo has the requisite experience and capability to assume the responsibility as the Lead Independent and Non-Executive Director of the Company. Accordingly, the Board of Directors approved the appointment of Mr Fong Heng Boo as the Lead Independent and Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non- Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Chairman	Lead Independent and Non-Executive Director, Chairman of Audit Committee, Member of the Remuneration Committee and Member of the Nominating Committee

CORPORATE GOVERNANCE

Details	Name of Director	
	Teh Wing Kwan (“Mr Teh”)	Fong Heng Boo (“Mr Fong”)
Professional qualifications	Fellow of the Association of Chartered Certified Accountant (United Kingdom); Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants; International Affiliate of the Hong Kong Institute of Certified Public Accountants; and Chartered Accountant of the Malaysian Institute of Accountants	Bachelor of Accountancy (Honours) University of Singapore (now known as the National University of Singapore)
Working experience and occupation(s) during the past 10 years	Mr Teh is currently the Non-Independent and Non-Executive Chairman of the HKEX-listed China Vanadium Titano-Magnetite Mining Company Limited and Advisor of the SGX-listed Koda Ltd. Mr Teh was the Executive Chairman and CEO of the SGX-listed Citicodex Ltd (n.k.a Livingstone Health Holdings Limited) from June 2018 to February 2021 before completion of the RTO; and the Managing Director and Group CEO of the SGX-listed Sapphire Corporation Limited from October 2013 to December 2017. He also served as a non-executive director of other public companies listed on the SGX-Catalist, HKEX and ASX. <i>(Please refer to the Profile of the Board of Directors in the Annual Report 2022 for further details)</i>	Mr. Fong is also an independent director of four other listed SGX companies, as well as being a Board member of Singapore Health Services Pte Ltd, Agency of Integrated Care (AIC) Pte Ltd and Surbana Jurong Pte Ltd. <i>(Please refer to the Profile of the Board of Directors in the Annual Report 2022 for further details)</i>
Shareholding interest in the listed issuer and its subsidiaries	23,743,922 ordinary shares in the listed issuer	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
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

CORPORATE GOVERNANCE

Details	Name of Director	
	Teh Wing Kwan (“Mr Teh”)	Fong Heng Boo (“Mr Fong”)
Other Principal Commitments Including Directorships	<u>Present</u> Director of: – China Vanadium Titano-Magnetite Mining Company Limited (HKEX) – Koda Ltd. (Advisor) (SGX) – Livingstone Health Holdings Limited (f.k.a. Citicode Ltd.) (SGX) – BMI Capital Partners Pte. Ltd. – Citicode Corporation Pte Ltd – Singapore VTM Mining Pte. Ltd. – Crete+ Pte. Ltd. – Crete+ Corporation Pte. Ltd. <u>Past (for the last 5 years)</u> Director of: – Alset International Limited (f.k.a. Singapore eDevelopment Limited) (SGX) – Asian American Medical Group Limited (ASX) – Heng Fai Enterprises Limited (n.k.a Zensun Enterprises Ltd) (HKEX) – Sapphire Corporation Limited (SGX) – Citicode-SNAP Pte Ltd – CM Capital Resources Pte. Ltd. – Dominick & Dickerman International Company Limited – Jatat Furniture Industries Sdn Bhd – Koda Woodcraft Sdn Bhd – Mancala Holdings Limited – National Land Investments Ltd – Ranken Holding Co., Limited (f.k.a. Ranken Infrastructure Limited) – Raffles House Sdn Bhd – SNAP AI Sdn Bhd – Zenith Heights Sdn Bhd	<u>Present</u> Director of: – Agency for Integrated Care Pte Ltd – Bonvest Holdings Limited (SGX) – Keong Hong Holdings Limited (SGX) – Kwan Yong Holdings Limited (HKEX) – SY Holdings Ltd (f.k.a. Shengye Capital Ltd) (HKEX) – Singapore Health Services Pte Ltd – Surbana Jurong Private Limited (f.k.a. TJ Holdings (II) Pte Ltd) – TA Corporation Ltd (SGX) – UOA Development Bhd <u>Past (for the last 5 years)</u> Director of: – Asian American Medical Group (ASX) – Colex Holdings Limited (SGX) – Pteris Global Limited (SGX) – Sapphire Corporation Limited (SGX) – CapitaLand China Trust Management Ltd (f.k.a. CapitaLand Retail China Trust Management Ltd) (SGX)

CORPORATE GOVERNANCE

Details		Name of Director	
		Teh Wing Kwan ("Mr Teh")	Fong Heng Boo ("Mr Fong")
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
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	Yes Mr Fong was appointed as a Non-Executive Director of China Foodzart International Private Ltd ("China Foodzart") on 18 March 2011 and resigned on 25 August 2011. On 20 September 2012, various winding up applications were commenced against China Foodzart on the ground that China Foodzart was unable to pay its debts and it was wound up on 24 September 2013.
c.	Whether there is any unsatisfied judgment against him?	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

CORPORATE GOVERNANCE

Details		Name of Director	
		Teh Wing Kwan ("Mr Teh")	Fong Heng Boo ("Mr Fong")
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
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
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

CORPORATE GOVERNANCE

Details		Name of Director	
		Teh Wing Kwan ("Mr Teh")	Fong Heng Boo ("Mr Fong")
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
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
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	Yes Mr Fong was an employee (General Manager, Corporate Affair) of Amcol Holdings Ltd between January 1995 and May 1996. He was a prosecution witness in March 1998 in a court case involving 3 directors of Amcol Holdings Ltd and 3 directors were charged for failure to act honestly in their discharge of duties as Directors under Section 157(1) and 157(3) of the Companies Act 1967.
	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

CORPORATE GOVERNANCE

Details		Name of Director	
		Teh Wing Kwan ("Mr Teh")	Fong Heng Boo ("Mr Fong")
	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
	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
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, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange?		Not applicable	Not applicable
If yes, please provide details of prior experience.		Not applicable	Not applicable
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.		Not applicable	Not applicable

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Livingstone Health Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) for the financial year ended 31 March 2022 and the statement of financial position of the Company as at 31 March 2022.

1. Opinion of the directors

In the opinion of the directors,

- (a) the 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 2022, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; 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
Teh Wing Kwan
Fong Heng Boo
Chan Yu Meng
Lim Jun Xiong Steven

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

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 1967 (the "Act"), except as disclosed below:

Name of directors and company in which interest are held	Direct interest		Deemed interest	
	As at 1 April 2021	As at 31 March 2022	As at 1 April 2021	As at 31 March 2022
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	556,900	215,311,056	215,311,056
Teh Wing Kwan	23,743,922	23,743,922	–	–

There are no changes to the above shareholdings as at 21 April 2022.

5. Share options

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

There were no shares issued during the financial year 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 year.

6. Audit and risk committee

The audit and risk committee of the Company comprises four 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 year with key management, among which, three meetings with participation of internal auditors and two meetings with external auditors of the Company.

DIRECTORS' STATEMENT

6. Audit and risk committee (Continued)

The audit and risk committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the audit and risk 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;
- reviewed 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.

DIRECTORS' STATEMENT

6. **Audit and risk committee** (Continued)

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 and risk 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.

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
8 July 2022

Teh Wing Kwan

Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Livingstone Health Holdings Limited (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 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year ended 31 March 2022, and notes to the financial statements, including a summary of significant accounting policies, as set out from page 88 to 167.

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, 1967 (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 2022 and of the financial performance, changes in equity and cash flows of the Group for the financial year 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.

Scope of audit

For the audit of the current year's financial statements, we performed full scope audit of all 21 components as the appointed statutory auditors, and we identified 15 significant components, either because of their size or/and their risk characteristics.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Overview (Continued)

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 area of focus as follows:

- Impairment Assessment on Goodwill

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current financial year. This matter includes the aforementioned salient area of focus in our audit and do not represent all the risks identified by our audit. This matter was 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 this matter.

Impairment Assessment on Goodwill <i>Refer to Note 4 for critical accounting judgements and key sources of estimation uncertainty, and Note 17 (Goodwill arising on consolidation) for disclosures relating to the impairment assessment.</i>	
Key Audit Matter	Audit Response
As at 31 March 2022, 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; • 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; 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

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 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.

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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

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

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.

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 matter. 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED

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
8 July 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	Group	
		01/04/2021 to 31/03/2022	01/01/2020 to 31/03/2021
		S\$	S\$
Revenue	5	34,141,154	24,278,858
Other operating income	6	1,192,174	1,055,752
Consumables and medical supplies used		(6,816,973)	(4,295,549)
Purchased and contracted services		–	(107,809)
Employee benefit expense		(17,502,637)	(11,743,562)
Depreciation expense		(1,543,046)	(1,444,117)
Other operating expense	7	(4,735,668)	(3,155,229)
Share of results from joint venture	19	(141,852)	(166,406)
Finance costs	8	(344,375)	(305,930)
Profit from operations		4,248,777	4,116,008
Reverse acquisition related cost		–	(1,422,935)
Loss on reverse acquisition		–	(18,891,988)
	2	–	(20,314,923)
Profit/(Loss) before tax	9	4,248,777	(16,198,915)
Income tax expense	10	(703,828)	(567,859)
Profit/(Loss) for the financial year/period		3,544,949	(16,766,774)
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		782	1,099
Total comprehensive income/(loss) for the financial year/period		3,545,731	(16,765,675)
Profit/(Loss) attributable to:			
Owners of the Company		3,024,801	(16,693,659)
Non-controlling interests		520,148	(73,115)
Profit/(Loss) for the financial year/period		3,544,949	(16,766,774)
Total comprehensive income/(loss) for the financial year/period attributable to:			
Owners of the Company		3,025,583	(16,692,560)
Non-controlling interests		520,148	(73,115)
		3,545,731	(16,765,675)
Earnings/(Loss) per share attributable to owners of the Company (cents per share)			
Basic and diluted	11	0.95	(5.28)

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 2022

	Note	Group		Company	
		31/03/2022	31/03/2021	31/03/2022	31/03/2021
		S\$	S\$	S\$	S\$
ASSETS					
Current assets					
Cash and cash equivalents	12	5,353,090	6,775,047	24,201	16,744
Trade receivables	13	5,905,340	4,413,868	–	84,529
Other receivables	14	1,377,991	1,040,401	255,567	86,118
Inventories	15	658,276	520,201	–	–
Total current assets		13,294,697	12,749,517	279,768	187,391
Non-current assets					
Property, plant and equipment	16	3,368,951	3,527,157	–	–
Goodwill arising on consolidation	17	3,635,651	3,635,651	–	–
Investments in subsidiaries	18	–	–	73,000,000	73,000,000
Investments in joint ventures	19	–	112,800	–	–
Loan to a joint venture	20	374,500	–	–	–
Deferred tax assets	26	411,946	255,818	26,202	–
		7,791,048	7,531,426	73,026,202	73,000,000
Total assets		21,085,745	20,280,943	73,305,970	73,187,391
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	21	660,390	1,242,757	–	–
Other payables	22	4,273,005	3,898,714	24,616,802	2,190,408
Borrowings	23	2,527,532	1,128,966	865,000	–
Lease liabilities	24	981,190	1,259,695	–	–
Deferred revenue	25	868,153	1,236,051	–	–
Income tax payable		695,959	858,898	–	–
Total current liabilities		10,006,229	9,625,081	25,481,802	2,190,408
Non-current liabilities					
Other payables	22	1,500,000	1,821,359	1,500,000	25,000,000
Borrowings	23	2,985,728	5,673,251	–	865,000
Lease liabilities	24	870,994	1,254,911	–	–
Deferred tax liabilities	26	33,408	2,144	–	–
Total non-current liabilities		5,390,130	8,751,665	1,500,000	25,865,000
Total liabilities		15,396,359	18,376,746	26,981,802	28,055,408
Equity					
Share capital	27	22,764,264	22,305,047	45,591,200	256,244,089
Merger reserve	28	57,375	57,375	–	–
Foreign currency translation reserve	28	4,750	3,968	–	–
Other reserves	28	21,543	21,543	–	–
Accumulated (losses)/profits		(17,851,679)	(20,876,480)	732,968	(211,112,106)
Equity attributable to owner of the Company		4,996,253	1,511,453	46,324,168	45,131,983
Non-controlling interests		693,133	392,744	–	–
Total equity		5,689,386	1,904,197	46,324,168	45,131,983
Total liabilities and equity		21,085,745	20,280,943	73,305,970	73,187,391

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 YEAR ENDED 31 MARCH 2022

Group	Share capital S\$	Merger reserve S\$	Foreign currency translation reserve S\$	Other reserves S\$	Accumulated (losses)/ profits S\$	Non-controlling interest S\$	Total S\$
Balance at 1 January 2020	3,267,868	57,375	2,869	21,543	735,492	462,859	4,548,006
Loss for the period	-	-	-	-	-	(73,115)	(16,766,774)
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	1,099	-	-	-	1,099
Total comprehensive income/(loss) for the period	-	-	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 27)	19,037,179	-	-	-	-	-	19,037,179
Dividends paid (Note 29)	-	-	-	-	(1,418,313)	-	(1,418,313)
Balance at 31 March 2021 and 1 April 2021	22,305,047	57,375	3,968	21,543	(20,876,480)	392,744	1,904,197
Profit for the year	-	-	-	-	3,024,801	520,148	3,544,949
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	782	-	-	-	782
Total comprehensive income for the year	-	-	782	-	3,024,801	520,148	3,545,731
Share subscribed by non-controlling interest	-	-	-	-	-	98	98
Transaction with owner recognised directly in equity							
Dividend paid to Non-controlling interest (Note 29)	-	-	-	-	-	(219,857)	(219,857)
Issue of shares (Note 27)	459,217	-	-	-	-	-	459,217
Balance at 31 March 2022	22,764,264	57,375	4,750	21,543	(17,851,679)	693,133	5,689,386

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 YEAR ENDED 31 MARCH 2022

	Note	01/04/2021 to 31/03/2022 S\$	01/01/2020 to 31/03/2021 S\$
Operating activities			
Profit/(Loss) before tax		4,248,777	(16,198,915)
		4,248,777	(16,198,915)
Adjustments for:			
Depreciation expense		1,543,046	1,444,117
Interest expense		344,375	305,930
Bad debt written-off		1,133	–
Loss allowance for receivables (trade)		43,465	–
Share of result of joint ventures, net of tax		141,852	166,406
Unrealised exchange differences		(2,608)	1,099
Plant and equipment written-off		41,030	1,669
Prepayment written-off		32,145	–
Gain on disposal of property, plant and equipment		(36,617)	(771)
Loss on reverse acquisition	2	–	18,891,988
Total operating cash flows before movements in working capital		6,356,598	4,611,523
<i>Changes in working capital</i>			
Trade receivables		(1,536,068)	(2,610,735)
Other receivables		88,215	(231,401)
Inventories		(138,075)	(58,960)
Trade payables		(582,528)	565,344
Other payables		1,963,534	(100,346)
Deferred revenue		(367,898)	204,619
Cash generated from operations		5,783,778	2,380,044
Interest paid		(141,180)	(80,193)
Tax paid		(991,631)	(219,427)
Net cash generated from operating activities		4,650,967	2,080,424
Investing activities			
Loan and advances to joint ventures		(832,450)	–
Cash inflow on reverse acquisition	2	–	48,909
Investments in a joint venture, net	19	(25,500)	(157,783)
Purchase of plant and equipment		(982,572)	(305,209)
Proceeds from disposal of plant and equipment		69,105	–
Payment of deferred consideration		(1,532,432)	(381,040)
Net cash used in investing activities		3,303,849	(795,123)
Financing activities			
Repayment of lease liabilities		(1,260,359)	(1,190,511)
Proceeds from loans and borrowings		1,622,325	6,000,000
Repayment of borrowings		(2,911,282)	(612,470)
Proceeds from issue of shares	27	–	1,000,000
Proceeds from issue of shares to non-controlling interest		98	–
Dividends paid	29	–	(1,418,313)
Dividend paid to non-controlling interest		(219,857)	–
Net cash (used in)/generated from financing activities		(2,769,075)	3,778,706
Net (decrease)/increase in cash and cash equivalents		(1,421,957)	5,064,007
Cash and cash equivalents at beginning of financial year/period		6,775,047	1,711,040
Cash and cash equivalents at end of financial year/period	12	5,353,090	6,775,047

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 YEAR ENDED 31 MARCH 2022

Reconciliation of liabilities arising from financing activities

	At 1 April 2021	Financing cash outflows	Financing cash inflows – loan drawn down	Non-cash movements			At 31 March 2022
				Write-off	Purchase of property, plant and equipment	Interest expense	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Lease liabilities	2,514,606	(1,260,359)	–	(391,742)	867,529	122,150	1,852,184
Borrowings	6,802,217	(2,911,282)	1,622,325	–	–	–	5,513,260

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

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 YEAR ENDED 31 MARCH 2022

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

1. General

Livingstone Health Holdings Limited (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 217 Henderson Road, #01-09 Henderson Industrial Park, Singapore 159555.

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. (“LVS”) incorporated in Singapore, which is also the Company’s ultimate holding company.

The financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 March 2022 were authorised for issue by the Board of Directors at the date of the Directors’ 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. (“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 YEAR ENDED 31 MARCH 2022

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 S\$2 million in cash to the Vendors. The transaction is accounted for as a reverse acquisition (the "Reverse Acquisition") for accounting purposes and Livingstone Health Ltd. 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.

In the Company's announcement dated 20 May 2022, based on the 2021 Adjusted NPAT^{#1} achieved by the Company, the amount of which is S\$5,395,418, which comprises Adjusted NPAT for year 2021 of S\$4,324,802 and adjusted NPAT excess amount brought forward from year 2020 of S\$1,070,616, it is determined that the Deferred Consideration payable to the Vendors is S\$25,000,000.

^{#1} Adjusted NPAT for the financial periods from 1 January 2020 to 31 December 2020 ("2020 Adjusted NPAT") and 1 January 2021 to 31 December 2021 ("2021 Adjusted NPAT").

Accordingly, the Deferred Consideration, comprising the following, will be paid to the Vendors as follows:

- (a) 94.0% of the Deferred Consideration payable via the issuance and allotment of the Deferred Consideration Shares

The Company has, on 31 December 2020, received the listing and quotation notice from the Singapore Exchange Securities Trading Limited ("SGX-ST") for, inter alia, the allotment and issuance of up to 342,500,000 Consideration Shares to the Vendors, which includes up to 117,500,000 Deferred Consideration Shares. As the profit milestone has been met, the Company shall issue and allot an aggregate of 117,500,000 Deferred Consideration Shares to the Vendors in proportion to the Vendor's Respective Shareholdings by 15 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

Reverse acquisition (Continued)

(b) 6.0% of the Deferred Consideration payable in cash

The Company will also make payment of S\$1,500,000 to the Vendors in proportion to the Vendor's Respective Shareholdings by 31 December 2023.

On 1 June 2022, the Company has allotted and issued an aggregate of 117,500,000 Deferred Consideration Shares to the Vendors and Assignees of the Company.

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 Health Ltd., which is recognised as an expense or income in the consolidated statement of profit or loss and other comprehensive income. For the purpose of reverse acquisition accounting, the Company is the legal acquirer (accounting acquiree) whilst Livingstone Health Ltd. is the legal acquiree (accounting acquirer).

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>	<u>As at date of reverse acquisition</u>
	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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

Reverse acquisition (Continued)

At Group level (Continued)

Loss on reverse acquisition of S\$18,891,988 had been recorded in the consolidated statement of profit or loss and other 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:

- (a) 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;
- (b) 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;
- (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 profit or loss and other 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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").

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. ("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"), which was held by Dr. Sean Ng and Dr. Rachel Lim;
- (ii) VS Venture Pte. Ltd. ("VS Venture"), which was held by Dr. Sean Ng and Dr. Rachel Lim; and
- (iii) Sebastian Chua Pte. Ltd., which was held by Dr. Sebastian Chua.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

Reorganisation (Continued)

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.

(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. (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").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

Reorganisation (Continued)

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

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
- (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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

Reorganisation (Continued)

(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").

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 YEAR ENDED 31 MARCH 2022

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

At Livingstone Health Ltd. ("LSH") level (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 Chua MH	
	As at date of acquisition	As at date of acquisition	Total
	S\$	S\$	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. 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").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

Reorganisation (Continued)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

Reorganisation (Continued)

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

Dr. Sebastian Chua carried out a part of the anaesthesiology practice under S 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 S 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.

(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).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

2019 Restructuring (Continued)

(i) Disposal of SN Orthopaedics (Continued)

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)

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

2019 Restructuring (Continued)

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

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% per annum. As of 31 March 2021, the net present value of the remaining consideration of S\$612,000 is S\$589,028.

On 6 January 2022, the Company has entered into a supplemental agreement with Dr. Chua Hshan Cher, Dr. Lee Kai Lun and Dr. Foong Ching Ching to vary the payment terms of the remaining consideration of S\$612,000 in the following manners:

- (i) a cash component of S\$153,000; and
- (ii) S\$459,000 worth of shares in the Company ("Purchaser Shares") at the issue price equivalent to 105% of the volume weighted average price ("VWAP") per share of the Company based on trades done on the SGX-ST for the full market day on 5 January 2021, being the last full market day preceding the date the Supplemental Agreement was signed.

The VWAP per Share on 5 January 2021 is \$0.1485. The Issue Price of S\$0.1560 per Purchaser Share represents a premium of approximately 5% to the VWAP of S\$0.1485 for each Purchaser Share based on trades done on the SGX-ST on 5 January 2022. Pursuant thereto, the number of Purchaser Shares to be issued is 2,943,700.

As of 31 March 2022, the remaining consideration of S\$612,000 has been fully settled in cash of S\$153,000 and issuance of 2,943,700 number of shares in the Company worth of S\$459,217 according to the payment terms as agreed in the supplemental agreement entered on 6 January 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

2019 Restructuring (Continued)

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

Assets acquired and liabilities assumed at the date of acquisition:

<u>Group</u>	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

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

2019 Restructuring (Continued)

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

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:

<u>Instalments</u>	<u>Date of payment</u>	<u>Actual amount</u> S\$	<u>Present value</u> 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 ended 31 March 2021. The remaining balances in the following schedule with discount rate of 5.25% per annum, have been fully settled in cash during the financial year ended 31 March 2022.

<u>Instalments</u>	<u>Date of payment</u>	<u>Actual amount</u> S\$	<u>Present value</u> 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

2019 Restructuring (Continued)

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

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 18.

3. Summary of significant accounting policies

3.1 Basis of preparation

The financial statements of the Group and the statement of financial position of the Company have been drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related Interpretations of SFRS(I) ("SFRS(I) INTs") 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 and the statement of financial position of the Company 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) INTs that are relevant to its operations and effective for annual periods beginning on or after 1 April 2021. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in material changes to the Group's and Company'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, except for the early adoption of the amendment to SFRS(I) 16 *Leases (COVID-19 – Related Rent Concessions beyond 30 June 2021)*.

The Group has early adopted the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- (c) there is no substantive change to other terms and conditions of the lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.1 Basis of preparation (Continued)

Where the Group makes this election, any changes in lease payments resulting from the rent concession is accounted for in the profit or loss instead as lease modifications. The Group applied the practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of S\$220,992 (Note 6) was recognised as other income in the profit or loss during the year.

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

At the date of authorisation of these financial statements, the following SFRS(I)s and SFRS(I) INTs 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) 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, SFRS(I) 1-28	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) 1-8	Amendments to SFRS(I) 1-8: <i>Definition of Accounting Estimates</i>	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: <i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction</i>	1 January 2023
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Various	Annual Improvements to SFRS(I)s 2018-2021	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 and the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.2 Basis of consolidation (Continued)

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.

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* ("SFRS(I) 9") 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 YEAR ENDED 31 MARCH 2022

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;
- Consultancy services;
- Managing healthcare solutions business; and
- Management fee income

SFRS(I) 15 *Revenue from Contracts with Customers* ("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 clinics. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.3 Revenue recognition (Continued)

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;
- 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 customers for sale treatment packages. The deferred revenue is non-refundable and is expected to be realised within the next financial year.

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 managing healthcare solutions business relate to performance obligations to provide consultancy and marketing services to other clinics.

Revenue from provision of management fee income relate to performance obligations to provide management services to joint venture.

In the previous reporting period ended, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

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.

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 period.

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 financial 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.7 Income tax (Continued)

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, 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.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial 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 financial period and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial period, to recover or settle the carrying amounts of its assets and liabilities.

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, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised 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 period in which they are declared payable. Final dividends are recorded in the financial period in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

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 period, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial period. 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.

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 period. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.10 Property, plant and equipment (Continued)

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.

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
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.

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 period.

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.

3.11 Intangible assets

Intangible assets are measured initially at cost. The cost of intangible assets acquired in a business combination is initially measured at 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.11 Intangible assets (Continued)

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.

3.12 Investment in joint venture

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 when decisions about the relevant activities require unanimous consent of the parties sharing control.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.12 Investment in joint venture (Continued)

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 held for sale. 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.

3.13 Impairment of non-financial assets excluding goodwill

The Group reviews the carrying amounts of its non-financial assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.13 Impairment of non-financial assets excluding goodwill (Continued)

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, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14 Financial instruments

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

Financial assets

Initial recognition and measurement

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 in Note 3.3.

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. Financial assets at amortised cost include trade and other receivables, and cash and cash equivalents.

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 derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial assets (Continued)

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, and recognised in interest income.

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.

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, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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 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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities

Initial recognition and measurement

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 in finance cost. 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). A gain or loss is recognised in profit or loss when the liability is derecognised and through the amortisation process.

Financial guarantee contracts

The Company has issued corporate guarantee to a bank for banking facilities granted by them to a subsidiary and these guarantees qualify as financial guarantee because the Company is required to reimburse the bank if this subsidiary breach any repayment terms.

Financial guarantee contract liabilities are measured initially at their fair values plus transaction costs and subsequently at the higher of the amount of the loss allowance and the amount initially recognised less cumulative amortisation in accordance with SFRS(I) 15.

Derecognition of financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

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 period. 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.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset, and the net amount presented in the statements of financial position when and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.17 Leases (Continued)

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 *Leases*. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.17 Leases (Continued)

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.

The Group as a lessor

Where a contract contains more than one lease and/or non-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.

At the lease commencement date, the Group assess and classify each lease as either an operating lease or a finance lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When the Group subleases its right-of-use assets, it accounts for its interest in the head lease and the sub-lease separately. It assesses its sublease with reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. If the head lease is a short-term lease to which the Group applied the short-term lease recognition exemption, it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 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 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.20 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an expense, the grant is recognised as income in profit or loss on a systematic basis over the periods in which the related costs, for which the grants are intended to compensate, is expensed. Where the grant relates to an asset, the grant is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

3. Summary of significant accounting policies (Continued)

3.21 Contingencies

A contingent liability is:

- (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (ii) a present obligation that arises from past events but is not recognised because:
 - (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (b) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingencies are not recognised on the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

4. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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. The carrying amount of the Group's trade receivables as at 31 March 2022 was S\$5,905,340 (31/03/2021: S\$4,413,868) and the Company's trade receivables as at 31 March 2021 was S\$84,529 (Note 13). The expected loss allowance on the Group's trade receivables as at 31 March 2022 was S\$58,711 (31/03/2021: S\$15,246) (Note 13).

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 2022 was S\$3,635,651 (31/03/2021: S\$3,635,651) (Note 17).

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. Changes in the expected level of usage and technological developments could affect the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's and the Company's property, plant and equipment at 31 March 2022 were S\$3,368,951 (31/03/2021: S\$3,527,157) and S\$ Nil (31/03/2021: S\$ Nil) respectively (Note 16).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 2022 was S\$695,959 (31/03/2021: S\$858,898).

Impairment of investments in subsidiaries

At the end of each financial period, 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 2022 was S\$73,000,000 (31/03/2021: S\$73,000,000) (Note 18).

5. Revenue

	01/04/2021 to 31/03/2022 S\$	01/01/2020 to 31/03/2021 S\$
Aesthetics and wellness		
– Treatment services	2,483,323	1,943,842
– Sale of medication and skincare products	–	5,110
Anaesthesiology and pain management		
– Treatment services	6,342,006	5,795,218
Family medicine	9,519,511	4,391,476
Internal medicine	1,489,987	925,776
Orthopaedic surgery	13,920,556	11,094,226
Other revenue ^{#1}	385,771	123,210
	34,141,154	24,278,858
Timing of revenue recognition:		
At a point in time	–	5,110
Over time	34,141,154	24,273,748
	34,141,154	24,278,858

^{#1} Included in other revenue is revenue from consultancy services, managing healthcare solutions business and management fee income.

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations as disclosed in deferred revenue Note 25 and is expected to be realised within the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

6. Other operating income

	01/04/2021 to 31/03/2022	01/01/2020 to 31/03/2021
	S\$	S\$
Interest income	13,028	4,787
Rental income	41,656	39,486
Rental rebate ^{#1}	220,992	200,369
Wage and other employment credit scheme	533,226	716,380
Gain on disposal of fixed assets	36,617	771
Others	346,655	93,959
	1,192,174	1,055,752

^{#1} Included are COVID-19 related rent concessions received from lessors of S\$220,992 (31/03/2021: S\$200,369) to which the Group applied the practical expedient as disclosed in Note 3.1.

Wage and other employment credit scheme consist of special employment credit, wage credit scheme, Jobs Support Schemes ("JSS"), Jobs Growth Incentive ("JGI"), and Skills Future funding from Skills Future Singapore Agency in connection to certifiable skills training courses.

COVID-19 Government Assistance Schemes

In the previous financial period, to help businesses cope with the impact from COVID-19, the government introduced the JSS, JGI, 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 JGI supports employers to expand local hiring and the support will vary depending on when local hire was hired and the characteristics of the local hire. Under the property tax rebates, the property owners of qualifying properties, depending on the property type, will be granted rebates of up to 100% on their property tax payable.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

7. Other operating expense

	01/04/2021 to 31/03/2022	01/01/2020 to 31/03/2021
	S\$	S\$
Marketing expenses	2,173,656	1,507,594
Bad debt written-off	1,133	–
Loss allowance for receivables (trade)	43,465	–
Rental expenses	195,089	102,041
Hospital administrative charges	501,475	399,873
Professional fees	151,824	122,982
Bank and credit card charges	212,738	166,854
Repair and maintenance	137,139	150,720
Plant and equipment written-off	41,030	1,669
Prepayment written-off	32,145	–
Subscription fee	89,245	40,725
Printing and stationery	44,193	55,890
Transportation expenses	36,103	28,938
Listing expenses	402,679	–
Others	673,754	577,943
	4,735,668	3,155,229

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

8. Finance costs

	01/04/2021 to 31/03/2022	01/01/2020 to 31/03/2021
	S\$	S\$
Interest expense on lease liabilities	122,150	114,183
Interest expense on borrowings	141,180	80,193
Interest expense on acquisition related	81,045	111,554
	344,375	305,930

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

9. Profit/(Loss) before tax

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

	01/04/2021 to 31/03/2022 S\$	01/01/2020 to 31/03/2021 S\$
Auditors' remuneration:		
– Audit fees		
– Auditors of the Company	170,000	130,000
– Non-audit fees		
– Auditors of the Company	10,000	5,500
– Other auditors	28,089	35,006
Directors' fees – directors of the Company	110,000	–
Employee benefit – director of the Company		
– Short term benefits	1,241,482	860,356
– Post-employment benefits	19,940	32,045
Key management remuneration other than directors		
– Short term benefits	4,658,866	2,509,060
– Post-employment benefits	150,550	141,155
Employee benefits expense (including directors remuneration)		
– Salaries and other related costs	16,816,830	11,051,261
– Defined contribution plan	685,807	692,301

10. Income tax expense

	01/04/2021 to 31/03/2022 S\$	01/01/2020 to 31/03/2021 S\$
Current tax expense		
Current financial year/period	828,692	844,214
Overprovision in prior financial year/period	–	(20,537)
	828,692	823,677
Deferred tax expense (Note 26)		
Origination and reversal of temporary differences	(124,864)	(255,818)
Income tax expense	703,828	567,859

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

10. Income tax expense (Continued)

The income tax varied from the amount of taxation determined by applying the Singapore statutory income tax rate of 17% (31/03/2021: 17%) to profit/(loss) before tax as a result of the following differences:

	01/04/2021 to 31/03/2022	01/01/2020 to 31/03/2021
	S\$	S\$
Profit/(Loss) before tax	4,248,777	(16,198,915)
Share of results from equity-accounted for joint ventures	141,852	166,406
Profit/(Loss) before tax and share of losses from equity-accounted joint ventures	4,390,629	(16,032,509)
Tax expense/(credit) of statutory rate of 17% (31/03/2021:17%)	746,407	(2,725,527)
Tax effects of:		
Effect of tax concessions and tax exemptions	(178,311)	(158,557)
Effects of non-deductible expenses	121,507	3,522,930
Under/(Over) provision income tax for prior year	–	(20,537)
Effects of non-taxable income	(60,304)	(124,922)
Others	74,529	74,472
	703,828	567,859

11. Earnings/(Loss) per share

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

	31/03/2022	31/03/2021
	S\$	S\$
Profit/(Loss) for the financial year/period attributable to the owners of the Company	3,024,801	(16,693,659)
Weighted average number of ordinary shares outstanding	316,471,969	315,947,748
Basic and diluted earnings/(loss) per share (cents)	0.95	(5.28)

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

12. Cash and cash equivalents

	Group		Company	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	S\$	S\$	S\$	S\$
Cash at banks	5,341,673	6,764,335	24,201	16,744
Cash on hand	11,417	10,712	–	–
	5,353,090	6,775,047	24,201	16,744

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

12. Cash and cash equivalents (Continued)

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The currency profiles of the Group's and Company's cash and cash equivalents as at 31 March 2021 and 31 March 2022 are as follows:

	Group		Company	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	S\$	S\$	S\$	S\$
Singapore Dollar	5,337,827	6,766,048	24,201	16,744
United States Dollar	15,263	8,999	-	-
	5,353,090	6,775,047	24,201	16,744

13. Trade receivables

	Group		Company	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	S\$	S\$	S\$	S\$
Third parties	5,964,051	4,429,114	-	-
Subsidiaries	-	-	-	84,529
Less: Loss allowance (Note 33)	(58,711)	(15,246)	-	-
	5,905,340	4,413,868	-	84,529

Trade receivables are non-interest bearing and are generally on 30 to 90 (31/03/2021: 30 to 90 days) days credit terms. Trade receivables are denominated in Singapore Dollars.

14. Other receivables

	Group		Company	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	S\$	S\$	S\$	S\$
Amount due from a subsidiary	-	-	233,635	68,045
Deposits	459,361	409,680	33	-
Prepayments	358,414	496,742	17,200	15,607
GST receivables	-	-	4,699	2,466
Amount owing from a related party	6,416	7,825	-	-
Advances to joint ventures	457,950	-	-	-
Others	95,850	126,154	-	-
	1,377,991	1,040,401	255,567	86,118

Other than those disclosed below, other receivables are non-interest bearing, unsecured and repayable on demand.

Other receivables are denominated in Singapore Dollars.

Amount owing from a related party and advances to joint ventures are non-interest bearing, unsecured and repayable on demand.

Amount owing from a subsidiary in the Company is non-interest bearing, unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

15. Inventories

	Group
	31/03/2022
	31/03/2021
	S\$
	S\$
Consumables and medical supplies	658,276
	520,201

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\$6,816,973 (31/03/2021: S\$4,295,549).

16. Property, plant and equipment

Group	Leasehold properties	Computers	Office equipment	Machines and equipment	Renovation and furniture and fittings	Total
	S\$	S\$	S\$	S\$	S\$	S\$
Cost						
At 1 January 2020	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
Additions	867,529	81,049	2,537	600,317	298,669	1,850,101
Disposal	–	(5,791)	(39)	(247,983)	–	(253,813)
Written-off	(836,781)	(3,936)	(111)	(7,500)	(74,631)	(922,959)
At 31 March 2022	2,865,022	264,924	27,632	1,699,817	930,325	5,787,720
Accumulated depreciation						
At 1 January 2020	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
Depreciation	1,078,946	53,073	6,721	218,165	186,141	1,543,046
Disposal	–	(608)	(16)	(200,015)	–	(200,639)
Written-off	(465,724)	(2,459)	(46)	(3,672)	(38,971)	(510,872)
At 31 March 2022	1,264,380	157,689	13,138	602,561	381,001	2,418,769
Carrying amount						
At 31 March 2022	1,600,642	107,235	14,494	1,097,256	549,324	3,368,951
At 31 March 2021	2,183,116	85,919	18,766	766,900	472,456	3,527,157

Included in machines and equipment balances is an asset partially financed by means of leases of carrying amount S\$260,657 (31/03/2021: S\$327,479).

Details of the right-of-use assets are disclosed in Note 24(a).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

16. Property, plant and equipment (Continued)

<u>Company</u>	<u>Leasehold properties</u> S\$	<u>Office equipment</u> S\$	<u>Total</u> S\$
<u>Cost</u>			
At 1 January 2020	94,012	6,836	100,848
Written-off	(94,012)	(6,836)	(100,848)
At 31 March 2021 and 31 March 2022	-	-	-
<u>Accumulated depreciation</u>			
At 1 January 2020	19,451	1,171	20,622
Depreciation	19,375	869	20,244
Written-off	(38,826)	(2,040)	(40,866)
At 31 March 2021 and 31 March 2022	-	-	-
<u>Carrying amount</u>			
At 31 March 2021 and 31 March 2022	-	-	-

17. Goodwill arising on consolidation

	<u>Group</u> <u>31/03/2022</u> S\$	<u>31/03/2021</u> S\$
<u>At cost</u>		
At beginning and end of financial year/period	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:

	<u>31/03/2022</u> S\$	<u>31/03/2021</u> 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 YEAR ENDED 31 MARCH 2022

17. 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 ("PMG group")		Orthopaedic Surgery	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021
Gross margin ⁽ⁱ⁾	69.2%	71.7%	79.8%	77.5%
Growth rates ⁽ⁱⁱ⁾	-17.2% to 6.7%	3.0% to 15.0%	1.6%	2.2%
Discount rates ⁽ⁱⁱⁱ⁾	8.6%	9.0%	8.6%	9.0%
Terminal value growth rates ^(iv)	2.7%	1.2%	2.7%	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. With the improvement of the COVID-19 situation, one off revenue for PMG Group that derived from COVID-19 vaccination and medical services were excluded in the value-in-use calculation resulting in the negative growth rate during the initial forecasted period.
- (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.

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 year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

18. Investments in subsidiaries

	<u>Company</u>	
	<u>31/03/2022</u>	<u>31/03/2021</u>
	S\$	S\$
<i>Unquoted shares, at cost</i>		
Investments in subsidiaries, at cost	73,000,000	73,000,000

As at 31 March 2022, 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 ended are as follows:

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Effective equity held by the Company	
			31/03/2022	31/03/2021
			%	%
Held directly by the Company				
Livingstone Health Ltd.*	Investment holding company	Singapore	100	100
Asiapac Recycling Pte. Ltd.#	Dealer in all kinds of ferrous and non-ferrous metals, electrical and electronics and insulated cable scraps	Singapore	–	100
Held through Livingstone Health Ltd.				
Precision Medical Services Pte. Ltd.*	Orthopaedic clinic	Singapore	100	100
Livingstone Endocrine Pte. Ltd.*	Medical clinic	Singapore	100	100
The Bone and Joint Centre Pte. Ltd.*	Orthopaedic clinic	Singapore	100	100
Alo Ambulance Services Pte. Ltd.*	Medical clinic	Singapore	100	100
Al Tirah Anaesthesia Services Pte. Ltd. (“ATAS”)*	Medical clinic	Singapore	51	51
RL Aesthetics Pte. Ltd.*	Medical clinic	Singapore	100	100
Cove Wellness Pte. Ltd.#	Beauty spa	Singapore	–	100
Apicare Medical Pte. Ltd.®	Medical clinic	Singapore	–	100

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

18. Investments in subsidiaries (Continued)

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

Name of subsidiary	Principal activities	Country of incorporation and principal place of business	Effective equity held by the Company	
			31/03/2022	31/03/2021
			%	%
<u>Held through Livingstone Health Ltd. (Continued)</u>				
Apicare Pain Specialist Pte. Ltd.*	Medical clinic	Singapore	100	100
Sebastian Chua MH Pte. Ltd.*	Medical clinic	Singapore	100	100
S Chua Pte. Ltd.#	Medical clinic	Singapore	–	100
Cove Sports & Reconstruction Pte. Ltd.*	Orthopaedic clinic	Singapore	100	100
LSH SurgiSuites Pte. Ltd. (formerly known as Livingstone Cardiology Pte. Ltd.)*	Medical clinic	Singapore	100	100
Livingstone Health International Pte. Ltd.*	Investment holding company	Singapore	100	100
Phoenix Medical Group Pte. Ltd. ("PMG")*	Medical clinic	Singapore	51	51
Livingstone Gastroenterology & Liver Pte. Ltd.*	Medical clinic	Singapore	100	–
Prism Partnerships (SG) Pte. Ltd.*	Management consultancy services	Singapore	100	–
Quantum Orthopaedics Pte. Ltd. ("QO")*	Orthopaedic clinic	Singapore	51	–
<u>Held through Phoenix Medical Group Pte. Ltd.</u>				
PMG CACTIII Pte. Ltd.*	Medical clinic	Singapore	35.7	35.7
PMG HV Pte. Ltd.*	Medical clinic	Singapore	51	51
PMG PL Pte. Ltd.*	Medical clinic	Singapore	51	51
Ardennes Healthcare Pte. Ltd.*	Medical clinic	Singapore	51	51

* Audited by Mazars LLP as statutory auditors

The subsidiaries were struck off during the reporting year ended 31 March 2022 (Note 18(c))

@ The Company disposed of its entire interest in this subsidiary during the reporting year ended 31 March 2022 (Note 18(d))

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

18. Investments in subsidiaries (Continued)

The Group has the following subsidiaries which have non-controlling interests ("NCI") that are material to the Group:

Subsidiary	Proportion of ownership interest held by NCI		Profit/(Loss) allocated to NCI during the financial year/period		Accumulated NCI at the reporting date		Dividends paid to NCI	
	2022	2021	2022	2021	2022	2021	2022	2021
	%	%	S\$	S\$	S\$	S\$	S\$	S\$
Phoenix Medical Group Pte. Ltd. and its subsidiaries	49	49	438,530	(73,115)	611,417	392,744	219,857	—
ATAS	49	49	124,408	—*	124,457	—*	—	—
QO	49	—	(42,790)	—	(42,741)	—	—	—

* Loss allocated to NCI in reporting period ended 31 March 2021 is immaterial.

Summarised financial information (before intercompany eliminations):

	Phoenix Medical Group Pte. Ltd. and its subsidiaries		ATAS		QO
	2022	2021	2022	2021	2022
	S\$	S\$	S\$	S\$	S\$
Assets:					
Non-current assets	1,405,964	1,505,777	4,459	—	70,707
Current assets	2,677,942	1,637,398	445,946	7,049	535,823
Liabilities:					
Non-current liabilities	823,568	896,266	—	—	—
Current liabilities	1,961,808	1,427,719	197,537	8,124	704,054
Net assets/(liabilities)	1,298,530	819,190	252,868	(1,075)	(97,524)
Results:					
Revenue	6,693,901	4,397,189	1,502,562	—	761,614
Profit/(Loss) after taxation	928,028	128,420	253,894	(1,126)	(97,624)
Total comprehensive income/(loss)	928,028	128,420	253,894	(1,126)	(97,624)
Net cash flow generated from/(used in) operation	32,309	(588,000)	145,183	(5,888)	(48,238)

There are no significant restrictions on the Group's ability to access or use the assets and settle the liabilities of the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

18. Investments in subsidiaries (Continued)

(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) Incorporation of subsidiaries – Livingstone Gastroenterology & Liver Pte. Ltd., Prism Partnerships (SG) Pte. Ltd. and Quantum Orthopaedics Pte. Ltd.

During the financial year, the above-mentioned subsidiaries were incorporated in the Republic of Singapore on 7 April 2021, 27 April 2021 and 8 June 2021 respectively as a private company limited by shares.

(c) Strike-off of subsidiaries – Asiapac Recycling Pte. Ltd., S Chua Pte. Ltd. and Cove Wellness Pte. Ltd.

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

During the reporting year ended 31 March 2022, the Company had applied to struck off for S Chua Pte. Ltd. and Cove Wellness Pte. Ltd.. The applications were approved on 6 September 2021 and 4 October 2021 respectively.

(d) Disposal of a subsidiary – Apicare Medical Pte. Ltd.

During the reporting year ended 31 March 2022, the Company disposed of its entire interest in the dormant subsidiary, Apicare Medical Pte. Ltd. (“AMPL”) to Dr Wilson Tay Ching Yit for an aggregate cash consideration of S\$7,225. No gain or loss on disposal was recognised as the cash consideration equal to the Net Tangible Asset of the subsidiary.

Carrying amounts of the assets and liabilities as at the date of disposal are as follows:

	Carrying amount
	S\$
Cash and cash equivalents	10,532
Trade and other payables	1,850
Income tax payable	1,457
	<u>3,307</u>
Net assets	<u>7,225</u>
Cash consideration	7,225
Cash and cash equivalents of AMPL	<u>(10,532)</u>
Net cash outflow on disposal of AMPL	<u>(3,307)</u>
Gain on disposal:	
Consideration received	7,225
Net assets derecognised	<u>(7,225)</u>
Gain on disposal	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

19. Investments in joint ventures

	Group	
	31/03/2022	31/03/2021
	S\$	S\$
Investments in joint ventures	488,546	463,046
Amount due to joint ventures	(26,060)	(29,612)
Share of post-acquisition results	(462,486)	(320,634)
	–	112,800

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	
			31/03/2022	31/03/2021
			%	%
Held directly by the Company				
Atlas Podiatry Pte. Ltd. ("Atlas") ⁽¹⁾⁽⁴⁾	Singapore	Podiatry Clinic	70	–
Held through Livingstone Health International Pte. Ltd.				
Livingstone Soriya Medical Specialists Co., Ltd ("LSMS") ⁽²⁾⁽⁴⁾	Cambodia	Medical Clinic	57	57
Venture Investment Pte. Ltd. ⁽³⁾⁽⁴⁾	Singapore	Investment holding	60	60
Atlas Physiotherapy Pte. Ltd. (formerly known as Activfix Pte. Ltd.) ("Activfix") ⁽³⁾⁽⁴⁾	Singapore	Physiotherapy	60	60

(1) Audited by Mazars LLP as statutory auditors.

(2) Reviewed by Mazars LLP, Singapore, for the purpose of equity accounting.

(3) The unaudited account has been used for the purpose equity accounting as it is not material to the Group's consolidated financial statements.

(4) The Group jointly controls the ventures with another partners under the contractual agreement and requires unanimous consent for all significant decisions over the relevant activities.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

19. Investments in joint ventures (Continued)

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:

	<u>31/03/2022</u>	<u>31/03/2021</u>
	S\$	S\$
Assets and liabilities		
Non-current assets	–	206,516
Current assets	64,583	82,894
Total assets	64,583	289,410
Current liabilities	–	(32,637)
Total liabilities	–	(32,637)
Net assets	64,583	256,773
Group's share of joint venture's net assets	36,812	146,361
Amount due to joint venture	(26,060)	(29,612)
Foreign exchange differences	(10,752)	(3,949)
Carrying amount of the investment	–	112,800
Results:		
Revenue	–	64,246
Loss for the financial year/period	(191,314)	(282,849)

On 8 April 2021, the Company incorporated Atlas Podiatry Pte. Ltd. together with its joint venture partners to hold the investment of Atlas for S\$25,500.

Summarised financial information of Atlas

The summarised financial information in respect of Atlas based on its SFRS(I) financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	<u>31/03/2022</u>
	S\$
Assets and liabilities	
Non-current assets	715,291
Current assets	212,356
Total assets	927,647
Non-Current liabilities	(165,925)
Current liabilities	(1,002,710)
Total liabilities	(1,168,635)
Net liabilities	(240,988)
Group's share of joint venture's net liabilities	(168,692)
Carrying amount of the investment*	–
Results:	
Revenue	211,343
Loss for the financial period	(290,988)

* The Group has not recognised losses relating to Atlas, where its share of losses exceeds the Group's interest in this joint venture. The Group's cumulative share of unrecognised losses at the end of the reporting period was S\$143,192 (31/03/2021: S\$ NIL), was the share of the current financial period's losses. The Group has no obligation in respect of these losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

20. Loan to a joint venture

	<u>Group</u>		<u>Company</u>	
	<u>31/03/2022</u>	<u>31/03/2021</u>	<u>31/03/2022</u>	<u>31/03/2021</u>
	S\$	S\$	S\$	S\$
Non-current	374,500	–	–	–

The loan to a joint venture is unsecured, non-trade in nature and bears interest rate of 2.0% per annum. The loan to a joint venture is denominated in Singapore Dollars. The Group estimates the repayment of loan to be more than 12 months, as and when the resources permit, and is dependent on the profitability of the business. The loan shall be repaid before any potential dividends can be declared.

21. Trade payables

	<u>Group</u>		<u>Company</u>	
	<u>31/03/2022</u>	<u>31/03/2021</u>	<u>31/03/2022</u>	<u>31/03/2021</u>
	S\$	S\$	S\$	S\$
Third parties	660,390	1,242,757	–	–

The average credit period on purchases of goods generally ranges between 30 to 60 days (31/03/2021: 30 to 60 days). No interest is charged on the trade payables. Trade payables are denominated in Singapore Dollars.

22. Other payables

	<u>Group</u>		<u>Company</u>	
	<u>31/03/2022</u>	<u>31/03/2021</u>	<u>31/03/2022</u>	<u>31/03/2021</u>
	S\$	S\$	S\$	S\$
Non-current				
Deferred consideration on reverse acquisition	1,500,000 ^{#2}	1,500,000 ^{#2}	1,500,000 ^{#2}	25,000,000 ^{#1}
Deferred consideration on acquisition of Dr Edwin's business*	–	321,359	–	–
	1,500,000	1,821,359	1,500,000	25,000,000
Current				
Accruals	2,877,425 ^{#3}	762,622	113,858	100,171
Customer deposits	26,829	30,034	–	–
GST payables	358,020	244,083	–	–
Amounts due to related companies	1,439	163,644	–	–
Deferred consideration on reverse acquisition	1,000,000	2,000,000	24,500,000 ^{#1}	2,000,000
Deferred consideration on acquisition of PMG Group of companies*	–	589,028	–	–
Others	9,292	109,303	2,944	90,237
	4,273,005	3,898,714	24,616,802	2,190,408
	5,773,005	5,720,073	26,116,802	27,190,408

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

22. Other payables (Continued)

- #1 Included is S\$23,500,000 in relation to the payment of the Deferred Consideration. In accordance with the SPA and as set out in Section 2.5.2 of the Circular, 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. In the Company's announcement dated 20 May 2022, 94% of the Deferred Consideration (of up to S\$23,500,000) is payable via the issuance and allotment of the Deferred Consideration Shares. As the profit milestone has been met, on 1 June 2022, an aggregate of 117,500,000 Deferred Consideration Shares has been allotted and issued to the Vendors and Assignees of the Company.
- #2 The Company will make payment for 6.0% of the Deferred Consideration amounting to S\$1,500,000 to the Vendors in proportion to the Vendor's Respective Shareholdings by 31 December 2023.
- #3 Included in accruals is performance related remuneration of approximately S\$1.2 million for directors and key management personnel which is also included in compensation of directors and key management personnel in Note 32.
- * The deferred consideration payable are non-trade, unsecured, interest bearing at 5.25% per annum and repayable as according to the contracted date.

Amount due to related companies and subsidiaries are unsecured, interest-free and repayable on demand.

Accruals mainly consist of accrued operating expenses.

Other than those disclosed above, other payables (current) are non-trade in nature, unsecured, interest-free and repayable on demand.

Other payables are denominated in Singapore Dollars.

23. Borrowings

	<u>Group</u>		<u>Company</u>	
	<u>31/03/2022</u>	<u>31/03/2021</u>	<u>31/03/2022</u>	<u>31/03/2021</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Loan 1	282,556	538,150	–	–
Loan 2	335,379	488,524	–	–
Loan 3	3,942,495	4,691,136	–	–
Loan 4	32,049	72,604	–	–
Loan 5	–	29,504	–	–
Loan 6	34,256	54,607	–	–
Loan 7	21,525	62,692	–	–
Loans from related party	865,000	865,000	865,000	865,000
	5,513,260	6,802,217	865,000	865,000
Less: Amount due for settlement within 12 months (shown under current liabilities)	(2,527,532)	(1,128,966)	(865,000)	–
Amount due for settlement after 12 months	2,985,728	5,673,251	–	865,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

23. Borrowings (Continued)

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\$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.
- (b) Loan 2 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.
- (c) Loan 3 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 2.0% per annum.
- (d) Loan 4 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.
- (e) Loan 5 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. The loan has been fully repaid during the year.
- (f) Loan 6 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.
- (g) Loan 7 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.
- (h) 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 year under review. The repayment is due on 31 December 2022.

The carrying amount of bank loans approximate their fair values due to either the relatively short-term maturity of these loans or the interest rates approximate the market rates prevailing at end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

24. 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 3.08% to 5.65% (31/03/2021: 3.08% to 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 16).

The Group leases certain clinic and office for one to three years.

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

	<u>Group</u>		<u>Company</u>	
	<u>31/03/2022</u>	<u>31/03/2021</u>	<u>31/03/2022</u>	<u>31/03/2021</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
<u>Leasehold properties</u>				
At beginning of financial year/period	2,183,116	1,530,741	–	74,561
Arising from acquisition	867,529	1,662,971	–	–
Depreciation, net of disposal and acquisition of subsidiaries	(1,078,946)	(1,010,596)	–	(19,375)
Written-off	(371,057)	–	–	(55,186)
At end of financial year/period	1,600,642	2,183,116	–	–
<u>Machines and equipment</u>				
At beginning of financial year/period	327,479	182,523	–	5,665
Additions	–	215,000	–	–
Depreciation, net of disposal and acquisition of subsidiaries	(66,822)	(70,044)	–	(869)
Written-off	–	–	–	(4,796)
At end of financial year/period	260,657	327,479	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

24. Lease liabilities (Continued)Recognition exemptions (Continued)

(b) Lease liabilities

	<u>Group</u>		<u>Company</u>	
	<u>31/03/2022</u>	<u>31/03/2021</u>	<u>31/03/2022</u>	<u>31/03/2021</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Lease liabilities – current	981,190	1,259,695	–	–
Lease liabilities – non-current	870,994	1,254,911	–	–
At end of financial year/period	1,852,184	2,514,606	–	–

The maturity analysis of lease liabilities is disclosed in Note 33.

(c) Amounts recognised in profit or loss

	<u>Group</u>	
	<u>01/04/2021 to 31/03/2022</u>	<u>01/01/2020 to 31/03/2021</u>
	<u>S\$</u>	<u>S\$</u>
Interest expense on lease liabilities	122,150	114,183
Expense relating to short-term leases	197,636	102,041
Expense relating to low-value assets	7,270	10,136

25. Deferred revenue

	<u>31/03/2022</u>	<u>31/03/2021</u>
	<u>S\$</u>	<u>S\$</u>
<u>Group</u>		
At beginning of financial year/period	1,236,051	1,031,432
Receipt from customers	2,492,758	1,185,778
Revenue recognised during the financial year/period	(2,860,656)	(981,159)
At end of financial year/period	868,153	1,236,051

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 year.

26. Deferred tax

	<u>Group</u>	
	<u>31/03/2022</u>	<u>31/03/2021</u>
	<u>S\$</u>	<u>S\$</u>
Deferred tax assets	411,946	255,818
Deferred tax liabilities	33,408	2,144

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

26. 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, unutilised tax losses and unutilised capital allowances.

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 are as follows:

Deferred tax assets

	<u>Tax losses</u> S\$	<u>Capital allowances</u> S\$	<u>Total</u> S\$
Group			
At 1 January 2020	–	–	–
Credit to profit or loss	253,608	2,210	255,818
At 31 March 2021	253,608	2,210	255,818
Credit to profit or loss	135,197	20,931	156,128
At 31 March 2022	388,805	23,141	411,946

Deferred tax liabilities

	<u>Timing difference</u> S\$	<u>Total</u> S\$
Group		
At 1 January 2020 and 31 March 2021	2,144	2,144
Charge to profit or loss	31,264	31,264
At 31 March 2022	33,408	33,408

27. Share capital

	<u>31/03/2022</u> <u>Number of shares</u>	<u>31/03/2021</u>	<u>31/03/2022</u> S\$	<u>31/03/2021</u> S\$
Group				
<u>Issued and fully paid, with no par value</u>				
Ordinary shares				
At beginning of financial year/period	315,947,748	176,168,027	22,305,047	3,267,868 ⁽¹⁾
Issue of new ordinary shares	2,943,700	233,314,000	459,217	19,037,179 ⁽²⁾
	318,891,448	409,482,027	22,764,264	22,305,047
Effect of share consolidation (Note 2h)	–	(93,534,279)	–	–
At end of financial year/period	318,891,448	315,947,748	22,764,264	22,305,047 ⁽⁴⁾

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

27. Share capital (Continued)

Company	<u>31/03/2022</u>	<u>31/03/2021</u>	<u>31/03/2022</u>	<u>31/03/2021</u>
Issued and fully paid, with no par value	Number of shares ('000)		S\$	S\$
Ordinary shares				
At beginning of financial year/period	315,948	41,316,908	256,244,089	209,581,289
Issue of new ordinary shares	2,944	233,314	459,217	46,662,800 ⁽³⁾
	318,892	41,550,222	256,703,306	256,244,089
Effect of share consolidation	–	(41,234,274)	(211,112,106)	–
At end of financial year/period	318,892	315,948	45,591,200	256,244,089

- (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.

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.

The cash received for the share capital are as follows:

	<u>31/03/2022</u>	<u>31/03/2021</u>
Group	S\$	S\$
Issued share capital	459,217	19,037,179
Less: Shares converted from other payables	(459,217)	(562,800)
Less: Shares issued as professional expense	–	(100,000)
Less: Shares deemed issued for reverse acquisition (Note 2)	–	(17,374,379)
Cash receipts from issued of share capital	–	1,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

28. 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.

29. Dividends

During the financial year ended 31 March 2022, a subsidiary of the Group, Phoenix Medical Group Pte. Ltd. declared interim tax-exempt dividend of S\$2.9912 per ordinary share totalling S\$448,688 in respect of the financial year ended 31 March 2022, of which S\$219,857 are allocated to non-controlling interests.

During the financial period ended 31 March 2021, the Group declared interim dividends ranging from S\$0.00089 to S\$0.0038 per ordinary share totalling S\$1,418,313 in respect of the financial period ended 31 March 2021.

At the forthcoming Annual General Meeting, a final dividend of S\$0.0012 per ordinary share amounting to S\$523,670 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 March 2023.

30. 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 with botulinum toxin and filler injections, chemical peels and various facial and body wellness treatments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

30. Segment information (Continued)

(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 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.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

30. Segment information (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Aesthetics and Wellness	Anaesthesiology and Pain Management	Family Medicine	Internal Medicine	Orthopaedic Surgery	Others	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
31 MARCH 2022							
Segment revenue	2,483,323	6,342,006	9,519,511	1,489,987	13,920,556	385,771 ^{#1}	34,141,154
Segment profit/(loss)	198,098	1,804,074	1,886,294	(437,293)	3,311,141	(73,298)	6,689,016
Unallocated loss							(3,144,067)
Profit for the year							3,544,949
Depreciation	363,050	21,989	592,647	163,563	121,736	270	1,263,255
Unallocated depreciation							279,791
							1,543,046
Share of losses from joint ventures	-	-	-	-	-	(141,852)	(141,852)
Finance costs	11,374	1,932	99,987	20,061	4,843	-	138,197
Unallocated finance cost							206,178
							344,375
Income tax expense/(credit)	125,869	67,142	256,969	(161,526)	403,429	5,414	697,297
Unallocated income tax expense							6,531
							703,828
Segment assets	1,099,568	2,110,783	4,001,136	995,568	5,405,889	209,310	13,822,254
Unallocated assets							7,263,491
							21,085,745
Segment liabilities	1,219,098	843,462	1,675,982	129,144	2,065,483	34,477	5,967,646
Unallocated liabilities							9,428,713
							15,396,359

^{#1} Included in other revenue is revenue from managing healthcare solutions business and management fee income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

30. 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	Anaesthesiology and Pain Management	Family Medicine	Internal Medicine	Orthopaedic Surgery	Others	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
31 MARCH 2021							
Segment revenue	1,948,952	5,795,218	4,391,476	925,776	11,094,226	123,210 ^{#1}	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							(22,280,973)
Loss for the period							(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

^{#1} Included in other revenue is revenue from consultancy services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

31. Contingent liabilities

As at 31 March 2022, the Company and certain subsidiaries have given a corporate guarantee to a bank for bank borrowings, Loan 1, Loan 2 and Loan 3 in respect to the banking facilities granted to a subsidiary. (Note 23)

Such guarantee is in the form of a financial guarantee as they require the Company to reimburse the bank if the subsidiary to which the guarantee was extended fail to make principal or interest repayments when due in accordance with the terms of the borrowings. There has been no default or non-repayment since the utilisation of the banking facility.

The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the fair value of the guarantee to the bank with regard to the subsidiary is not significant. The Company has not recognised any liability in respect of the guarantee given to the bank for banking facility granted to the subsidiary as the Company's directors have assessed that the likelihood of the subsidiary defaulting on repayment is remote.

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.
- (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);

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

32. Significant related party transactions (Continued)

(b) An entity is related to the Group and the Company if any of the following conditions applies: (Continued)

- (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:

	01/04/2021 to 31/03/2022 S\$	01/01/2020 to 31/03/2021 S\$
<i>Company related to a director of the Company</i>		
Sales of services	424,893	459,315
Purchase of services	102,556	73,532
Professional fees	13,643	53,191
Rental paid	82,600	158,958

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the financial year/period was as follows:

	01/04/2021 to 31/03/2022 S\$	01/01/2020 to 31/03/2021 S\$
Short-term benefits	5,900,348	3,369,416
Post-employment benefits	170,490	173,200
	6,070,838	3,542,616

The remuneration of directors and key management is determined by the board of directors and shareholders having regard to the performance of individuals.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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 FVTOCI. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

33. Financial instruments and financial risks (Continued)

Credit risks (Continued)

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 YEAR ENDED 31 MARCH 2022

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.

The Group does not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

33. Financial instruments and financial risks (Continued)

Credit risks (Continued)

Note 4. Write off (Continued)

With reference to Note 31, the Company and certain subsidiaries provide financial guarantee to a bank in respect of bank facilities granted to a subsidiary. The date when the Company and certain subsidiaries become a committed party to the guarantee are considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Company and certain subsidiaries considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantee is insignificant to the Company.

As at the end of the financial 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 13)

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 (e.g. Singapore) and the growth rates of the major industries which its customers operate in.

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 YEAR ENDED 31 MARCH 2022

33. Financial instruments and financial risks (Continued)

Credit risks (Continued)

Trade receivables (Note 13) (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 2022							
Expected credit loss rates	0%	0%	0%	0%	0%	4.8%	1.0%
Trade receivables (gross) (S\$)	532,146	1,741,962	1,105,574	598,522	767,266	1,218,581	5,964,051
Loss allowance (S\$)	-	-	-	-	-	(58,711)	(58,711)
31 March 2021							
Expected credit loss rates	0%	0%	0%	0%	0%	5.8%	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)
Company							
31 March 2022							
Expected credit loss rates	0%	0%	0%	0%	0%	0%	0%
Trade receivables (gross) (S\$)	-	-	-	-	-	-	-
Loss allowance (S\$)	-	-	-	-	-	-	-
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\$)	-	-	-	-	-	-	-

Other receivables (Note 14) and loan to a joint venture (Note 20)

As of 31 March 2022, the Group recorded deposits paid of S\$459,361 (31/03/2021: S\$409,680), amount due from a related party of S\$6,416 (31/03/2021: S\$7,825), advances to joint ventures of S\$457,950 (31/03/2021: S\$Nil), other receivables of S\$95,850 (31/03/2021: S\$126,154) and loan to a joint venture of S\$374,500 (31/03/2021: S\$Nil), respectively. As of 31 March 2022, the Company recorded amount due from a subsidiary of S\$233,635 (31/03/2021: S\$68,045). The Group and the Company assessed the latest performance and financial position of the respective debtors, related party and joint ventures, 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 and the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

33. Financial instruments and financial risks (Continued)

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.

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.

	Principal	Interest
<u>Group</u>	<u>S\$</u>	<u>rate range</u>
<u>31/03/2022</u>		
Borrowings from financial institutions	4,833,988	2.00% – 6.00%
<u>31/03/2021</u>		
Borrowings from financial institutions	5,937,217	2.00% – 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 and the stipulated change taking place at the beginning of the period and held constant throughout the financial period 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 year ended 31 March 2022 of the Group would decrease/increase by S\$40,122 (31/03/2021: S\$56,458) respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

32. Financial instruments and financial risks (Continued)

Market risks (Continued)

Interest rate risks (Continued)

Interest rate benchmark reform and associated risks

In view of the reform of major interest rate benchmarks that is being undertaken globally, including the replacement of some interbank offered rates (“IBORs”) with alternative nearly risk-free rates (referred to as “IBOR reform”). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives. There is uncertainty over the timing and the methods of transition in some jurisdictions that the Group operates in. The Group anticipates that IBOR reform will impact its risk management.

The Group also monitors and manages its potential transition to alternative rates, as applicable. The Group evaluates the contracts that could be affected, and takes a proactive approach in approaching the relevant counterparties to discuss about and assess the potential impact on the Group.

Non-derivative financial liabilities

The Group’s IBOR exposures to non-derivative financial liabilities as at 31 March 2022 included two secured bank borrowings with total carrying amount of S\$617,935 that are indexed to SIBOR, maturing in 2023 and 2024. The Group is still in the process of communication with the counterparties for all SIBOR indexed exposures and specific changes have yet to be agreed.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

32. Financial instruments and financial risks (Continued)**Liquidity risks** (Continued)

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	–	5,353,090	–	5,353,090
Trade receivables	–	5,905,340	–	5,905,340
Other receivables excluding prepayment	–	1,019,577	–	1,019,577
Loan to a joint venture	2%	–	411,950	411,950
As at 31 March 2022		12,278,007	411,950	12,689,957
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
Undiscounted financial liabilities				
Trade payables	–	660,390	–	660,390
Non-interest bearing other payables excluding GST payables	–	3,914,985	1,500,000	5,414,985
Lease liabilities	3.08% – 5.65%	1,056,728	913,328	1,970,056
Borrowings	2.00% – 6.00%	2,609,885	3,056,780	5,666,665
As at 31 March 2022		8,241,988	5,470,108	13,712,096
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	3.08% – 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
Total undiscounted net financial assets/(liabilities)				
– At 31 March 2022		4,036,019	(5,058,158)	(1,022,139)
– At 31 March 2021		4,474,909	(9,332,996)	(4,858,087)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

33. Financial instruments and financial risks (Continued)

Liquidity risks (Continued)

Company	Effective interest rate	On demand or less than 1 year	2 to 5 year	Total amount
	%	S\$	S\$	S\$
<u>Undiscounted financial assets</u>				
Cash and cash equivalents	–	24,201	–	24,201
Other receivables excluding prepayment and GST	–	233,668	–	233,668
As at 31 March 2022		257,869	–	257,869
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
<u>Undiscounted financial liabilities</u>				
Other payables	–	1,116,802	1,500,000	2,616,802
Borrowings	–	865,000	–	865,000
As at 31 March 2022		1,981,802	1,500,000	3,481,802
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
Total undiscounted net financial liabilities				
– At 31 March 2022		(1,723,933)	(1,500,000)	(3,223,933)
– At 31 March 2021		(2,021,090)	(2,365,000)	(4,386,090)

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:

Group	31/03/2022	31/03/2021
	S\$	S\$
<u>Financial assets at amortised cost</u>		
Cash and cash equivalents	5,353,090	6,775,047
Trade receivables	5,905,340	4,413,868
Other receivables excluding prepayment	1,019,577	543,659
Loan to a joint venture	374,500	–
	12,652,507	11,732,574
<u>Financial liabilities at amortised cost</u>		
Trade payables	660,390	1,242,757
Other payables excluding GST payables	5,414,985	5,475,990
Lease liabilities	1,852,184	2,514,606
Borrowings	5,513,260	6,802,217
	13,440,819	16,035,570

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

33. Financial instruments and financial risks (Continued)

Liquidity risks (Continued)

Financial instruments by category (Continued)

	31/03/2022	31/03/2021
<u>Company</u>	<u>S\$</u>	<u>S\$</u>
Financial assets at amortised cost		
Cash and cash equivalents	24,201	16,744
Trade receivables	–	84,529
Other receivables excluding prepayment and GST receivables	233,668	68,045
	257,869	169,318
Financial liabilities at amortised cost		
Other payables excluding GST payables	2,616,802	3,690,408
Borrowings	865,000	865,000
	3,481,802	4,555,408

The Group maintains sufficient cash and cash equivalents and internally generated funds to finance its activities.

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 23 and 24 and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed in Note 27 and Note 28.

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 2021.

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.

	<u>Group</u>	
	31/03/2022	31/03/2021
	<u>S\$</u>	<u>S\$</u>
Net debt	2,012,354	2,541,776
Total equity	5,689,386	1,904,197
Gearing ratio	35%	N.M.

* N.M. – not meaningful to disclose

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

36. Capital Commitments

	<u>Group</u>	
	<u>31/03/2022</u>	<u>31/03/2021</u>
	S\$	S\$
Capital expenditure contracted but not provided for		
– Commitments for the acquisition of plant and equipment	41,364	–

37. Comparative Information

Change of financial year end

The current financial year comprises 12 months from 1 April 2021 to 31 March 2022, however the previous 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 2020 to 31 March 2021.

38. Subsequent event after reporting date

- (i) In the Company's announcement dated 20 May 2022, based on the 2021 Adjusted NPAT achieved by the Company, the amount of which is S\$5,395,418, which comprises Adjusted NPAT for year 2021 of S\$4,324,802 and adjusted NPAT excess amount brought forward from year 2020 of S\$1,070,616, it is determined that the Deferred Consideration payable to the Vendors is S\$25,000,000.

Accordingly, the Deferred Consideration, comprising the following, will be paid to the Vendors as follows:

- (a) 94.0% of the Deferred Consideration payable via the issuance and allotment of the Deferred Consideration Shares

The Company has, on 31 December 2020, received the listing and quotation notice from the Singapore Exchange Securities Trading Limited ("SGX-ST") for, inter alia, the allotment and issuance of up to 342,500,000 Consideration Shares to the Vendors, which includes up to 117,500,000 Deferred Consideration Shares. As the profit milestone has been met, the Company shall issue and allot an aggregate of 117,500,000 Deferred Consideration Shares to the Vendors in proportion to the Vendor's Respective Shareholdings by 15 June 2022.

- (b) 6.0% of the Deferred Consideration payable in cash

The Company will also make payment of S\$1,500,000 to the Vendors in proportion to the Vendor's Respective Shareholdings by 31 December 2023.

- (ii) On 1 June 2022, the Company has allotted and issued an aggregate of 117,500,000 Deferred Consideration Shares to the Vendors and Assignees of the Company.

STATISTICS OF SHAREHOLDINGS

AS AT 15 JUNE 2022

Number of Issued Shares	:	436,391,448
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	1,810	36.15	53,917	0.01
100 – 1,000	1,929	38.53	789,802	0.18
1,001 – 10,000	986	19.69	3,335,575	0.77
10,001 – 1,000,000	259	5.17	22,169,280	5.08
1,000,001 AND ABOVE	23	0.46	410,042,874	93.96
TOTAL	5,007	100.00	436,391,448	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LIVINGSTONE HEALTH CONSOLIDATED PTE. LTD.	215,311,056	49.34
2	TAY CHING YIT WILSON	39,871,000	9.14
3	TAN TZE SHENG EDWIN (CHEN ZHISHENG EDWIN)	24,118,400	5.53
4	CHUA MENG HUI SEBASTIAN	24,062,200	5.51
5	TEH WING KWAN	23,743,922	5.44
6	LIM PANG YEN RACHEL	19,508,400	4.47
7	DAX NG YUNG SERN (DAX HUANG YONGSHENG)	9,141,314	2.09
8	PHILLIP SECURITIES PTE LTD	6,344,300	1.45
9	ICH CAPITAL PTE LTD	5,803,600	1.33
10	APZENITH CAPITAL PTE. LTD.	5,508,100	1.26
11	CHUA HSHAN CHER	5,235,172	1.20
12	KGI SECURITIES (SINGAPORE) PTE. LTD.	5,222,280	1.20
13	WENG HUA YU @SIMON ENG	4,940,540	1.13
14	NG YUNG CHUAN SEAN (HUANG YONGQUAN SEAN)	3,165,000	0.73
15	CITIBANK NOMINEES SINGAPORE PTE LTD	2,955,162	0.68
16	FORT CANNING (ASIA) PTE. LTD.	2,697,990	0.62
17	OCBC SECURITIES PRIVATE LIMITED	2,259,120	0.52
18	DBS NOMINEES (PRIVATE) LIMITED	2,170,784	0.50
19	LIM LIANG MENG	2,000,006	0.46
20	TAN TIAN HONG JEFFREY	1,925,260	0.44
TOTAL		405,983,606	93.04

STATISTICS OF SHAREHOLDINGS

AS AT 15 JUNE 2022

SUBSTANTIAL SHAREHOLDERS AS AT 15 JUNE 2022

	Direct Interest		Deemed interest		Total interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors						
Teh Wing Kwan	23,743,922	5.44%	–	–	23,743,922	5.44%
Tay Ching Yit, Wilson ⁽²⁾	39,871,000	9.14%	215,311,056	49.34%	255,182,056	58.48%
Fong Heng Boo	–	–	–	–	–	–
Chan Yu Meng	–	–	–	–	–	–
Steven Lim	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Livingstone Health Consolidated Pte. Ltd.	215,311,056	49.34%	–	–	215,311,056	49.34%
Edwin Tan ⁽³⁾	24,118,400	5.53%	215,311,056	49.34%	239,429,456	54.87%
Sebastian Chua ⁽⁴⁾	24,062,200	5.51%	215,311,056	49.34%	239,373,256	54.85%

Notes:

- (1) Based on 436,391,448 Shares in the issued and paid-up share capital of the Company (excluding nil treasury shares and nil subsidiary holdings) as at the Latest Practicable Date.
- (2) Dr Tay Ching Yit, Wilson is deemed interested in the 215,311,056 Shares held by Livingstone Health Consolidated Pte. Ltd. ("LVS") under Section 7 of the Companies Act and Section 4 of the SFA as he holds 34.80% shareholding in LVS.
- (3) Dr Edwin Tan is deemed interested in the 215,311,056 Shares held by LVS under Section 7 of the Companies Act and Section 4 of the SFA as he holds 21.45% shareholding in LVS.
- (4) Dr Sebastian Chua is deemed interested in the 215,311,056 Shares held by LVS under Section 7 of the Companies Act and Section 4 of the SFA as he holds 21.40% shareholding in LVS.

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

13.10% of the Company issued and 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 Catalyst of the Singapore Exchange Securities Trading Limited.

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