LIVINGSTONE
HEALTH

# FORGING HEALTHY LIFESTYLES

ANNUAL REPORT
2024

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This annual report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor").

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

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


# CORPORATE PROFILE

Livingstone Health Holdings Limited ("**Livingstone Health**" and together with its subsidiaries, the "**Group**") is a Singapore-based multidisciplinary healthcare group whose core competencies include Specialist Healthcare and Primary Healthcare.

The Group strives to be recognised as a trusted integrated healthcare provider for its patients and as a centre of excellence for medical professionals. It provides an extended range of medical services including Orthopaedic Surgery, Anaesthesiology and Pain Management, Dermatology, Internal Medicine, Primary Care, Preventative Care and Disease Management, Podiatry, and Aesthetics and Wellness.

The Group has close to 20 medical specialists and doctors, practising at 19 medical clinics, including one health screening centre, one medical spa, and a podiatry clinic situated in convenient and accessible locations throughout Singapore. It also provides healthcare consultancy services within the region.

At Livingstone Health, we aim to provide the highest level of healthcare by always putting the needs of our patients first.

## OUR MISSION

To Positively Impact People's Lives Through Excellent Patient Experience.

## OUR VISION

A Leading Multidisciplinary Healthcare Provider.

## OUR CORE VALUES

### EXCELLENCE

We offer only the highest standard of care for all our patients.

### PASSION

Our dedicated team of doctors care deeply about each patient and their individual needs.

### INTEGRITY

Uncompromising honesty and trustworthiness from our staff, so that patients feel at ease.

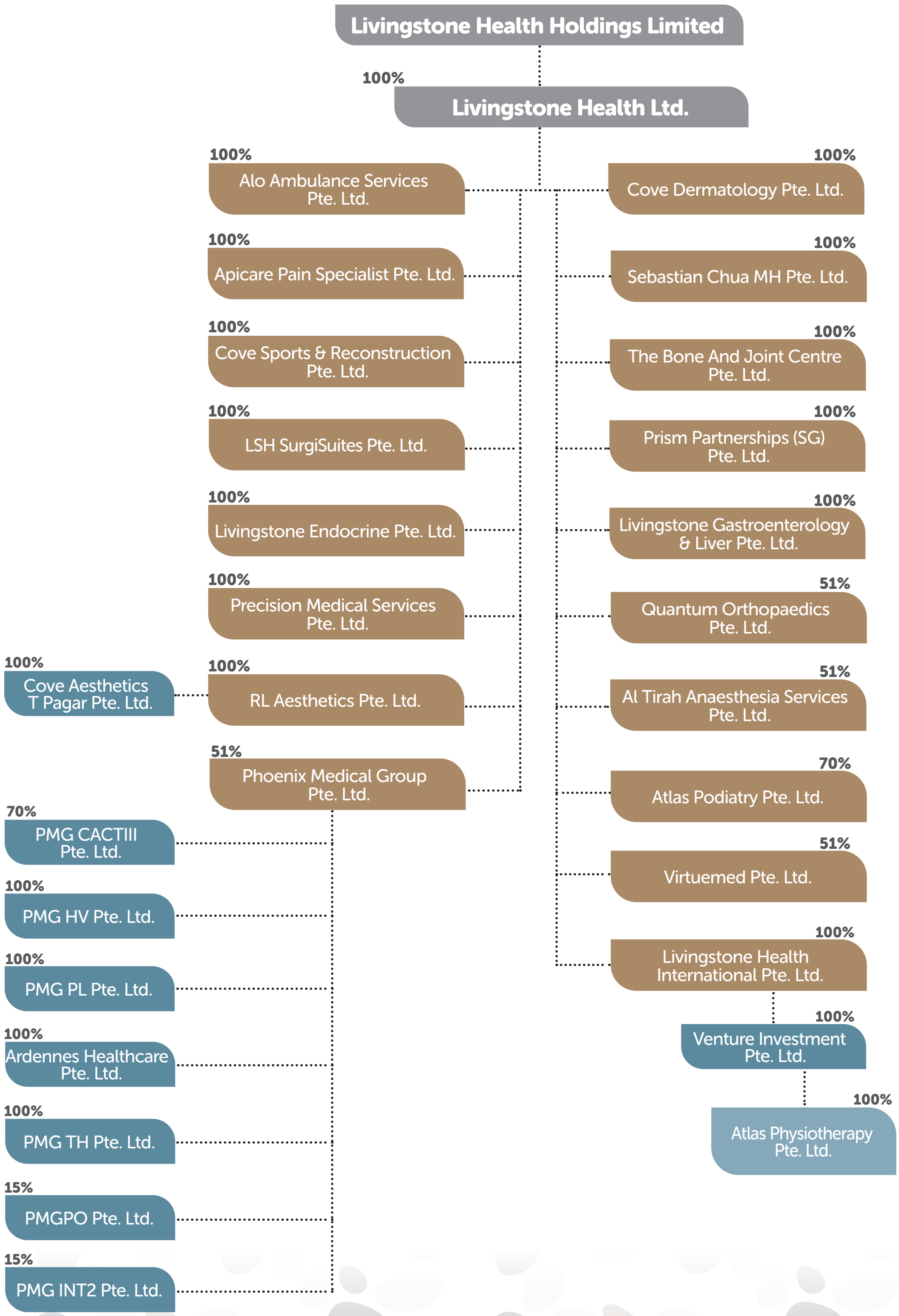
### COMMITMENT

Our team is committed to the well-being and full recovery of each and every patient.

For more information, please visit www.livingstonehealth.com.sg.

# GROUP STRUCTURE

LIVINGSTONE HEALTH



# JOINT STATEMENT BY **CHAIRMAN AND CEO**


## DEAR STAKEHOLDERS,

On behalf of the Board of Directors, we are pleased to present Livingstone Health Holdings Limited's ("**Livingstone Health**" or the "**Group**") annual report for the financial year ended 31 March 2024 ("**FY2024**").

## OVERVIEW

The Group faced operating challenges in FY2024. Its revenue declined by 22.9% to S$25.4 million in FY2024 (FY2023: S$32.9 million) mainly due to the attrition of doctors in the first half of the financial year. The Group incurred higher fixed operating costs and depreciation for new clinics; and also recorded certain accounting provisions and non-recurring expenses, including impairment loss on goodwill, impairment loss on financial assets and plant and equipment written-off. As a result, the Group recorded a net loss of approximately S$2.9 million in FY2024. Despite that, the Group generated a net operating cash flow of approximately S$0.9 million in FY2024. Cash and cash equivalents remained relatively healthy at S$3.5 million as at 31 March 2024.

Against this backdrop, the Group has since been focusing on managing its existing healthcare talent and accelerating its recruitment efforts, with a dermatologist and an orthopaedic surgeon joining the Group during the financial year. It has further streamlined its operating structures and reinvigorated its management team to enhance operational efficiency.

In 2024, the Group initiated two fundraising exercises. In February 2024, the Group completed its private placement and raised net proceeds of approximately S$1.4 million. In July 2024, the Group also raised an additional net proceeds of approximately S$1.3 million via its Rights cum Warrants Issue announced in March 2024. Assuming all the warrants are fully exercised, the Group could raise up to another S$2.3 million of net proceeds. These fundraising initiatives aim to further strengthen the Group's balance sheet and its capital base.

Please refer to Results at a Glance on Pages 11 and 12 for further details of the Group's financials.

## LOOKING AHEAD

While the overall macro landscape, including the inflationary environment, remains challenging, the Group remains committed to providing consistent service quality across our clinics.

The Group will continue to strengthen its operating ecosystem, expand patient outreach, optimise internal operations, improve the existing cross-referrals among various medical disciplines and build international patient pool for its Specialist Healthcare segment through strategic partnership. In the near term, the Group will prioritise several of its key strategic initiatives, and will continue to pursue organic growth through recruitment initiatives by bringing on board new medical specialists who share similar mindsets and values.

The Group's Primary Healthcare segment, Phoenix Medical Group ("**PMG**"), has expanded and is still expanding its network, having increased its health screening centre and physical clinics footprint to 8 currently. Its 7th clinic just commenced operations in July 2024, while its 8th clinic is expected to commence operations in end August/early September 2024. On 15 July 2024, the Group also announced that it is proposing an internal reorganisation of subsidiaries and acquisition of Phoenix Medical Group. With more than a decade of Primary Healthcare and patient brand experience, our commitment to the Primary Healthcare segment remains steadfast and our growth strategies are on track in supporting and fostering a sustainable ecosystem for our specialist partners.

## APPRECIATION

It is with deep gratitude that we address the heart and soul of our organisation — our dedicated healthcare workers. Your unwavering commitment, resilience, and compassion have been the cornerstone of our core values upon which we continue to build our future. We thank you for your relentless pursuit of excellence in your deliverance of patient care.

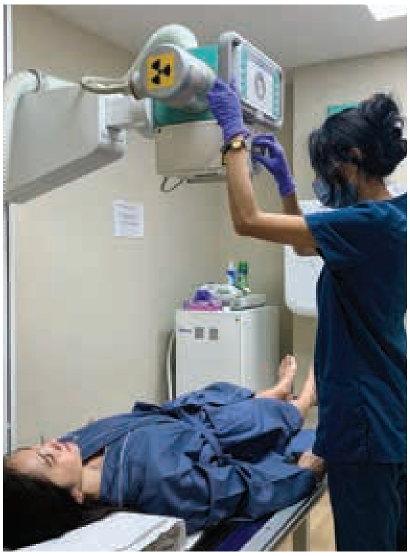
To our valued patients, business partners, associates, continuing sponsor and bankers, we thank you for the trust and unwavering support in us. As we move forward in continuing this journey together, we strive to achieve more in our collective endeavours.

To our shareholders, thank you for your continued confidence and belief in our vision. Your investment and support have empowered us to pursue our strategic initiatives. We are committed to delivering sustainable growth and enhancing shareholder value. We look forward to meeting you at the upcoming Annual General Meeting.

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. DAX NG**
EXECUTIVE DIRECTOR AND CHIEF COMMERCIAL OFFICER

Mr. Dax Ng was appointed as the Executive Director and redesignated to Chief Commercial Officer ("CCO") of the Company on 8 July 2024. He is responsible for developing the Group's growth, corporate 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 certificate of completion for MIT Fintech: Future Commerce online course at Massachusetts Institute of Technology.

Mr. Dax Ng is an active grassroots leader and an associate member of the Singapore Institute 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 three other listed SGX companies, as well as being a Board member of 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.

# BOARD OF DIRECTORS

**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, a member of the Audit Committee and Nominating Committee.

Mr. Chan graduated from the University of Durham and is called to the Singapore Bar. He currently holds the position of Head of Legal, Risk and Compliance at Golden Energy and Resources Pte. Ltd., formerly listed on the SGX-ST Mainboard. His previous roles include partnership in the corporate department of Lee & Lee, a Singapore law firm. He has more than 20 years of experience in the areas of mergers and acquisitions, capital markets, securities law and stock exchange practice. Additionally, he has experience as a litigation counsel in civil and criminal cases.

Mr. Chan has held the role of independent director at several SGX-listed companies and is currently an independent director at Avi-Tech Holdings Limited. He is an ordinary member of the Singapore Academy of Law and the Singapore Institute of Directors (SID), and is recognised as a Senior Accredited Director (SID-SRAD).

**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 Committee.

Starting his career in Pricewaterhouse-Coopers, 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, Cosmosteel Holdings Limited and Baker Technology 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 the 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. WONG QINGYUAN**
CHIEF FINANCIAL OFFICER

Mr. Wong Qingyuan was appointed as the Chief Financial Officer of the Company on 8 July 2024. Prior to his current appointment, he was the Vice President, Corporate Development of the Company. His current responsibilities include financial reporting, strategic financial planning and analysis, mergers & acquisitions, equity and debt capital markets fundraising, and investor relations.

With over 16 years of experience in investment banking, investment, healthcare and finance, Mr. Wong Qingyuan began his investment banking career at DBS Bank and BNP Paribas from 2007 to 2016. He later spent 2 years in real estate, focusing on commercial real estate investment and asset management. Prior to joining Livingstone Health, he held various leadership roles for a healthtech company for 4 years, including as Head of Finance covering financial and management accounting, treasury, mergers and acquisitions, and fundraising.

Mr. Wong Qingyuan holds a Master of Professional Accounting from the Singapore Management University. He has also completed his Master of Business Administration curriculum from the UBI Business School and is awaiting his final results and certification.

**DR. RACHEL LIM**
HEAD OF AESTHETICS AND WELLNESS

Dr. Rachel Lim is the Head of Aesthetics and Wellness at Livingstone Health.

A medical doctor with 17 years of clinical experience, Dr. Rachel Lim has a special interest in aesthetics, weight management and wellness. After obtaining her Bachelor of Medicine and Bachelor of Surgery from NUS in 2005 and a Graduate Diploma in Family Medicine from NUS in 2009, Dr. Rachel Lim was a Medical Officer with MOH Holdings Pte. Ltd. from 2005 to 2011. She worked as a family physician with a special interest in aesthetic medicine in private practice from 2012 to 2015 before setting up her own private practice in 2015.

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

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

# KEY MANAGEMENT

**DR. SEBASTIAN CHUA**
HEAD OF ANAESTHESIOLOGY & PAIN MANAGEMENT

As Head of Anaesthesiology & Pain Management at Livingstone Health, Dr. Sebastian Chua also helps to manage the Group's clinical protocols, 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.

**DR. TELVINA TAN**
HEAD OF HUMAN RESOURCE

Dr. Telvina Tan, the Head of Human Resources at Livingstone Health, oversees and leads the Human Resource team in all aspects of Human Resources. With an extensive background in the Security Training, Education & Healthcare industry, she is a highly skilled HR Specialist and Practitioner. Her expertise includes Strategic Negotiations, Innovation, Sustainability, Company Secretarial Work, Insurance Management, Human Resources Administration, and People Development.

Dr. Telvina Tan is driven by a strong desire to embrace change and actively assists companies in their transformation projects. She has been involved in lean management start-ups, conducted reviews and evaluations of HRIS systems and insurance schemes for both companies and employees, resulting in significant cost savings and enhanced coverage.

Beyond General HR, Dr. Telvina Tan is proficient in Procurement, Sales and Marketing, Analysis & Grants Administration. She possesses hands-on experience in managing liquidation, merger & acquisition, and retrenchment processes to ensure seamless transitions. Additionally, she has conducted HR audits and managed payroll reviews for various countries in Southeast Asia.

Recognizing the value of continuous learning for career development, Dr. Telvina Tan has attended executive courses at reputable institutions alongside her Master of Business Administration from Anglia Ruskin University. She also holds a Doctor of Philosophy in Business Management (PhD) from Azteca University. She actively pursues relevant programs to acquire new skill sets, holding certifications such as Certified HR Manager from HRSingapore, PDPA (DPO certified), and BizSafe (Level 1 & 4).

# OUR DOCTORS

1. **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

2. **DR. SEBASTIAN CHUA**
M.B.B.S. (Singapore)
M.Med Anaes (Singapore)
ANAESTHESIOLOGY

3. **DR. SEAN NG**
M.B.B.S (Singapore)
M.Med Surgery (Singapore)
M.R.C.S (Edin), F.R.C.S (Edin)
ORTHOPAEDIC SURGERY

4. **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

5. **DR. JAMES TAN CHUNG HUI**
M.B.B.S. (Singapore)
M.R.C.S. (Edinburgh)
M. Med Surgery (Singapore)
F.R.C.S. (Edinburgh)
ORTHOPAEDIC SURGERY

6. **DR. SEAN LEONG**
M.B.B.S (Singapore)
M.Med (Internal Medicine)
M.R.C.P (UK)
CONSULTANT DERMATOLOGIST

7. **DR. CHUA HSHAN CHER**
M.B.B.S. (Singapore)
PgDip (Cardiff)
FAMILY MEDICINE

8. **DR. RACHEL LIM**
M.B.B.S. (Singapore)
G.D.F.M. (Singapore)
AESTHETICS & WELLNESS

9. **DR. JOANNE CHUA**
Mb, BCh, BAO (Medicine, Ireland)
M.Med (Emergency Medicine, Singapore)
FAMILY MEDICINE

10. **DR. LEE KAI LUN**
M.B.B.S. (Singapore)
G.D.F.M. (Singapore)
FAMILY MEDICINE

11. **DR. ANGELA FOONG**
M.B.B.S. (Singapore)
G.D.F.M. (Singapore)
FAMILY MEDICINE

12. **DR. CHERYL LIN**
M.B.B.S. (NSW)
M. Med (Family Medicine)
FAMILY MEDICINE

13. **DR. MEERA RAVINDRAN**
M.B.B.S. (Singapore)
M.Med (Family Medicine)
FAMILY MEDICINE

14. **DR. RICK CHAN**
M.B.B.S. (Singapore)
G.D.F.M. (Singapore)
G.D.O.M. (Singapore)
FAMILY MEDICINE

15. **DR. GABRIEL TAN**
M.B.B.S. (Singapore)
AESTHETIC DOCTOR

16. **DR. RAINA LOH**
BMed MD (UNSW)
MMed (Family Medicine) (NUS)
FAMILY MEDICINE

# OUR DOCTORS

**17. DR. SHARON SOH**
M.B.B.S (Singapore)
G.D.F.M (Singapore)
M.R.C.S (Ireland)
AESTHETIC DOCTOR

**18. DR. WILLIAM LOW**
M.D. (Singapore)
FAMILY MEDICINE

**19. DR. RENEE LEE**
BPodMed (Aus)
PRINCIPAL PODIATRIST

# RESULTS AT **A GLANCE**

## CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

| | Group | | |
|---|---|---|---|
| | **2024 S$'000** | **2023 S$'000** | **Change %** |
| Revenue | 25,365 | 32,918 | (22.9) |
| Other income | 565 | 666 | (15.2) |
| Consumables and medical supplies used | (5,184) | (5,641) | (8.1) |
| Employee benefits expenses | (15,184) | (18,749) | (19.0) |
| Depreciation expenses | (2,246) | (1,925) | 16.7 |
| Impairment loss on financial assets, net | (648) | (80) | >100.0 |
| Other operating expenses | (5,031) | (5,084) | (1.0) |
| Finance costs | (318) | (308) | 3.2 |
| Share of results from equity-accounted for associate | (30) | – | NM |
| **(Loss)/profit before tax** | (2,711) | 1,797 | NM |
| Income tax expense | (192) | (511) | (62.4) |
| **(Loss)/profit for the financial year** | (2,903) | 1,286 | NM |
| **Other comprehensive loss:** | | | |
| Exchange differences on translating foreign operations | (5) | – | NM |
| **Total comprehensive (loss)/income for the financial year** | (2,908) | 1,286 | NM |
| **(Loss)/profit attributable to:** | | | |
| Owners of the Company | (2,873) | 723 | NM |
| Non-controlling interests | (30) | 563 | NM |
| | (2,903) | 1,286 | NM |
| **Total comprehensive (loss)/income attributable to:** | | | |
| Owners of the Company | (2,878) | 723 | NM |
| Non-controlling interests | (30) | 563 | NM |
| | (2,908) | 1,286 | NM |

*NM: Not meaningful*

**Revenue**
Decreased mainly due to lower revenue contribution from Specialist Healthcare segment due to the attrition of doctors in the first half of the financial year.

**Other income**
Decreased mainly due to lower wage and other employment credit schemes received, partially offset by higher rental income.

**Consumables and medical supplies used**
Decreased due to an overall decrease in revenue.

**Impairment loss on financial assets, net**
Mainly comprise of an impairment loss on long overdue advances owing by a joint venture and trade receivable

**Employee benefits expenses**
Decreased mainly due to attrition of doctors and other medical support staffs in the Specialist Healthcare segment.

**Depreciation expenses**
Increased mainly due to addition of new clinic premises and equipment.

**Finance costs**
Remained relatively unchanged.

**Income tax expense**
Decrease mainly due to lower taxable profits, partially offset by the increase in tax expenses which arose from the reversal of deferred tax assets.

**(Loss)/ profit attributable to owners of the Company**
As a result of the above, the Group recorded a Net Loss of S$2.9 million.

# RESULTS AT A GLANCE

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

| | Group 31.03.2024 S$'000 | Group 31.03.2023 S$'000 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 5,962 | 4,900 |
| Goodwill arising on consolidation | 3,636 | 3,636 |
| Loan to a joint venture | 360 | 362 |
| Deferred tax assets | 42 | 429 |
| Other receivables | 187 | 451 |
| **Total non-current assets** | 10,187 | 9,778 |
| **Current assets** | | |
| Cash and cash equivalents | 3,458 | 4,227 |
| Trade receivables | 5,480 | 6,858 |
| Other receivables | 1,754 | 1,226 |
| Inventories | 824 | 708 |
| **Total current assets** | 11,516 | 13,019 |
| **Total assets** | 21,703 | 22,797 |
| **EQUITY AND LIABILITIES** | | |
| **Equity attributable to owners of the Company** | | |
| Share capital | 24,191 | 22,764 |
| Merger reserve | 57 | 57 |
| Foreign currency translation reserve | – | 5 |
| Other reserves | 22 | 22 |
| Accumulated losses | (20,525) | (17,652) |
| **Equity attributable to owners of the Company** | 3,745 | 5,196 |
| Non-controlling interests | 900 | 1,133 |
| **Total equity** | 4,645 | 6,329 |
| **Non-current liabilities** | | |
| Other payables | 2,450 | – |
| Borrowings | 1,965 | 2,541 |
| Lease liabilities | 2,614 | 1,564 |
| Deferred tax liabilities | 3 | 58 |
| **Total non-current liabilities** | 7,032 | 4,163 |
| **Current liabilities** | | |
| Trade payables | 1,291 | 1,070 |
| Other payables | 3,038 | 6,070 |
| Borrowings | 2,714 | 2,504 |
| Lease liabilities | 1,774 | 1,301 |
| Contract liabilities | 1,136 | 842 |
| Income tax payable | 73 | 518 |
| **Total current liabilities** | 10,026 | 12,305 |
| **Total liabilities** | 17,058 | 16,468 |
| **Total equity and liabilities** | 21,703 | 22,797 |

**Property, plant and equipment**
Increased due to additions of right-of-use assets and the purchase of additional plant and equipment, net of depreciation charged during the financial year.

**Goodwill arising on consolidation**
Relates to the acquisition of PMG and the Orthopaedic segment.

**Loan to a joint venture**
Relates to interest bearing loan to a joint venture.

**Deferred tax assets**
Decreased due to utilisation of tax losses.

**Other receivables (Non-current)**
Relates to advances to a joint venture. Decrease due to impairment loss on advances owing by a joint venture.

**Cash and cash equivalents**
Reduced by S$0.8 million mainly due to reasons mentioned in the review of cash flow statements.

**Trade receivables**
Decreased in line with decrease in revenue and due to impairment loss.

**Other receivables**
Increased due to increase in deposits and prepayments made for our new clinic premises and increase in advances to an associate.

**Total equity**
Decreased due to Group's recorded a Net Loss of approximately S$2.9 million during the financial year partially offset by issue of share capital of S$1.5 million.

**Other payables (Non-current)**
Relates to the reclassification of base consideration and deferred consideration due to reverse acquisition of S$2.5 million from current to non-current liabilities.

**Borrowing (Current and Non-current)**
Relates to working capital loan and loan for business expansion.

**Lease liabilities (Current and Non-current)**
Relates to leasing of office premise and clinics premises. Increased due to addition of new clinics premises.

**Trade payables**
Increased due to higher trade purchases.

**Other payables (Current)**
Decrease due to the reclassification of base consideration and deferred consideration due to reverse acquisition of S$2.5 million from current to non-current liabilities and lower payroll-related accruals.

**Contract liabilities**
Relates mainly to revenue from the Aesthetic and Wellness segment which has not been recognised.

**Income tax payable**
Decreased due to the settlement of prior year tax and decrease in provision for taxation as a result of lower taxable profit in FY2024.

# OPERATIONS AND FINANCIAL REVIEW

## OPERATIONS REVIEW

The Group faced operating challenges in FY2024 including rising costs of medical supplies and pharmaceuticals, as well as increased operational expenses due to inflation. To mitigate these impacts, we focused on negotiating better terms with suppliers and optimising resource allocation.

Enhancing operational efficiency was a key focus area in FY2024. The Group successfully implemented several initiatives aimed at streamlining workflows and operating structures. In this regard, it has reinvigorated its management team to enhance operational efficiency. The streamlined key management comprises its CEO, Deputy CEO, CCO and CFO, and is supported by the executive officers and respective business unit heads.

The Group was also focused on growing the Primary Healthcare segment through PMG and increased its health screening centre and physical clinics footprint from 5 in FY2023 to 8 clinics currently in 2024. Its 7th clinic just commenced operations in July 2024, while its 8th clinic is expected to commence operations in end August/early September 2024. This is to provide additional clinical touchpoints to enhance patient care and is in line with the increasing demand for General Practitioner services, driven by the Healthier SG initiative.

Patient satisfaction remained a cornerstone of our operations in FY2024. We focused on improving patient experience through better communication channels, enhanced care coordination, and personalised treatment plans. As we witnessed the continuous shift towards personalised and preventive care, we launched several initiatives focused on chronic disease management and wellness programs, aligning with patient needs and market trends.

Livingstone Health also strengthened its specialists team consisting of 6 doctors, who currently practice at Farrer Park Hospital, Mount Elizabeth Hospital, Mount Alvernia Hospital, Camden Medical Center and Novena Medical Center.

# OPERATIONS AND FINANCIAL REVIEW

## FINANCIAL REVIEW

Note: For ease of reference, we have included the salient points of the Group's financial performance for FY2024 and financial position as at 31 March 2024 in the "**Results At A Glance**" section located on Pages 11 to 12 of our Annual Report.

### Financial Performance for FY2024

The Group reported total revenue of S$25.4 million for FY2024 as compared to S$32.9 million for the financial year ended 31 March 2023 ("**FY2023**"). Revenue decreased by 22.9% as a result of lower contribution from Specialist Healthcare segment due to the attrition of doctors and other medical support staffs in the first half of the financial year. Revenue generated from Primary Healthcare segment decreased marginally by 1.9% in FY2024 as compared to the previous financial year, mainly due to lower patient visits coupled with the decline in the provision of COVID-19 related services. Revenue from the Others segment fell by S$0.6 million in FY2024, mainly attributable to lower contribution from Aesthetics and Wellness division due to lower utilisation of purchased packages by customers and lower revenue contribution from managing healthcare solutions.

Other income fell by 15.2% in FY2024 mainly due to lower wage and other employment credit scheme received, partially offset by higher rental income.

Consumables and medical supplies used for the year decreased by 8.1% to S$5.2 million from S$5.6 million in FY2023 as a result of lower revenue during the financial year, while consumables and medical supplies used as a percentage of revenue increased by 3.3 percentage points from 17.1% in FY2023 to 20.4% in FY2024, mainly due to higher procurement price attributable to overall inflationary pressure on goods and services.

Employee benefits expenses were lower by 19.0% as compared to last year, mainly due to attrition of doctors and other medical support staffs in the Specialist Healthcare segment.

Depreciation expenses rose by 16.7%, mainly attributable to the addition of new clinic premises resulting in higher depreciation expenses for right-of-use assets of the new clinic premises.

The financial assets impairment losses of S$0.6 million for FY2024 were inclusive of an impairment loss of S$0.4 million on long overdue advances owing by a joint venture, which was the expected credit loss that arose from the Group's internal assessment of its financial performance.

Other operating expenses reduced by 1.0%, mainly attributable to lower marketing and rental expenses partially offset by (i) plant and equipment written off, (ii) goodwill impairment losses, and (iii) higher professional fees and hospital administrative charges.

Finance costs remained relatively unchanged at approximately S$0.3 million in FY2024.

Income tax expenses decreased by 62.4% mainly due to lower taxable profits during the financial year, partially offset by the increase in tax expenses which arose from the reversal of deferred tax assets previously recognised by certain subsidiaries of the Group as deferred tax assets are recognised only to the extent that it is probable that the related tax benefit will be realised.

Given the aforesaid, the Group's recorded a net loss of approximately S$2.9 million in FY2024 as compared to a net profit after tax of S$1.3 million in FY2023. Despite that, the Group generated a net operating cash flow of approximately S$0.9 million in FY2024.

**Financial Position as at 31 March 2024**

**Assets**

Total assets of the Group decreased to S$21.7 million as at 31 March 2024 from S$22.8 million as at 31 March 2023.

Non-current assets increased by S$0.4 million to S$10.2 million as at 31 March 2024. The increase was primarily attributable to increase in property, plant and equipment by S$1.1 million mainly attributable to the recognition of right-of-use assets arising from the renewal and additions of lease contracts, and the purchase of additional plant and equipment, net of depreciation during the financial year, partially offset by (i) decrease in deferred tax assets by S$0.4 million and (ii) decrease in other receivables by S$0.3 million due to impairment loss on advances owing by a joint venture.

Current assets declined by S$1.5 million to S$11.5 million as at 31 March 2024 mainly attributable to the decrease in cash and cash equivalent by S$0.8 million due to reasons mentioned in the review of cash flow statement and trade receivables decreased by S$1.4 million due to lower revenue, partially offset by the increase in inventories of S$0.1 million and the increase in other receivables of S$0.6 million as a result of deposits and prepayments made for our new clinic premises and increase in advances to an associate.

**Liabilities**

Total liabilities increased to S$17.1 million as at 31 March 2024 from S$16.5 million as at 31 March 2023. Current liabilities decreased by S$2.3 million to S$10.0 million as at 31 March 2024 mainly due to (i) decrease in other payables as a result of lower payroll-related accruals and the reclassification of base and deferred consideration on reverse acquisition of S$2.5 million from current to non-current liabilities due to the extension of repayment term to more than 12 months, and (ii) decrease in income tax payable of S$0.4 million; partially offset by the increase in (i) trade payables of S$0.2 million as a result of higher trade purchases; (ii) contract liabilities relating to lower utilisation of customer packages of S$0.2 million; (iii) loans and borrowings of S$0.2 million and (iv) lease liabilities of S$0.5 million.

Non-current liabilities rose to S$7.0 million from S$4.2 million as at 31 March 2024, mainly due to increase in other payables of S$2.5 million which arose from the reclassification of base consideration and deferred consideration on reverse acquisition from current to non-current liabilities and the increase in lease liabilities of S$1.0 million, partially offset by (i) the decrease in loans and borrowings of S$0.5 million as a result of reclassification from non-current to current liabilities and (ii) the decrease in deferred tax liabilities of S$0.1 million.

**Shareholders' Equity**

Shareholders' equity of the Group decreased from S$5.2 million as at 31 March 2023 to S$3.7 million as at 31 March 2024. The decrease was mainly due to net loss incurred of S$2.9 million in FY2024, partially offset by issue of share capital of S$1.5 million during FY2024.

**Cash flow for FY2024**

The net cash generated from operating activities of S$0.9 million was mainly derived from operating cash flows before working capital changes of S$0.9 million and net working capital inflow of S$0.3 million, partially offset by income tax paid of $0.3 million.

Net cash used in investing activities of S$0.6 million were mainly attributable to (i) purchase of plant and equipment of S$0.4 million; (ii) formation of equity accounted investee of S$0.03 million in relation to our first joint investment clinic within our Primary Healthcare segment; (iii) advances to a joint venture of S$0.01 million; (iv) loans and advances to an associate of S$0.4 million and (v) payment of base consideration of S$0.02 million; partially offset by (vi) net cash from the acquisition of a subsidiary of S$0.1 million; and (vii) proceeds from disposal of plant and equipment of S$0.1 million.

Net cash used in financing activities amounted to S$1.0 million, mainly attributable to (i) repayment of lease liabilities of S$1.8 million; (ii) repayment of loans and borrowings of S$2.4 million; (iii) interest paid of S$0.1 million; and (iv) dividends paid to non-controlling interest of S$0.2 million; partially offset by net proceeds of S$1.4 million from the share placement and bank borrowings of S$2.0 million.

Consequently, the Group recorded a net decrease in cash and cash equivalents of approximately S$0.8 million to S$3.5 million in FY2024.

# SUSTAINABILITY REPORT

## 1. OUR SUSTAINABILITY VISION

***Economic***

- Capitalise on the fast-growing healthcare sector to maximise shareholder value.
- Identify growth opportunities to allow for geographic expansion, product and service diversification, and the improvement of specialist services.

***Governance***

- Enhance risk management by having good corporate governance and well-developed policies and procedures.
- Uphold a culture of integrity and professionalism.

***Environmental***

- Embed environmentally sustainable measures into our operations for a greener environment.
- Strengthen our current initiatives and engage in activities that yield a greater positive environmental impact.

***Social***

- Develop and maintain strategic relationships with stakeholders.
- Create a safe and inclusive working environment for all employees.
- Provision of training and support for employees to enable and empower them to succeed.

## 2. BOARD STATEMENT

Livingstone Health is pleased to present the sustainability report for the financial year ended 31 March 2024 ("**SR2024**"). Our sustainability efforts are led by the Board of Directors (the "**Board**") and senior management ("**Management**") who 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.

With our corporate values in mind, we strive to continually evaluate material ESG topics as part of our risk management strategy. SR2024 seeks to present an account of our practices and performance in our undertaking to be a sustainable and responsible corporate citizen, as well as provide insights to demonstrate our sustainability commitment.

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

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

The Board determines the material ESG factors, oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's strategic sustainability direction and policies. Under the Board's delegation, the Management of the Group assists the Board to identify and manage the Group's material ESG factors, collects and analyses ESG-related metrics, implements the sustainability strategies and monitors and reviews ESG-related targets. The Management will report to the Board on the Group's ESG performance and their suggestion regularly.

## 3. ABOUT THE REPORT

**Reporting Framework and Period**

SR2024 has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards, which we have transitioned to the latest version of the GRI Standards – the GRI Universal Standards 2021, and in accordance with Listing Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The GRI Standards is chosen as it is the most widely used and internationally accepted sustainability reporting framework. In terms of climate-related disclosures, SR2024 adopts the recommendations of the Taskforce on Climate-related Financial Disclosures ("**TCFD**") as required by SGX-ST. A GRI Index and TCFD Content Index at the end of the SR2024 specifies the location of the relevant disclosures.

SR2024 covers data and information for the financial year commencing from 1 April 2023 to 31 March 2024 ("**FY2024**") and discusses Livingstone Health's achievements and performance in ESG matters.

**Reporting Boundaries and Principles**

We used a consolidated operating approach to determine organisational boundaries. The reporting boundaries of SR2024 cover all entities within the Group that operate and conduct activities in Singapore. The Company publishes its sustainability report on a yearly basis. We have applied the following GRI reporting principles for defining the contents of SR2024, namely:

- **Accuracy:** Report information that is correct and sufficiently detailed to allow an assessment of the Group's impacts.
- **Balance:** Report information in an unbiased way and provide a fair representation of the Group's negative and positive impacts.
- **Clarity:** Present information in a way that is accessible and understandable.
- **Comparability:** Select, compile, and report information consistently to enable an analysis of changes in the Group's impacts over time and an analysis of these impacts relative to those of other organizations.
- **Completeness:** Provide sufficient information to enable an assessment of the Group's impacts during the reporting period.
- **Sustainability Context:** Report information about the Group's impacts in the wider context of sustainable development.
- **Timeliness:** Report information on a regular schedule and make it available in time for information users to make decisions.
- **Verifiability:** Gather, record, compile, and analyse information in such a way that the information can be examined to establish its quality.

**Independent Assurance**

The ESG performance data presented in SR2024 is mainly extracted from internal information systems and original records to ensure accuracy. We have also considered the recommendations of an external ESG consultant for the selection of material topics as well as compliance with the relevant GRI Standards and SGX-ST Listing Rules. The Group's sustainability process has been subjected to internal review, pursuant to Rule 711B (3) of the SGX Listing Rules. The Group has engaged CLA Global TS Risk Advisory Pte. Ltd. to perform the review of the Group's sustainability reporting processes. The internal review has been conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors.

# SUSTAINABILITY REPORT

**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. In an attempt to promote environmental conservation, there will be no printing of hard copies of SR2024. SR2024 is published online exclusively and is available for download from our corporate website at https://livingstonehealth.com.sg/investor-relations.

## 4. OUR STRATEGIC APPROACH TO SUSTAINABILITY

Our focus on sustainability is integral to our strategy and reflects our commitment to developing 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 to focus on providing high-quality service to our patients while placing great emphasis on the importance of tackling environmental issues. In addition, we are committed to continuously delivering positive social impact and robust corporate governance.

Our sustainability efforts are led by our Management, which ensures that we deliver long-term value creation while maintaining business sustainability. Management also engages with multiple stakeholders to understand their priorities and identify emerging trends to build mutually beneficial relationship. Ultimately, we aim to continuously create value for our patients, society, employees, and shareholders.

For FY2024, Management has determined that SR2024 should address the material ESG matters that are significant to us and our stakeholders.

The Group, together with the help of an independent external ESG consultant, has reviewed and defined its approach to sustainability management, and the Board and Management has determined the key sustainability topics (i.e. Anti-Corruption, Customer Health and Safety, Diversity and Equal Opportunity, Economic Performance, Emissions, Waste, Employment, Energy, 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 SR2024.

## 5. ORGANISATION PROFILE

Being a leading multidisciplinary healthcare provider, the Group provides an extended range of medical services, including Orthopaedic Surgery, Anaesthesiology and Pain Management, Dermatology, Internal Medicine, Primary Care, Preventative Care and Disease Management, Podiatry, and Aesthetics and Wellness. It has close to 20 medical specialists and doctors practicing at 19 medical clinics across Singapore, including a health screening center, a medical spa, and a podiatry clinic situated in convenient and accessible locations throughout the country. 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 our consumables and medical suppliers and medical equipment vendors for our clinics that can be classified under the following five key categories:

- Medications
- Consumables
- Medical Implants
- Imaging and Laboratory Services
- Medical Equipment

In Singapore, it is mandatory for all suppliers and vendors of medical resources to be registered with the relevant local regulatory body for the sale of health products. Our preferred suppliers abide by established ethical guidelines, are 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 in accordance with established procurement policies. The main factors that are considered in the evaluation process are obtained from the Accounting and Corporate Regulatory Authority, open-source feedback, and licensing. Assessment and approval of suppliers are based on categories such as credibility, technical capability, and cost competitiveness. Suppliers are added to the Group's approved supplier list after appropriate internal approval. This list is also reviewed periodically to ensure that we are only partnering with preferred suppliers that are aligned with our objectives. We are constantly working towards achieving a more sustainable supply chain through continuous engagement with our suppliers.

## 6. 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 participates as members of the following organisations:

- Singapore Medical Council
- Singapore Medical Association
- Singapore Nursing Board
- Singapore Nursing Association
- Allied Health Professions Council

## 7. CERTIFICATIONS

As a group and across our various subsidiaries, we maintain various certifications, including but not limited to:

- Licence under the Private Hospitals and Medical Clinics Act (Chapter 248) of Singapore
- Licence from the National Environment Agency (the "**NEA**") 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 with respect to ultrasound equipment
- NEA Equipment Licence with respect to laser equipment

## 8. OUR KEY STAKEHOLDERS

| Stakeholders | Our Engagement with Them | Key Topics | Our Responses |
|---|---|---|---|
| **Customers** | • Informal feedback<br>• 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 customer feedbacks are brought up to Management to be reviewed and addressed. This ensures that all customers' expectations are met. |
| **Shareholders and Financial Community** | • Annual general meeting<br>• Emails and tele-conferences | • Financial results<br>• Key business developments such as new acquisitions or divestments | • The Group actively tracks queries raised to ensure all concerns are addressed. All announcements of the Group's performance and developments are communicated to shareholders promptly via various communication channels. |
| **Employees** | • Internal communication through emails<br>• Regular Employee meetings (i.e. gatherings, team bonding, and company events)<br>• Confirmation and annual appraisals<br>• Practice of an open-door concept<br>• Whistle-blowing | • Information update by management to staff<br>• Employee feedback<br>• Workplace Health and Safety<br>• Job security<br>• Professional growth, training, and development | • Employees' concerns are attended to, and the Group strives to ensure that employees' expectations are met through continuous engagement.<br>• 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<br>• Emails and telephone calls | • Feedback on their products and services<br>• Information on their new products or services | • Active engagement with key suppliers is maintained to ensure all issues are addressed and solved promptly. |
| **Government and Regulatory Agencies** | • Consultations<br>• Discussions through industry forums and events | • Regulatory and industry standards and guidelines | • The Group ensures that all relevant regulatory requirements are complied with and that regulations are adhered to through internal controls. |

We have identified the above key stakeholder groups that are relevant to us. The Group strives to be a responsible corporate citizen by working closely with 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. 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.

## 9. 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.

Our systematic and interactive materiality assessment process to identify, categorise, validate and prioritise material ESG topics, comprising 4 steps:

1. Identify: Define a list of potential material ESG topics.
2. Categorise: Refine the list of topics by clustering them into 4 categories: Economic, Governance, Environmental and Social.
3. Prioritise: Engage stakeholders for feedback on each topic based on its respective importance to internal and external stakeholders.
4. Validate: The Board review the result of materiality assessment and validate the list of material ESG topics.

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 ranked the following material ESG topics to be discussed in SR2024, the result has been approved by the Board:

| Material Topics | Sustainability Aspect | Ranking |
|---|---|---|
| Occupational Health and Safety | Social | 1 |
| Customer Health and Safety | Social | 2 |
| Customer Privacy | Social | 3 |
| Anti-corruption | Governance | 4 |
| Employment | Social | 5 |
| Diversity and Equal Opportunity | Social | 6 |
| Waste | Environmental | 7 |
| Training and Education | Social | 8 |
| Economic Performance | Economic | 9 |
| Emissions | Environmental | 10 |
| Energy | Environmental | 11 |

## 10. ECONOMIC

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

Recognising the importance of the relationship between sustainability drivers and economic performance, the Group strives to ensure that its business objectives are in line with its commitments towards sustainable development. We continue to work closely with our key stakeholders 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 Group strives to maintain its business model for sustainability and ensure that its business ecosystems support these initiatives.

**GRI 201: ECONOMIC PERFORMANCE**

In FY2024, the Group recorded revenue of approximately S$25.37 million (FY2023: S$32.92 million), a decrease of approximately 23% mainly due to the reduction of revenue generated from the Specialised Healthcare Sector. The Group recorded a net loss attributable to the owners of the Company of approximately S$2.87 million in FY2024 (FY2023: Net profit S$0.72 million). No tax-exempt (one-tier) dividend is declared for FY2024 as Management plans to conserve cash for the Group's operations and future expansion plans.

Details of our economic performance can be found in the financial contents and audited financial statements of this Annual Report.

| FY2024 Targets and Performance | | |
|---|---|---|
| **Target** | **Status** | **Performance** |
| Constantly deliver high-quality and efficient healthcare services to our patients. | Achieved | The Group placed great emphasis on patients' experience in providing high-quality service which ensures good clinical outcomes. |
| Expand Phoenix Medical Group's physical footprint. | Achieved | The Group has explored many clinic locations and identified 3 locations to set up. Its 6th and 7th clinics commenced operations in November 2023 and July 2024 respectively. Its 8th clinic is expected to commence operations in end August/early September 2024. |

| FY2025 Targets |
|---|
| ✓ Constantly deliver high-quality and efficient healthcare services to our patients. |
| ✓ Continue to expand Phoenix Medical Group's physical footprint. |

# SUSTAINABILITY REPORT

## 11. GOVERNANCE

### GRI 205: ANTI-CORRUPTION

The Group believes that good corporate governance plays an essential role in the long-term viability of our businesses and the enhancement of shareholder value.

We are committed to employing "best practices" in corporate governance to ensure the sustainability of our operations. The Group 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 concern, if any. We believe that the constant drive to uphold corporate excellence will allow us to establish a more transparent, accountable, and equitable system, thereby increasing the value of the Group 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 Group's operations, we have in place a Whistle-Blowing Policy which enables the Group's staff and any other persons to raise, in confidence, 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.

| FY2024 Targets and Performance | | |
|---|---|---|
| **Target** | **Status** | **Performance** |
| No reported violations of corporate governance laws and regulations, business ethics and codes of conduct. | Achieved | There were no whistle-blowing reports received in FY2024. The Group was not aware of any incidents of corruption, fraud or bribery. Please refer to our Corporate Governance Report in our FY2024 Annual Report for further details. |

| FY2025 Targets |
|---|
| ✓ No reported violations of corporate governance laws and regulations, business ethics and codes of conduct. |

## 12. ENVIRONMENT

The Group acknowledges that navigating and adapting to the current environment requires us to look beyond short-term gains and financial bottom line as our conviction is to achieve a sustainable growth by ensuring that our business operations are managed effectively and at the same time, minimising our environmental footprint across our value chain.

Our clinics operate a wide array of medical devices and equipment, and the Group is aware of the impact of operating such devices and equipment on the environment. With increased pressure on healthcare providers to be accountable for their environmental impact, we strive to not only comply with regulatory requirements but also integrate best practices across our business operations to reduce our impact on the ecosystem.

There were no incidents of environmental non-compliance and no monetary fines or penalties imposed on the Group in FY2024.

| FY2024 Targets and Performance | | |
|---|---|---|
| **Target** | **Status** | **Performance** |
| Promote energy conservation by reminding employees to adopt energy-saving practices. | Achieved | The Group post business energy saving tips for employees in conspicuous areas around the office. |
| Maintain a track record of zero incidents of non-compliance with environmental laws or regulations concerning waste disposal. | Achieved | There are no incidents of non-compliance with environmental laws or regulations concerning waste disposal. |

**ENERGY CONSUMPTION AND GREENHOUSE GAS ("GHG") EMISSIONS**

We recognise the increasing importance of the sustainable use of energy and natural resources and hence are committed to consuming energy responsibly to minimise our environmental impact.

**GRI 302: ENERGY**

Electricity is the main type of energy consumed in the Group's business operations. During FY2024, the Group's energy consumption intensity (MWh/S$ million revenue) was approximately 5.82 MWh/S$ million revenue (FY2023: 3.35 MWh/S$ million revenue).

| Types of energy | Unit | FY2024 |
|---|---|---|
| Electricity, heating, cooling, and steam purchased for consumption<br>• Purchased electricity | MWh | 147.77 |
| **Total energy consumption** | **MWh** | **147.77** |
| **Energy consumption intensity** | **MWh/S$ million revenue** | **5.82** |

| FY2025 Targets |
|---|
| ✓ Promote energy conservation by reminding employees to adopt energy-saving practices. |

# SUSTAINABILITY REPORT

### GRI 305: EMISSIONS

The Group's GHG emissions are mainly composed of energy indirect (Scope 2) GHG emissions, which are mainly from the Group's consumption of purchased electricity. During FY2024, the Group's GHG emission intensity ($tCO_2e$/ S$ million revenue) was approximately 2.43 $tCO_2e$/S$ million revenue (FY2023: 1.36 tCO2e/S$ million revenue). No Scope 1 reported as the Company is not in an industry with material Scope 1 direct emissions.

| Types of GHG emissions | Unit | FY2024 |
|---|---|---|
| Energy indirect GHG emissions (Scope 2)* | $tCO_2e$ | 61.59 |
| **Total energy consumption** | **$tCO_2e$** | **61.59** |
| **Energy consumption intensity** | **$tCO_2e$/S$ million revenue** | **2.43** |

* GHG emission data are presented in terms of carbon dioxide equivalent and are based on, but not limited to, the 2023 emission factors of Singapore's power grid published by the Energy Market Authority.

### GRI 306: WASTE

The Group believes that responsible waste management helps preserve the environment in which it operates, and is thus committed to improving its waste management process.

The Group's businesses are subject to various environmental laws and regulations on proper disposal of medical waste under the guidance of the NEA of Singapore. The Group has established internal policies and implemented systems designed to comply with such requirements, including guidelines in relation to the handling of equipment, needle sticks, sharp objects and medical waste. The Group's employees are also trained to safely and properly segregate waste.

During FY2024, all of the Group's biohazardous waste was collected by licensed toxic industrial waste collectors to ensure proper disposal and transportation.

| FY2024 Targets and Performance | | |
|---|---|---|
| **Target** | **Status** | **Performance** |
| Maintain a track record of zero incidents of non-compliance with environmental laws or regulations concerning waste disposal. | Achieved | There are no incidents of non-compliance with environmental laws or regulations concerning waste disposal. |

| FY2025 Targets |
|---|
| ✓ Maintain a track record of zero incidents of non-compliance with environmental laws or regulations concerning waste disposal. |

## CLIMATE CHANGE MITIGATION AND ADAPTATION

The Group recognises the importance of developing a strategy and risk management framework that can help enhance the Group's climate resilience. We acknowledge that TCFD provides recommendations regarding disclosure of climate-related financial information. TCFD has four overarching elements, including governance, strategy, risk management and metrics and targets, to access the impact of key climate-related risks and opportunities. While we have adopted certain areas of TCFD's recommendations, we will continue to strengthen our disclosure consistent with TCFD when applicable.

### Governance

The Board has oversight of the Group's sustainability strategy including its formulation and reviews disclosures relating to climate-related risk and opportunities and its actions to enhance climate resilience.

Management is responsible for developing objectives, plans and performance metrics and to manage and monitor the overall climate-related sustainability performance.

### Strategy

TCFD divided climate risk into 2 major categories, (1) risks related to the transition to a lower-carbon economy (transition risk) and (2) risks related to the physical impacts of climate change (physical risk). We continuously update ourselves on climate-related risks, including physical risks, transition risks, and climate events affecting our business.

While physical risks (e.g. disruption in the Group's operation due to extreme weather events, lack of critical natural resources for operations) generally remain low, the Group expects that the laws and regulations related to climate change will become more stringent and more demanding, with developments such as more aggressive government policies and measures to limit GHG emissions, in addition to carbon taxes. As a result, the Group may be exposed to legal risks and compliance requirements which in turn may lead to higher operating costs.

With the increased awareness of climate change, our stakeholders may prefer products and services that are less damaging to the climate. As a result, the transition to a low-carbon business model can bring opportunities. If the Group is able to adopt more environmentally friendly practices in its operations, the Group may be able to seize more business opportunities from business customers who recognise the Group's environmental initiatives.

### Risk Management

Regarding legal risks on climate related matters the Group continuously monitors any changes in laws or regulations. In addition, the Group will enhance its measures to reduce GHG emissions.

### Metrics and Targets

We have measured and disclosed our Scope 2 GHG emissions in SR2024. GHG emissions data is calculated based on, including but not limited to, the 2023 emission factors of Singapore's power grid published by the Energy Market Authority.

The relevant emission reduction targets have been stated in the section titled "GRI 305: EMISSIONS". The Group endeavours to reduce its GHG emissions.

## 13. SOCIAL

Our employees are the Group's most valuable assets. 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 Group to benefit from all employees' unique skill sets and perspectives.

There were no incidents of social non-compliance, and no related monetary fines or penalties were imposed on the Group in FY2024.

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.

# SUSTAINABILITY **REPORT**

## GRI 401: EMPLOYMENT

**Distribution by Gender (New Hire)**

| | FY2024 | | FY2023 | | FY2022* | |
|---|---|---|---|---|---|---|
| **Total No. of New Hires by Gender** | 9 | 34 | 6 | 43 | 12 | 63 |
| **% of New Hires by Gender**** | 21% | 79% | 12% | 88% | 16% | 84% |

**Distribution by Age Group (New Hire)**

| | FY2024 | | | FY2023 | | | FY2022* | | |
|---|---|---|---|---|---|---|---|---|---|
| | **<30** | **30-50** | **>50** | **<30** | **30-50** | **>50** | **<30** | **30-50** | **>50** |
| **Total No. of New Hires by Age Group** | 11 | 27 | 5 | 20 | 23 | 6 | 29 | 41 | 5 |
| **% of New Hires by Age Group**** | 25% | 63% | 12% | 41% | 47% | 12% | 39% | 55% | 7% |

**Distribution by Region (New Hire)**

| | FY2024 | | FY2023 | | FY2022* | |
|---|---|---|---|---|---|---|
| | **Singapore** | **Vietnam** | **Singapore** | **Vietnam** | **Singapore** | **Vietnam** |
| **Total No. of New Hires by Region** | 43 | 0 | 49 | 0 | 74 | 1 |
| **% of New Hires by Region**** | 100% | – | 100% | – | 99% | 1% |

**Distribution by Gender (Turnover)**

| | FY2024 | | FY2023 | | FY2022* | |
|---|---|---|---|---|---|---|
| **Total No. of Turnover by Gender** | 9 | 37 | 10 | 42 | 5 | 33 |
| **% of Turnover by Gender***** | 20% | 80% | 19% | 81% | 13% | 87% |

**Distribution by Age Group (Turnover)**

| | FY2024 | | | FY2023 | | | FY2022* | | |
|---|---|---|---|---|---|---|---|---|---|
| | **<30** | **30-50** | **>50** | **<30** | **30-50** | **>50** | **<30** | **30-50** | **>50** |
| **Total No. of Turnover by Age Group** | 12 | 26 | 8 | 13 | 32 | 7 | 13 | 21 | 4 |
| **% of Turnover by Age Group***** | 26% | 57% | 17% | 25% | 62% | 13% | 34% | 55% | 11% |

| | Distribution by Region (Turnover) | | | | | |
|---|---|---|---|---|---|---|
| | **Singapore** | **Vietnam** | **Singapore** | **Vietnam** | **Singapore** | **Vietnam** |
| **Total No. of Turnover by Region** | 46 | – | 51 | 1 | 38 | – |
| **% of Turnover by Region*** ** | 100% | – | 98% | 2% | 100% | – |

* The data has been restated.

** The percentage of new hires by category is calculated by dividing the number of new employees hired by category during the financial year by the total number of new employees hired during the financial year.

*** The percentage of turnover by category is calculated by dividing the number of turnover by category during the financial year by the total number of turnover during the financial year.

The Group believes that technically skilled professionals are central and crucial for our business to remain relevant in today's changing business landscape.

The Group strongly believes in fair remuneration and salary packages which are competitive and sufficient to attract, retain and motivate personnel. In setting remuneration packages, the Group considers the regulatory requirements, salary, and employment conditions by benchmarking against companies in the same industry. In addition, the Group continues to extend industry standard employment benefits to all full-time employees, including but not limited to medical reimbursements in accordance with the Work Injury Compensation Act 2019 of Singapore, personal accident insurance, as well as maternity and childcare leave.

The Group ensures that all employees working for us who are parents are entitled to an 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 33 employees took parental leave for FY2024 (FY2023: 29). The Group has achieved a 100% return-to-work rate (FY2023: 97%) and 79% retention rate (FY2023: 52%) for employees who took parental leave.

**FY2024**

| | Distribution by Gender | |
|---|---|---|
| **Total number of employees that were entitled to parental leave** | 7 | 26 |
| **Total number of employees that took parental leave** | 7 | 26 |
| **Total number of employees that returned to work in the reporting period after parental leave ended** | 7 | 26 |

# SUSTAINABILITY REPORT

| | FY2024 Distribution by Gender | |
|---|---|---|
| **Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work** | 6 | 17 |
| **Return to work rates of employees who took parental leave*** | 100% | 100% |
| **Retention rates of employees that took parental leave**** | 86% | 65% |

* The return-to-work rates of employees is calculated by dividing the number of employees that returned to work after parental leave in the financial year by the number of employees that took parental leave in the financial year.

** The retention rates of employees who took parental leave are calculated by dividing the number of employees that returned to work after parental leave in the last financial year that were still employed in the current financial year by the number of employees that returned to work after parental leave in the last financial year.

The welfare and wellbeing of our employees are of great importance to us. In addition to the employee benefit detailed above, the Group has also organised additional initiatives for all employees, including:

- 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 Festival.

**FY2024 Targets and Performance**

| Target | Status | Performance |
|---|---|---|
| Fully comply with Singapore Employment Act of Singapore. | Achieved | The Group has strictly complied with the Employment Act of Singapore during FY2024. |
| Closely monitor employee well-being aiming to reduce employee turnover. | Achieved | The Group adopts an open door policy, and small group meetings between employees and Management are held to solicit feedback on employees' concerns and grievances, as Management considers small group meetings to be more effective and efficient. |

**FY2025 Targets**

- Fully comply with Singapore Employment Act of Singapore.
- Closely monitor employee wellbeing aiming to reduce employee turnover.

**GRI 403: OCCUPATIONAL HEALTH AND SAFETY**

At our organisation, we prioritise the safety and well-being of our valued employees. We consistently evaluate the safety requirements of our workplace and implement effective safety protocols to bolster operational safety. Our belief is that by preventing worker injuries, we not only prioritise our employees' welfare but also create a safer environment for our patients while optimising resource utilisation for the entire organisation.

We recognised the potential risk of operating radiational medical and therapeutic equipment and have implemented policies and procedures to ensure radiation safety. 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 NEA is required to possess and use such equipment. The Group possesses such licences 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 strictly adhere to guidelines when operating these machines. To ensure continued compliance, the licences for such equipment are renewed annually with the NEA and we are BizSAFE certified.

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 Group 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 and 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 the world learns to live with COVID-19, the Group 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 Group closely monitors all its measures adopted on a monthly basis to ensure continued vigilance and safe management measures are enforced.

Our occupational health and safety system is implemented in compliance with the requirements of related laws and regulations, including but not limited to the Radiation Protection Act, and is applied to all employees under the Group's direct operational control.

Our commitment to protect the health and safety of our employees is supported by our track record. For the last consecutive 5 years since 2019, there were zero work-related fatalities, zero high-consequence work-related injuries, zero reportable work-related injuries, zero absentees due to reportable work-related injury or disease, and there were no incidents of non-compliance with safety laws, requirements, and standards in FY2024.

# SUSTAINABILITY REPORT

| FY2024 Targets and Performance | | |
|---|---|---|
| **Target** | **Status** | **Performance** |
| Zero fatalities and/or workplace injuries. | Achieved | The Group had no records of fatalities or workplace injuries during FY2024. |
| Evaluate and identify safety hazards to improve health and safety practices every 2 years. | Achieved | The diligent efforts of our administrative support team play a pivotal role in ensuring that our clinics comply with regulatory requirements. Together with our medical practitioners, they oversee and maintain adherence to all necessary standards. To keep everyone informed, any pertinent updates related to compliance will be thoroughly discussed during our quarterly meetings, in which the admin support team actively participates. |
| Conduct annual safety training to educate employees on the best health and safety practices. | Achieved | Our medical team is trained to handle medical equipment and dispose of biohazard waste. |

| FY2025 Targets |
|---|
| ✓ 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

We recognise that employees need to stay updated in their skill sets in our ever-changing global working environment. To encourage and support our employees to develop their potential and craft out a fulfilling career, both on-the-job formal and ad-hoc training sessions are made available to our employees in FY2024. Employees are encouraged to attend courses which are relevant to their respective job scopes.

The Group places high priority on these training sessions, which aim to empower employees with technical skills and ensure safety across different modes of operations. Some of these training sessions include:

- Artificial Intelligence in Healthcare Training
- Diploma in Retail
- Personal Data Protection Act ("**PDPA**") Training
- Financial Reporting Courses
- System Training (including Microsoft Office, HR Analytics, General Management etc.)
- Analytics

### Programmes for Upgrading Employee Skills and Developing Human Capital

The Group is committed to equipping employees with the relevant skills to meet the strategic targets of the Group. We believe that having more skilled employees will enhance our human capital and contribute to their satisfaction, resulting in improved overall performance. To incentivise employees to engage in continuous learning and self-improvement, employees may be offered potential salary increments or other employment benefits in the event that they obtain higher education qualifications or 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. Internal surveys are also conducted to obtain employees' opinion on the effectiveness and relevancy of the training provided.

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**Performance and Career Development Review**

Performance and career development review of employees are performed during the performance appraisal process. This is conducted annually and incorporates a two-way communication and engagement process between supervisors and subordinates to assess the performance of the employee. After completion of the appraisal process, decisions regarding career advancement, such as promotion, quantum of salary increments, and annual variable bonus will be determined based on the results of the performance appraisal. In FY2024, approximately 67% (FY2023: approximately 59%) of employees were assessed based on their experience, qualifications, and performance. The average training hours per employee in FY2024 was approximately 6.14 hours (FY2023: 0.20 hours).

| | FY2024 | | | |
|---|---|---|---|---|
| | Distribution by Gender | | | |
| | Male | | Female | |
| Average Training Hours (hours)* | 1.37 | | 7.34 | |
| | Distribution by Employee Category | | | |
| | Executive Level | Senior Management Level | Middle Management Level | General Employees |
| Average Training Hours (hours)* | 0.29 | 12.71 | 4.43 | 5.77 |

| | FY2023 | | | |
|---|---|---|---|---|
| | Distribution by Gender | | | |
| | Male | | Female | |
| Average Training Hours (hours)* | 0.37 | | 0.16 | |
| | Distribution by Employee Category | | | |
| | Executive Level | Senior Management Level | Middle Management Level | General Employees |
| Average Training Hours (hours)* | 0.50 | 0.29 | 0.23 | 0.13 |

* The average training hours by category is calculated by dividing the total training hours by category by the total number of employees by category at the end of the financial year.

# SUSTAINABILITY REPORT

The Group shall continue to provide training and education opportunities through appropriate development programmes whilst fostering a conducive corporate environment that enables individual to achieve their full potential.

| FY2024 Targets and Performance | | |
|---|---|---|
| **Target** | **Status** | **Performance** |
| Achieve an average of 2 hours of training per employee annually. | Achieved | The average training hours per employee was 6.14 hours during FY2024. |

| FY2025 Targets |
|---|
| ✓ Achieve an average of 2 hours of training per employee annually. |

**GRI 405: DIVERSITY AND EQUAL OPPORTUNITY**

As at 31 March 2024, the Group has a total of 95 employees, all of which are permanent employees. There are 75 male full-time employees, 19 female full-time employees and 1 male part-time employees. The breakdown of employees is as follow:

| | As at 31 March 2024 | | | As at 31 March 2023 | | | As at 31 March 2022* | | |
|---|---|---|---|---|---|---|---|---|---|
| **Total No. of Employees** | 95 | | | 99 | | | 102 | | |
| | **Distribution by Gender (Total Employees)** | | | | | | | | |
| **% of Total Employees by Gender** | 20% | 80% | | 19% | 81% | | 23% | 77% | |
| | **Distribution by Age Group (Total Employees)** | | | | | | | | |
| | **<30** | **30-50** | **>50** | **<30** | **30-50** | **>50** | **<30** | **30-50** | **>50** |
| **% of Total Employees by Age Group** | 22% | 71% | 7% | 26% | 66% | 8% | 25% | 69% | 7% |
| | **Distribution by Gender (Board Members)** | | | | | | | | |
| **% of Board Members by Gender** | 100% | – | | 100% | – | | 100% | – | |
| | **Distribution by Age Group (Board Members)** | | | | | | | | |
| | **<30** | **30-50** | **>50** | **<30** | **30-50** | **>50** | **<30** | **30-50** | **>50** |
| **% of Board Members by Age Group** | – | 20% | 80% | – | 40% | 60% | – | 40% | 60% |

* The data has been restated.

Due to the inherent nature of our services, medical nurses and clinical staffs make up the majority of our headcount, resulting in a higher percentage of female employees. The Group, however, makes a conscious effort to maintain diversity within middle management in order to foster creativity and innovation and enhance the organisation's culture. There were no reported incidences of workplace discrimination raised by our employees in FY2024.

| FY2024 Targets and Performance | | |
|---|---|---|
| **Target** | **Status** | **Performance** |
| Continue to promote diversity and equal opportunity in the workplace. | Achieved | We are committed to building a diverse and inclusive culture within the Group through the adoption of fair employment practices. |
| Strictly prohibit discrimination and maintain a track record of zero incidents of reported discrimination. | Achieved | The Group has successfully maintained a track record of zero incidents of reported discrimination. |

| FY2025 Targets |
|---|
| ✓ Continue to promote diversity and equal opportunity in the workplace. |
| ✓ Strictly prohibit discrimination and maintain a track record of zero incidents of reported discrimination. |

**GRI 416: CUSTOMER HEALTH AND SAFETY**

As a healthcare provider, protecting the health and safety of our customers has always been our top priority.

During FY2024, there were no customer fatalities or reportable injuries due to medical errors or accidents. Moreover, there were no instances of reportable non-compliance with regulations pertaining to the health and safety impacts of products and services that would result in fines, penalties, warnings, or violations of voluntary codes.

| FY2024 Targets and Performance | | |
|---|---|---|
| **Target** | **Status** | **Performance** |
| Maintain full compliance with the relevant regulations. | Achieved | The Group has maintained full compliance with the relevant regulations. |
| Maintain a track record of zero incidents of fatalities or injuries due to medical errors or accidents. | Achieved | The Group has successfully maintained a track record of zero incidents of fatalities or injuries due to medical errors or accidents. |

| FY2025 Targets |
|---|
| ✓ Maintain full compliance with the relevant regulations. |
| ✓ Maintain a track record of zero incidents of fatalities or injuries due to medical errors or accidents. |

# SUSTAINABILITY REPORT

## 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 Group has formalised process and policies in place to guide its employees to discharge their duties diligently.

The Group has an established policy pertaining to the protection of personal data 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 relevant identification is required for the collection of any medical related documents.

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

The Group maintains strict controls to safeguard the usage of patients' personal data. Prior to sending any marketing, advertising or promotional information, materials, or documents related to the Group's products, services and activities to patients, patient consent and authorisation are necessary.

According to relevant laws and regulations, the Group is obligated to properly dispose of documents containing personal data. To ensure the secure disposal of private, confidential, or otherwise sensitive documents, document shredders are provided in all clinics and office locations.

Patients have the option to submit complaints or provide feedback through the Company's website or by using a feedback form available at the clinic. During FY2024, the Group did not receive any substantiated complaints, nor were any complaints escalated to the relevant regulatory bodies. Furthermore, there have been no instances of customer data leaks, thefts, or losses identified in FY2024.

| FY2024 Targets and Performance | | |
|---|---|---|
| **Target** | **Status** | **Performance** |
| Conduct e-training at least once a year to ensure all employees are updated on the latest cybersecurity threats and PDPA practices. | Achieved | The Group successfully implemented e-learning focused on cybersecurity and provided external PDPA training from professional third-party during FY2024. To address this, e-training will be conducted on an annual basis to ensure that all employees are equipped with up-to-date knowledge regarding 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. | Achieved | The Group has received zero complaints concerning breaches of customer privacy and encountered zero known incidents of identified leaks, thefts, or losses of customer data. |

| FY2025 Targets |
|---|
| ✓ Conduct e-training at least once a year 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. |

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## GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

| | | | |
|---|---|---|---|
| Statement of use | Livingstone Health Holdings Limited has reported the information cited in this GRI content index for the period 1 April 2023 to 31 March 2024 with reference to the GRI Standards. | | |
| GRI 1 used | GRI 1: Foundation 2021 | | |
| **Category** | **Disclosure** | **Description** | **Page Reference and Remarks** |
| GRI 2: General Disclosures 2021 | 2-1 | Organizational details | Contents page and page 1 |
| | 2-2 | Entities included in the organization's sustainability reporting | Page 17 |
| | 2-3 | Reporting period, frequency and contact point | Pages 17-18 |
| | 2-4 | Restatements of information | Pages 27, 32 |
| | 2-6 | Activities, value chain and other business relationships | Page 18 |
| | 2-7 | Employees | Pages 32-33 |
| | 2-9 | Governance structure and composition | Refer to Annual Report 2024 – Corporate Governance Report |
| | 2-11 | Chair of the highest governance body | Refer to Annual Report 2024 – Corporate Governance Report |
| | 2-12 | Role of the highest governance body in overseeing the management | Pages 16-17 |
| | 2-13 | Delegation of responsibility for managing impacts | Pages 16-17 |
| | 2-14 | Role of the highest governance body in sustainability reporting | Pages 16-17 |
| | 2-15 | Conflicts of interest | Refer to Annual Report 2024 – Corporate Governance Report |
| | 2-19 | Remuneration policies | Refer to Annual Report 2024 – Corporate Governance Report |
| | 2-20 | Process to determine remuneration | Refer to Annual Report 2024 – Corporate Governance Report |
| | 2-22 | Statement on sustainable development strategy | Page 18 |
| | 2-27 | Compliance with laws and regulations | Pages 23-24 |
| | 2-29 | Approach to stakeholder engagement | Pages 19-20 |

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| Category | Disclosure | Description | Page Reference and Remarks |
|---|---|---|---|
| GRI 3: Material Topics 2021 | 3-1 | Process to determine material topics | Page 20 |
| | 3-2 | List of material topics | Page 20 |
| | 3-3 | Management of material topics | Pages 21-34 |
| GRI 201: Economic Performance 2016 | DMA | Management approach disclosures | Page 21 |
| | 201-1 | Direct economic value generated and distributed | Refer to Annual Report 2024 – Notes to The Financial Statement – Note 5 and 6 |
| | 201-4 | Financial assistance received from government | Refer to Annual Report 2024 – Notes to The Financial Statement – Note 5 and 6 |
| GRI 205: Anti-corruption 2016 | DMA | Management approach disclosures | Page 22 |
| | 205-3 | Confirmed incidents of corruption and actions taken | Page 22 |
| GRI 302: Energy 2016 | DMA | Management approach disclosures | Page 23 |
| | 302-1 | Energy consumption within the organization | Page 23 |
| | 302-3 | Energy intensity | Page 23 |
| GRI 305: Emissions 2016 | DMA | Management approach disclosures | Page 24 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Page 24 |
| | 305-4 | GHG emissions intensity | Page 24 |
| GRI 306: Waste 2020 | DMA | Management approach disclosures | Page 24 |
| | 306-2 | Management of significant waste-related impacts | Page 24 |
| GRI 401: Employment 2016 | DMA | Management approach disclosures | Pages 26-28 |
| | 401-1 | New employee hires and employee turnover | Pages 26-27 |
| | 401-3 | Parental leave | Pages 27-28 |

| Category | Disclosure | Description | Page Reference and Remarks |
|---|---|---|---|
| GRI 403: Occupational Health and Safety 2018 | DMA | Management approach disclosures | Pages 29-30 |
| | 403-1 | Occupational health and safety management system | Pages 29-30 |
| | 403-9 | Work-related injuries | Pages 29-30 |
| GRI 404: Training and Education 2016 | DMA | Management approach disclosures | Pages 30-32 |
| | 404-1 | Average hours of training per year per employee | Page 31 |
| | 404-2 | Programs for upgrading employee skills and transition assistance programmes | Page 30 |
| | 404-3 | Percentage of employees receiving regular performance and career development reviews | Page 31 |
| GRI 405: Diversity and Equal Opportunity 2016 | DMA | Management approach disclosures | Page 33 |
| | 405-1 | Diversity of governance bodies and employees | Page 32 |
| GRI 416: Customer Health and Safety 2016 | DMA | Management approach disclosures | Page 33 |
| | 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Page 33 |
| GRI 418: Customer Privacy 2016 | DMA | Management approach disclosures | Page 34 |
| | 418-1 | Complaints concerning breaches of customer privacy and losses of customer data | Page 34 |

# SUSTAINABILITY REPORT

## TCFD CONTENT INDEX

| TCFD PILLAR | RECOMMENDED DISCLOSURE | LOCATION/EXPLANATION |
|---|---|---|
| GOVERNANCE | Describe the board's oversight of climate-related risks and opportunities | Page 25 |
| | Describe management's role in assessing and managing climate-related risks and opportunities | Page 25 |
| STRATEGY | Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term | Page 25 |
| | Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning | Page 25 |
| | Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | The Group has assessed its resilience based on its best understanding of the current trend of climate change. We will strive to adopt different climate-related scenarios when addressing climate resilience in the Company's sustainability reports in upcoming years. |
| RISK MANAGEMENT | Describe the organization's processes for identifying and assessing climate-related risk | Page 25 |
| | Describe the organization's processes for managing climate-related risks | Page 25 |
| | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management | Page 25 |
| METRICS AND TARGET | Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process | Page 25 |
| | Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks | Page 25 |
| | Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets | Page 25 |

# SUSTAINABILITY REPORT

Disclaimer:

This sustainability report ("Report") may include statements that present the Group's current expectations regarding future events or results. All forward-looking statements involve various known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include but are not limited to changes in laws and regulations and interpretations thereof, and other factors beyond our control. Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Report, undue reliance must not be placed on these statements. All forward-looking statements by or attributable to us, or any person(s) acting on our behalf, contained in this Report are expressly qualified in their entirety by such factors. Neither the Company, nor any of the other group companies represents or warrants that our actual future results, performance or achievements will be as discussed in these statements, and none of the Group companies guarantees that such statements will prove to be accurate. The Group disclaims any responsibility to update any of these forward-looking statements or publicly announce any revisions to these forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

# 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. DAX NG YUNG SERN**
Executive Director and Chief Commercial 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

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12 Marina Boulevard
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## AUDITORS

**FORVIS MAZARS LLP (FKA MAZARS LLP)**
PARTNER-IN-CHARGE: MR. WONG ZI EN
(Appointed since the financial year ended 31 March 2024)

## SHARE REGISTRAR/SHARE TRANSFER AGENT

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# CORPORATE GOVERNANCE **REPORT**

## INTRODUCTION

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

This report ("**CG Report**") describes the Company's corporate governance practices for the financial year ended 31 March 2024 ("**FY2024**"), with specific reference to the provisions of the Code of Corporate Governance 2018 (the "**Code**") and the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"). The Company has adhered to the principles and provisions as set out in the Code and the Catalist Rules, as the case may be. In respect of any deviation from provision of the Code, appropriate explanations have been provided in this CG Report in accordance to the requirements of the Catalist Rules. In this CG Report, the Company defines the term "key management personnel" to mean the Executive Officers of the Company. The term "Executive Officers" carries the same meaning as defined in the Catalist 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** Provision 1.1

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

(a) provide entrepreneurial leadership, and review strategic plans and objectives, which include appropriate focus on value creation and sustainability;

(b) ensure that the necessary financial and human resources are in place for the Company to meet its strategic objectives;

(c) establish and maintain a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of Shareholders' interests and the Company's assets;

(d) review the performance of the Company;

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

# CORPORATE GOVERNANCE REPORT

(f) instil an ethical corporate culture and ensure that the Company's values and standards (including ethical standards), policies and practices are consistent with the Company's culture;

(g) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and

(h) approve major investment and divestment proposals.

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

The Board has put in place policies, structures and mechanisms to ensure compliance with legislative and regulatory requirements. In particular, to achieve a higher standard of corporate governance, the Company has implemented a whistle-blowing policy to guide the staff of the Company in reporting matters concerning suspected fraud, corruption, dishonest practices or other similar breaches. Further details can be found in the Company's disclosures in relation to Provision 10.1 of this CG Report and in the Company's 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** Provision 1.2

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, skill 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.

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 is of the view that training is not required because the Director has other relevant experience, the basis of the Nominating Committee's assessment will be disclosed. Mr Dax Ng Yung Sern was appointed as Executive Director of the Company on 8 July 2024. Mr Dax Ng Yung Sern has completed Listed Entity Directorship (LED) courses 1-4 conducted by the Singapore Institute of Directors as prescribed by the SGX-ST.

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 the SGX-ST. In addition, all Directors of the Company, save for Mr Dax Ng Yung Sern who was appointed subsequent to FY2024, have attended the training on sustainability matters as prescribed by the SGX-ST. Mr Dax Ng Yung Sern will complete the relevant mandatory training within one year of his appointment to the Board.

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.

# CORPORATE GOVERNANCE **REPORT**

**Matters Requiring Board Approval** Provision 1.3

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.

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;

(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** — Provision 1.4

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.

Catalist Rule 406(3)(c)

Catalist Rule 406(3)(e)

Catalist Rule 1204(10B)

**Board Composition**

As at the date of this CG Report, the Board comprises six (6) Directors as set out below pursuant to Rule 1204(10B) of the Catalist Rules:

| Name of Director | Designation | Date of First Appointment | Date of Last Re-Election | AC | NC | RC |
|---|---|---|---|---|---|---|
| Teh Wing Kwan | Non-Executive Chairman<br>Executive Chairman and Chief Executive Officer<br>Non-Executive and Non-Independent Chairman | 27 June 2018<br>24 July 2018<br>4 February 2021 | 29 July 2022 | Member | Member | Member |
| Tay Ching Yit, Wilson | Executive Director and Chief Executive Officer | 4 February 2021 | 30 July 2021 | – | – | – |
| Dax Ng Yung Sern[(1)] | Executive Director and Chief Commercial Officer | 8 July 2024 | N/A | – | – | – |
| Fong Heng Boo | Lead Independent and Non-Executive Director | 20 July 2018 | 29 July 2022 | Chairman | Member | Member |
| Lim Jun Xiong Steven | Independent and Non-Executive Director | 4 February 2021 | 27 July 2023 | Member | Chairman | Member |
| Chan Yu Meng | Independent and Non-Executive Director | 20 July 2018 | 27 July 2023 | Member | Member | Chairman |

**Note:**

(1) Mr Dax Ng Yung Sern was appointed as an Executive Director of the Company with effect from 8 July 2024, and shall be required to seek re-election at the Company's forthcoming annual general meeting pursuant to Regulation 108 of the Company's Constitution.

# CORPORATE GOVERNANCE REPORT

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.

**Board Meetings**

Provision 1.5

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.

The Board meet at least quarterly to review and consider the Group's key activities, strategies and financial performance. The Board will also 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 | | AC Meetings | | NC Meetings | | RC Meetings | |
|---|---|---|---|---|---|---|---|---|
| | Held | Attended | Held | Attended | Held | Attended | Held | Attended |
| Teh Wing Kwan | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 1 |
| Tay Ching Yit, Wilson | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 1 |
| Dax Ng Yung Sern[(1)] | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Fong Heng Boo | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 1 |
| Lim Jun Xiong Steven | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 1 |
| Chan Yu Meng | 4 | 4 | 4 | 4 | 1 | 1 | 1 | 1 |

**Note:**

(1) Mr Dax Ng Yung Sern was appointed as an Executive Director of the Company with effect from 8 July 2024, after the conclusion of the financial year under review.

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

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

**Directors' Access to Information** Provision 1.6

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.

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.

# CORPORATE GOVERNANCE **REPORT**

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

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

The Company Secretary (or his or her representative) administers, attends and prepares minutes of all the Board and Board Committees meetings and assists the Chairman of the Board and/or the AC, NC and RC in ensuring proper procedures at such meetings are followed and reviewed so that the Board and the Board Committees function effectively. The Company Secretary's responsibilities include advising the Board on all governance matters; attending all Board and Board 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.***

**Independence of Directors**

Provision 2.1

As at the date of this CG Report, the three (3) Independent and Non-Executive Directors of the Company are namely Mr Fong Heng Boo, Mr Lim Jun Xiong, Steven and Mr Chan Yu Meng (the "**Independent Directors**"). Mr Fong Heng Boo is the Company's Lead Independent and Non-Executive Director.

Catalist Rule 406(3)(d)

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.

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 REPORT

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 is or 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 CG Report, the term "immediate family" shall carry the same meaning as defined in the Catalist Rules.

The Board has also considered the new Rule 406(3)(d)(iv) of the Catalist Rules which came into effect on 11 January 2023. As Rule 406(3)(d)(iv) of the Catalist Rules applies for financial years ending on or after 31 December 2023, the Company is accordingly subject to its application. Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules, an Independent Director who has held his or her position for an aggregate period of more than nine (9) years (whether before or after listing) will cease to be independent thereafter. However, such director may continue to be considered independent until the conclusion of the next annual general meeting of the Company.

The Independent and Non-Executive Directors have declared their independence for FY2024, pursuant to their compliance with the guidelines under the Code and with Rule 406(3)(d)(i), (ii) and (iv) 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.

Provision 2.2

It is a provision 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.

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)

Mr Teh Wing Kwan, the Company's Non-Independent and Non-Executive Chairman, is not considered independent. Although the Company is in compliance with the Catalist Rules as Independent Directors make up more than one-third of the Board (three (3) Independent Directors out of a six (6) member Board), the Company acknowledges that this constitutes a variation from Provision 2.2 of the Code as the Independent Directors do not make up a majority of the Board when the Chairman is not independent. Nonetheless, the Company is of the view that the intent of Principle 2 was met, as the Company had implemented measures to provide a strong independent element on the Board. These measures include the following:

(a) having a Lead Independent Director who also chairs the AC and who is available to Shareholders if they have concerns;

(b) the AC being comprised of a majority of Independent Directors as its members, including its chairman;

(c) the various Board Committees (AC, RC and NC) being chaired exclusively by Independent Directors;

(d) the various Board Committees (AC, RC and NC) being comprised entirely of Non-Executive Directors; and

(e) the Chairman, though not independent, is a Non-Executive Director and is therefore not involved in the management of the Company.

Furthermore, the NC had undertaken a review of the Board's size and composition and is of the view that the current Board size of six (6) Directors is appropriate when considered against the nature and scope of the Group's operations. The NC is also of the view that the current Board composition represents a good mix of skills, experience, expertise and industry knowledge to facilitate effective decision-making. Please refer to Provision 2.4 below for more details on the composition of the Board.

Accordingly, the Company is of the view that it has complied with the intent of the Principle 2 despite varying from Provision 2.2.

As at the date of this CG Report, the Board has four (4) Non-Executive Directors, making up the majority of the Board. The Non-Executive Directors comprise Mr Teh Wing Kwan, Mr Fong Heng Boo, Mr Lim Jun Xiong Steven and Mr Chan Yu Meng. Provision 2.3

The NC is responsible for examining the size and composition of the Board and Board Committees. As at the date of this CG Report, the Board comprised six (6) members. Having considered the scope and nature of the Group's business and the requirements of the business, the NC believes that its Board size and the existing composition of the Board Committees are appropriate. Provision 2.4

# CORPORATE GOVERNANCE **REPORT**

**Board Diversity Policy**

Catalist Rule 710A

The Company endorses the principles of board diversity as set out in the Code and the practice guidance thereto. Accordingly and pursuant to Rule 710A(1) of the Catalist Rules, the Company has adopted a Board Diversity Policy ("**Diversity Policy**"), with the NC responsible for reviewing and assessing the Board composition on behalf of the Board and recommending the appointment of new Directors.

The Company believes that a diverse Board will enhance the decision-making of the Board by utilising a variety of skills, experiences, genders, ages, nationalities, educational and professional industry backgrounds, and other relevant distinguishing attributes of each member of the Board, so as to avoid groupthink and foster constructive debate.

The Company's Diversity Policy sets out the Company's targets to achieving diversity on its Board, primarily by identifying director nominees with diverse skills and expertise in multi-disciplinary medical and healthcare industry, finance and accounting, banking, investment, strategic planning, retail, infrastructure, technology, legal and environment and sustainability issues, so as to achieve an optimal balance and mix of Directors.

The Company's plans and timelines to achieving diversity involves the Board taking 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, taking into account a wide variety of factors, as discussed above, to assess if the existing attributes and core competencies of the Board are complementary and will enhance the diversity and efficacy of the Board, and to make relevant and appropriate recommendations to 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.

In conducting the annual review, the determination of appropriate targets and plans for diversity will also depend on the business and operational circumstances, objectives and strategies of the Company at the relevant time and deciding if the current composition of Directors suitably meets the then needs of the Company.

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.

The Board currently comprises six (6) members. The Board reviewed and considered its composition appropriate, taking into account the nature and scope of the Group's operations and requirements of the business. The Board also reviewed and 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. In addition, the Board reviewed and determined that the diversity of the Directors' experience allows for effective decision-making, and 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, and serves the needs and plans of the Company. The profiles of the Directors are set out in the Board of Directors section of this Annual Report.

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 the appointment of new Directors and Board succession planning.

In respect of FY2024, the NC set the following targets for the Company, namely gender diversity, age diversity and diversity in involvement with the operations of the Group.

Regarding gender diversity, the NC established objectives for the composition of the Board and key management personnel. Specifically, the NC aimed for the inclusion of at least: (i) one female Director on the Board; and (ii) one female among the key management personnel, as defined in the Code. During FY2024, the Company did not achieve the target of having one female Director. However, it successfully met the target for female representation among key management personnel, with 2 females out of a total of 7 key management personnel, constituting approximately 29% of the key management personnel.

# CORPORATE GOVERNANCE **REPORT**

Concerning age diversity, the objective was to have Board members distributed across at least two distinct age bands, spanning ten years each. In FY2024, this goal was achieved, with Board composition as follows: one Director aged between 40 to 49, two aged between 50 to 59, one aged between 60 to 69, and one aged between 70 to 79. These Directors represented approximately 20%, 40%, 20% and 20% of the total Board membership, respectively.

With respect to diversity in involvement with the operations of the Group, the target was for Non-Executive Directors to constitute the majority of the Board. This target was met during FY2024, with four out of the five Board members being Non-Executive Directors, accounting for 80% of the Board. Following the appointment of Mr. Dax Ng Yung Sern as an Executive Director effective from 8 July 2024, the Board continues to meet this criterion, with four Non-Executive Directors out of a total of six, representing approximately 66.67% of the Board.

For the financial year ending 31 March 2025, the NC will continue to review the setting of appropriate targets for various aspects of diversity but the fundamental principle remains that the candidate must be of the right fit and meet the relevant needs and vision of the Company.

Provision 2.5

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.

***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.***

Provision 3.1

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.

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.

Mr Teh Wing Kwan and Dr Tay Ching Yit, Wilson are not immediate family members.

**Responsibilities of the Chairman**

Provision 3.2

The Chairman is responsible for the effective conduct of Board meetings. The Chairman's responsibilities in respect of Board proceedings include:

(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;

(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.

# CORPORATE GOVERNANCE **REPORT**

**Lead Independent and Non-Executive Director** Provision 3.3

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

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** Provision 4.1

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: Catalist Rule 406(3)(e)

(a) the review of succession plans for Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel;

(b) the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

(c) the review of training and professional development programs for the Board and its Directors; and

(d) the appointment and re-appointment of Directors (including alternate Directors, where applicable), having regard to the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance.

No alternate Directors have been appointed to the Board.

**Composition of NC**

Provision 4.2

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

- 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**

Catalist Rule 720(5)

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.

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.

Dr Tay Ching Yit, Wilson and Mr Fong Heng Boo shall retire pursuant to Regulation 104 of the Company's Constitution at the forthcoming AGM. Mr Dax Ng Yung Sern shall retire pursuant to Regulation 108 of the Company's Constitution at the forthcoming AGM, as he was appointed to the Board with effect from 8 July 2024 and will hold office only until the forthcoming AGM.

# CORPORATE GOVERNANCE REPORT

Dr Tay Ching Yit, Wilson, Mr Fong Heng Boo and Mr Dax Ng Yung Sern have given their consent to remain in office and have offered themselves for re-election at the forthcoming AGM. The NC has recommended and the Board has agreed that at the forthcoming AGM, Dr Tay Ching Yit, Wilson, Mr Fong Heng Boo and Mr Dax Ng Yung Sern are nominated for re-election. In making the recommendation, the NC has considered, amongst others, each of Dr Tay Ching Yit, Wilson's, Mr Fong Heng Boo's and Mr Dax Ng Yung Sern's competencies, commitment, overall contribution and performance to the Board (in the case of Dr Tay Ching Yit, Wilson and Mr Fong Heng Boo), as well as their respective roles and responsibilities in the Company and/or the Group. Each of Dr Tay Ching Yit, Wilson, Mr Fong Heng Boo and Mr Dax Ng Yung Sern had recused himself in the deliberation of his own re-election.

In addition, as alluded to under Provision 2.1 of this CG Report, Mr Fong Heng Boo has confirmed that:

(a) He is independent in conduct, character and judgement, and he does not have a relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company.

(b) He is not being employed by the Company or any of its related corporations for the current or any of the past three (3) financial years.

(c) He does not have an immediate family member (being a spouse, child, adopted child, step-child, sibling and parent) who is, or has been in any of the past three (3) financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RC.

(d) He has not been a Director of the Company for an aggregate period of more than nine (9) years (whether before or after listing).

Accordingly, the Board, as recommended by the NC, has reviewed and determined that Mr Fong Heng Boo is independent in accordance with the Catalist Rules and the Code.

Accordingly, Dr Tay Ching Yit Wilson, Mr Fong Heng Boo and Mr Dax Ng Yung Sern shall submit themselves for re-election at the forthcoming AGM.

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

**Selection, Appointment and Re-appointment Process** Provision 4.3

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.

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 a 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 the Company's 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 the Company's disclosure in respect of Provision 2.1 above for further details. Provision 4.4

# CORPORATE GOVERNANCE **REPORT**

**Multiple Directorships**

Provision 4.5

The NC ensures that new Directors are aware of their duties and obligations. Please refer to the Company's 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.

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, with the exception of Mr Dax Ng Yung Sern were able to participate in at least a substantial number of such meetings to carry out their duties. Mr Dax Ng Yung Sern was recently appointed as Executive Director with effect from 8 July 2024, which took place after the end of the financial year under review. 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 fulltime vocation or other responsibilities. Further, the Directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities. Instead, the NC will assess each potential or existing Director relative to his/her abilities and known commitments and responsibilities. Specific considerations are also given to their attendance, contactability and responsiveness, as well as contributions and individual capabilities.

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

| Name of Director | Date of appointment of Directorships or Chairmanships in the Company | Directorships or Chairmanships in other listed companies and other principal commitments | |
|---|---|---|---|
| | | **Present** | **Past 5 years** |
| Teh Wing Kwan | Appointed as Non-Executive Chairman on 27 June 2018<br><br>Re-designated as CEO and Executive Chairman on 24 July 2018<br><br>Re-designated as Non-Executive and Non-Independent Chairman on 4 February 2021 | **Directorships (Listed)**<br>Director of:<br>– China Vanadium Titato-Magnetite Mining Company Limited (HKEX)<br><br>**Principal Commitments**<br>Director of:<br>– Singapore VTM Mining Pte. Ltd.<br><br>Others:<br>– Koda Ltd. (SGX) (Advisor) | **Directorships (Listed)**<br>Nil<br><br>**Principal Commitments**<br>Nil |
| Dr Tay Ching Yit, Wilson | 4 February 2021 | **Directorships (Listed)**<br>Nil<br><br>**Principal Commitments**<br>Director of:<br>– Al Tirah Anaesthesia Services Pte. Ltd.<br>– Apicare Medical Pte. Ltd.<br>– Apicare Pain Specialist Pte. Ltd.<br>– Atlas Podiatry Pte. Ltd.<br>– Cove Sports & Reconstruction Pte. Ltd.<br>– Diagnostix Imaging Holding Pte. Ltd.<br>– LSH Surgisuites Pte. Ltd.<br>– Livingstone Endocrine Pte. Ltd.<br>– Livingstone Gastroenterology & Liver Pte. Ltd.<br>– Livingstone Health Ltd.<br>– Livingstone Health Consolidated Pte. Ltd.<br>– Phoenix Medical Group Pte. Ltd.<br>– The Bone and Joint Centre Pte. Ltd.<br>– Livingstone Health International Pte. Ltd.<br>– Prism Partnerships (SG) Pte. Ltd.<br>– Venture Investment Pte. Ltd. | **Directorships (Listed)**<br>Nil<br><br>**Principal Commitments**<br>Director of:<br>– DC Brothers Private Limited |

# CORPORATE GOVERNANCE **REPORT**

| Name of Director | Date of appointment of Directorships or Chairmanships in the Company | Directorships or Chairmanships in other listed companies and other principal commitments | |
|---|---|---|---|
| | | **Present** | **Past 5 years** |
| Dax Ng Yung Sern | 8 July 2024 | **Directorships (Listed)**<br>Nil<br><br>**Principal Commitments**<br>Director of:<br>– ALTX Alpha Pte. Ltd.<br>– Naki Consolidated Pte. Ltd.<br>– Olive Boulevard Pte. Ltd.<br>– Livingstone Health International Pte. Ltd.<br>– Prism Partnerships (SG) Pte. Ltd.<br>– Livingstone Health Consolidated Pte. Ltd.<br>– Phoenix Medical Group Pte. Ltd.<br>– PMG TH Pte. Ltd.<br>– Alo Ambulance Services Pte. Ltd.<br>– Ardennes Healthcare Pte. Ltd.<br>– Cove Dermatology Pte. Ltd.<br>– PMG INT 2 Pte. Ltd.<br>– PMGPO Pte. Ltd.<br>– Virtuemed Pte. Ltd.<br><br>Others:<br>– Chief Commercial Officer at Livingstone Health Holdings Limited | **Directorships (Listed)**<br>Nil<br><br>**Principal Commitments**<br>Director of :<br>– AC Venture Pte Ltd<br>– Al Tirah Anaesthesia Services Pte Ltd<br>– Cove Sports & Reconstruction Pte Ltd<br>– Livingstone Endocrine Pte Ltd<br>– Precision Medical Services Pte Ltd<br>– The Bone and Joint Centre Pte Ltd<br>– Livingstone Gastroenterology & Liver Pte Ltd<br>– Quantum Orthopaedics Pte Ltd<br>– Atlas Physiotherapy Pte Ltd (f.k.a Activfix Pte Ltd)<br>– Venture Investments Pte Ltd<br>– Atlas Podiatry Pte Ltd<br>– PMGXX Pte. Ltd.<br>– Livingstone Soriya Medical Specialists Co., Ltd (dissolved on 8 March 2023)<br><br>Others:<br>– Chief Business Officer at Livingstone Health Holdings Limited<br>– Chief Investment Officer at Livingstone Health Ltd. |

| Name of Director | Date of appointment of Directorships or Chairmanships in the Company | Directorships or Chairmanships in other listed companies and other principal commitments | |
|---|---|---|---|
| | | **Present** | **Past 5 years** |
| Fong Heng Boo | 20 July 2018 | **Directorships (Listed)**<br>Director of:<br>– Bonvest Holdings Limited (SGX)<br>– Keong Hong Holdings Limited (SGX)<br>– Kwan Yong Holdings Limited (HKEX)<br>– SY Holdings Ltd (f.k.a. Shengye Capital Ltd) (HKEX)<br>– TA Corporation Ltd (SGX)<br>– UOA Development Bhd (KLSE)<br><br>**Principal Commitments**<br>Director of:<br>– Agency for Integrated Care Pte Ltd<br>– Surbana Jurong Private Limited (f.k.a. TJ Holdings (II) Pte Ltd) | **Directorships (Listed)**<br>Director of:<br>– Asian American Medical Group Limited (ASX)<br>– Colex Holdings Pte. Ltd.<br>– CapitaLand China Trust Management Ltd (SGX) (f.k.a. CapitaLand Retail China Trust Management Ltd)<br>– Sapphire Corporation Ltd<br><br>**Principal Commitments**<br>Director of:<br>– Singapore Health Services Pte Ltd |
| Lim Jun Xiong Steven | 4 February 2021 | **Directorships (Listed)**<br>Director of:<br><br>– Baker Technology Limited (SGX)<br>– Riverstone Holdings Limited (SGX)<br>– Sinarmas Land Limited (SGX)<br>– Cosmosteel Holdings Limited (SGX)<br><br>**Principal Commitments**<br>Nil | **Directorships (Listed)**<br>Director of:<br><br>– Bund Center Investment Ltd (SGX)<br>– Emerging Towns & Cities Singapore Ltd. (SGX)<br>– Hong Fok Corporation Limited (SGX)<br>– Mirach Energy Limited (SGX)<br>– Keong Hong Holdings Limited (SGX)<br><br>**Principal Commitments**<br>Nil |
| Chan Yu Meng | 20 July 2018 | **Directorships**<br>Director of:<br>– Avi-Tech Holdings Limited (SGX)<br><br>**Principal Commitments**<br>Others:<br>– Golden Energy and Resources Pte. Ltd. (Head of Legal, Risk and Compliance) | **Directorships**<br>Nil<br><br>**Principal Commitments**<br>Others:<br>– Lee & Lee (Partner) |

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

# CORPORATE GOVERNANCE **REPORT**

***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** Provision 5.2

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.

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.

## (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** Provision 6.1

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: Catalist Rule 406(3)(e)

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

- reviews and recommends to the Board specific remuneration packages for each Director as well as for the key management personnel;

- reviews and recommends to the Board the terms of service agreements of the Directors; and

- administers the Company's employee performance shares scheme and employee share option scheme.

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

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

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

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

# CORPORATE GOVERNANCE **REPORT**

**Composition of RC** Provision 6.2

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

- 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 of a majority of Independent and Non-Executive Directors.

**Remuneration consultant(s)** Provision 6.4

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.

***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** Provision 7.1

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.

The compensation structure for the Executive Directors and key management personnel consists of an annual basic salary alongside a performance-based incentive bonus, contingent on meeting predetermined financial performance metrics.

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 Directors 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 Directors 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 Directors 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. Following completion of the reverse takeover of Livingstone Health Ltd on 5 February 2021 ("**RTO**"), the Board, in consultation with the RC, is proposing the implementation of a new long-term performance share plan ("**2024 Performance Share Plan**") and a restricted share plan ("**2024 Restricted Share Plan**") to form the foundation and driver in aligning the long term interest of various stakeholders (including employees, management and ultimately, the Shareholders) and influencing significant growth potential improvement for generating and sustaining future value creation. The 2024 Performance Share Plan and 2024 Restricted Share Plan are subject to Shareholders' approval, which is proposed to be obtained at the forthcoming AGM.

If approved by Shareholders, the RC will be given the responsibility to administer both the 2024 Performance Share Plan and the 2024 Restricted Share Plan, unless the Board determines otherwise. The RC shall review and set appropriate performance conditions for each individual. The variable component will also take into account the risk policies of the Company, be symmetric with risk outcomes and be sensitive to time horizon risks. Further details on the 2024 Performance Share Plan and the 2024 Restricted Share Plan are set out in Provision 8.3 of this CG Report and the Company's letter to Shareholders dated 16 July 2024.

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

# CORPORATE GOVERNANCE **REPORT**

The remuneration of Non-Executive Directors 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

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 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 Directors owe fiduciary duties to the Company and the Company should be able to avail itself of remedies against the Directors 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.***

**Policy and Criteria for Setting Remuneration** Provision 8.1

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.

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 Directors' and key management personnel's interests with those of Shareholders and to motivate them to strive for the Group's long-term prosperity.

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

By selecting performance targets based on a balance of drivers and outcomes as described above and as disclosed in respect of Principle 7, 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 the 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.

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 2025. This recommendation will be tabled for Shareholders' approval at the forthcoming AGM.

# CORPORATE GOVERNANCE **REPORT**

**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$1,250,001 to S$1,500,000** | | | | | |
| Dr Tay Ching Yit, Wilson | 81.0 | 19.0 | – | – | 100 |
| **Below S$250,000** | | | | | |
| Mr Teh Wing Kwan | – | – | 100 | – | 100 |
| Mr Fong Heng Boo | – | – | 100 | – | 100 |
| Mr Lim Jun Xiong, Steven | – | – | 100 | – | 100 |
| Mr Chan Yu Meng | – | – | 100 | – | 100 |
| **Key Management Personnel** | | | | | |
| **S$750,001 to S$1,000,000** | | | | | |
| Dr Sebastian Chua | 88.9 | 11.1 | – | – | 100 |
| **S$250,001 to S$500,000** | | | | | |
| Dr Chua Hshan Cher | 87.7 | 12.3 | – | – | 100 |
| Mr Dax Ng Yung Sern | 88.9 | 11.1 | – | – | 100 |
| Dr Rachel Lim | 89.0 | 11.0 | – | – | 100 |
| **Below S$250,000** | | | | | |
| Ms Telvina Tan | 78.5 | 18.4 | – | 3.1 | 100 |
| Mr Wong Qingyuan | 95.6 | 4.4 | – | – | 100 |

Save as disclosed above, the Code recommends that the Company should fully disclose the amount and breakdown of remuneration of each individual Director and the CEO on a named basis. 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 RC and the Board are also of the opinion that the remuneration packages of the Executive Directors 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. 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.

Dr Sean Ng Yung Chuan, one of the orthopaedic surgeons of our Group, is an immediate family member of our Director, Mr Dax Ng Yung Sern. As an orthopaedic surgeon, Dr Sean Ng Yung Chuan received between S$500,000 to S$600,000 in remuneration in the financial year under review. Provision 8.2

In respect of the remuneration of Dr Tay Ching Yit, Wilson and Dr Sebastian Chua, the Company wishes to disclose their remuneration in bands of S$250,000 rather than S$100,000, which constitutes a variation from Provision 8.2 of the Code, and an explanation for this variation is set out above, in the disclosure in respect of Provision 8.1 above.

**Forms of remuneration and other payments and benefits** Provision 8.3

Catalist Rule 851

Catalist Rule 1204(16)

Please refer to our disclosure in respect of Provision 8.1 above for the Company's disclosure of all forms of remuneration and other payments and benefits paid by the Company to Directors and top key management personnel. 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, Dr Tay Ching Yit, Wilson and Mr Dax Ng Yung Sern, who apart from receiving their remuneration from the Company, do not receive any further remuneration from any other companies within the Group.

No employees or Directors of the Company are entitled to any termination, retirement or post-employment benefits.

As disclosed in respect of Provision 7.1 above, the compensation structure for the Executive Directors and key management personnel consists of an annual basic salary alongside a performance-based incentive bonus, contingent on meeting predetermined financial performance metrics.

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 performance-based incentive bonus is tied to the financial performance of the Group, business unit and individual employee.

For the financial year under review, the remuneration packages of the Company's two Executive Directors, one of whom is the CEO and the other is the Chief Commercial Officer ("**CCO**"), are based on terms stipulated in their service contracts. Both the CEO's and CCO's service contracts with the Company are for a fixed period. The Executive Directors do not receive any Directors' fee.

**2024 Performance Share Plan and 2024 Restricted Share Plan**

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 proposing the implementation of the 2024 Performance Share Plan and the 2024 Restricted Share Plan, at the forthcoming AGM.

Please refer to Appendix A to the Notice of General Meeting dated 16 July 2024 for further information in relation to the 2024 Performance Share Plan and the 2024 Restricted Share Plan.

# CORPORATE GOVERNANCE **REPORT**

## (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** Provision 9.1

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.

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

The Company's external auditors ("**EA**") are Forvis Mazars LLP (fka 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 CLA Global TS Risk Advisory Pte. Ltd. ("**CLA Global**"), 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 the Company's 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 EA 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 IA and the EA, review of the internal audit plan and the IA's 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 2024 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 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" section 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).

The Management maintains the risk management and internal control systems and the Board monitors the Group's risks through the AC and IA, 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.

# CORPORATE GOVERNANCE REPORT

The Company has set up an enterprise risk management framework whereby periodic enterprise risk assessments will be performed by the Management and the IA 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 with 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, primary healthcare and other healthcare-related services. Specialist healthcare includes Anaesthesiology and Pain Management, Orthopaedic Surgery, Dermatology, and Internal Medicine fields. Primary healthcare covers services provided by general practitioners or family physicians. Other healthcare services includes Aesthetics and Wellness, Allied Health, managing healthcare solutions, consultancy functions, and provision of management services. The Board 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).*

**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.

**COVID-19 Endemic** – 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, even with COVID-19 transitioning into an endemic phase, the healthcare industry in Singapore still faces ongoing challenges, as the sustained prevalence of the virus may continue to strain healthcare resources, and the emergence of new variants and periodic waves of infections may continue to cause unpredictability, necessitating rapid responses and adaptations in healthcare protocols and resources. 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 such challenges, 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.

The Board has received positive assurance from: Provision 9.2

(a) the CEO and the 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 the FC who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Catalist Rule 1204(10)

The Board relies on internal audit reports and the management letter prepared by the EA 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 IA and the EA, review of the internal audit plan and the IA's 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 2024 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its current business scope and environment.

# CORPORATE GOVERNANCE **REPORT**

***Principle 10: Audit Committee***

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

**AC's Key Terms of Reference**

Provision 10.1

Catalist Rule 406(3)(e)

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:

(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 the 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 IA and the EA 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 EA, and approving the remuneration and terms of engagement of the EA;

(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 EA and whether the provision of such services affects their independence.

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

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

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

**Whistle-Blowing Policy**

To achieve a high standard of corporate governance for the operations of the Group, the Group has implemented a whistle-blowing policy. This policy sets out the procedures and framework by which staff and other stakeholders can raise concerns on any illegal or unethical conduct or misconduct or wrongdoing relating to the Group and its officers 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.

# CORPORATE GOVERNANCE REPORT

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.

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

**Key Audit Matters**

The AC reviewed the key audit matter ("**KAM**") highlighted by the EA for the financial year ended 31 March 2024 on impairment assessment of goodwill and impairment assessment of investment in subsidiaries. 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" section of this Annual Report.

**Composition of AC** Provision 10.2

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

- 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 of 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 Lim Jun Xiong Steven and Mr Teh Wing Kwan have recent and relevant accounting and/or related financial management expertise or experience, while Mr. Chan Yu Meng has legal expertise, as the Board interprets such qualification in its business judgment.

None of the AC members are former partners or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two (2) years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and (b) for as long as they have any financial interest in the auditing firm or auditing corporation. Provision 10.3

**Internal Audit** Provision 10.4

As disclosed under Provision 9.1 of this CG Report, the Group's outsourced IA, CLA Global, performs its internal audit function. Catalist Rule 719(3)

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 has unfettered 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 IA.

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

CLA Global is an independent network member of CLA Global network for Asia and is recognised as an established mid-tier accounting firm for more than 25 years. CLA Global 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.

# CORPORATE GOVERNANCE **REPORT**

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 has access to all the Company's documents, records, properties and personnel, including access to the AC and having the co-operation of Management, the AC is satisfied with the independence of the IA, and is of the view that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group. Catalist Rule 1204(10C)

The AC meets annually with the Group's EA and IA, 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** Catalist Rule 1204(6)

Before confirming an external auditors' re-appointment, the AC will conduct an annual review of the independence of the Company's EA 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 EA. During the financial year under review, the remuneration paid/payable to the Company's EA, Forvis Mazars LLP (FKA Mazars LLP), is set out below:

| ***Fees Paid/Payable to External Auditors*** | | |
|---|---|---|
| **Service Category** | **S$,000** | **% of total** |
| Audit Fees | 150 | 98.4% |
| Non-Audit Fees | 2.5 | 1.6% |
| **Total** | **152.5** | **100.0%** |

The AC had conducted a review 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. The non-audit service fee is related to a gross turnover audit (GTO Audit).

In respect of the financial year under review, the EA has 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 Forvis 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 Forvis 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 Forvis 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 the Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. Forvis 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 Forvis Mazars LLP as the auditors of the Company and its subsidiaries.

Catalist Rule 712

Catalist Rule 715

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

***Principle 11: Shareholder Rights and Conduct of General Meetings***

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

**Conduct of Shareholder meetings**

Provision 11.1

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.

The Group is committed to providing 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 or volume.

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 or trade 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.

# CORPORATE GOVERNANCE **REPORT**

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.

The forthcoming AGM of the Company will be held by way of physical means and Shareholders will be able to attend the AGM in person. To enable Shareholders to participate effectively at the forthcoming AGM, the Company has set out detailed information on the arrangements relating to attendance at the AGM, the submission of questions in advance of the AGM, and the addressing of substantial and relevant questions in advance of and at the AGM.

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

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

The Company requires all Directors to be in attendance at the general meetings to address Shareholders' queries. The EA is 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 | 0 | 0 |
| Tay Ching Yit, Wilson | 1 | 1 | 0 | 0 |
| Dax Ng Yung Sern[(1)] | N/A | N/A | N/A | N/A |
| Fong Heng Boo | 1 | 1 | 0 | 0 |
| Lim Jun Xiong, Steven | 1 | 1 | 0 | 0 |
| Chan Yu Meng | 1 | 1 | 0 | 0 |

**Note:**

(1) Dax Mr Ng Yung Sern was appointed as the Executive Director of the Company with effect from 8 July 2024, after the conclusion of the financial year under review.

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. The Company has not amended its Constitution as the authentication of shareholder identity and other related security and integrity issues still remain a concern. Provision 11.4

The Company is of the opinion that despite its deviation from Provision 11.4 of the Code, the Constitution allows Shareholders to nevertheless have opportunities to communicate their views on matters affecting the Company even when they are not in attendance at general meetings, such as voting by proxy. 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.

Accordingly, the Board is of the view that the Company complies with Principle 11 of the Code.

Minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management are prepared by the Company, and made available to Shareholders on the Company's website and on the SGXNet within one (1) month after the relevant general meeting of the Company. Provision 11.5

**Dividend policy** Provision 11.6

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. Catalist Rule 704(23)

No dividend was declared or recommended for FY2024 due to net loss recorded by the Company and the Company has deemed it appropriate to conserve cash for working capital and future expansion plans.

# CORPORATE GOVERNANCE **REPORT**

***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** Provision 12.1

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.

Price and trade 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;

(c) Press Release on financial results and other key corporate developments;

(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.

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** Provision 12.2

In line with the continuous disclosure obligations of the Company under the Catalist 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 volume 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 12.3

The Management, 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.

## (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 engages 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.

# CORPORATE GOVERNANCE **REPORT**

How the Company engages with its diverse stakeholders, their expectations and concerns, how the Company responds to them, as well as the key areas of focus in relation to the management of stakeholder relationships are detailed in the Company's Sustainability Report, which is found on pages 16 to 39 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 corporate website (www.livingstonehealth.com.sg) to inform Shareholders about the Company's developments. The website is easy to read and is easily accessible from mobiles devices as well. Provision 13.3

## OTHER GOVERNANCE PRACTICES

Catalist Rule 1204(19)

### DEALINGS IN COMPANY'S SECURITIES

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 or trade 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")

Catalist Rule 1204(17)

The Company has in place a policy in respect of any transactions with interested persons 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 IPT 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. The interest free loans were fully repaid as at the date of this Annual Report. Please refer to the disclosure under the section entitled "Material Contracts" below for further details.

For FY2024, the Company has no general mandate for IPTs pursuant to Rule 920 of the Catalist Rules.

**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:

Catalist Rule 1204(8)

(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**"). As at 31 March 2024, the remaining Outstanding Balances due to Mr Teh Wing Kwan stand at S$175,000. The Company and Mr Teh Wing Kwan have reached an understanding for the Company to repay the remaining Outstanding Balances in monthly installments. The loans were fully repaid as at the date of this Annual Report. As the loans made by Mr Teh Wing Kwan to the Company are non-interest bearing, for the purposes of Chapter 9 and pursuant to Rule 909(3) of the Catalist Rules, the total value of this transaction is "NIL". No security was provided by the Company in respect of this loan.

**CONTINUING SPONSOR**

Catalist Rule 1204(21)

During FY2024, there was placement commission of S$45,000 paid to SAC Capital Private Limited, who was engaged as the placement agent for the Company's placement of up to 55,557,000 new ordinary shares in the capital of the Company completed on 22 February 2024. Save as disclosed, there were no other non-sponsor fees incurred in FY2024 paid or payable to the Company's sponsor, SAC Capital Private Limited.

# CORPORATE GOVERNANCE REPORT

## UPDATE ON USE OF PROCEEDS

Use of proceeds disclosure pursuant to Catalist Rule 1204(5)(f) and 1204(22) requirements are as below:–

(i) Use of proceeds from the placement

The Company refers to the net cash proceeds amounting to S$1.4 million raised from the Company's placement completed on 22 February 2024.

| **Use of net proceeds** | **Amount allocated (S$'000)** | **Amount utilised as at the date of this annual report (S$'000)** | **Balance of net proceeds as at the date of this annual report (S$'000)** |
|---|---|---|---|
| General working capital purposes | 927 | – | 927 |
| Business expansion, including acquisition | 500 | – | 500 |
| Total | 1,427 | – | 1,427 |

(ii) Use of proceeds from the Rights cum Warrants Issue

The Company refers to the net cash proceeds amounting to S$1.3 million raised from the Company's Rights cum Warrants Issue completed on 3 July 2024.

| **Use of net proceeds** | **Amount allocated (S$'000)** | **Amount utilised as at the date of this annual report (S$'000)** | **Balance of net proceeds as at the date of this annual report (S$'000)** |
|---|---|---|---|
| General working capital requirements | 754 | – | 754 |
| Business growth, acquisition and expansion | 518 | – | 518 |
| Total | 1,272 | – | 1,272 |

### Additional Information on Directors Seeking Re-election

| **Details** | **Name of Director** | | |
|---|---|---|---|
| | **Tay Ching Yit, Wilson** | **Fong Heng Boo** | **Dax Ng Yung Sern** |
| Date of Appointment | 04/02/2021 | 20/07/2018 | 08/07/2024 |
| Date of last re-appointment (if applicable) | 30/07/2021 | 29/07/2022 | N/A |
| Age | 45 | 74 | 45 |
| Country of principal residence | Singapore | Singapore | Singapore |
| The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, 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 Dr Tay Ching Yit, Wilson, is of the view that Dr Tay Ching Yit, Wilson has the requisite experience and capability to assume the responsibility as the Executive Director and Chief Executive Officer of the Company.<br><br>Accordingly, the Board of Directors approved the re-appointment of Dr Tay Ching Yit, Wilson as Executive Director and Chief Executive Officer of the Company. | The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr 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.<br><br>Accordingly, the Board of Directors approved the re-appointment of Mr Fong Heng Boo as the Lead Independent and Non-Executive Director of the Company. | The Board of Directors, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr Dax Ng Yung Sern ("**Mr Dax Ng**"), is of the view that Mr Dax Ng has the requisite experience and capability to assume the responsibility as the Executive Director and Chief Commercial Officer of the Company.<br><br>Accordingly, the Board of Directors approved the re-appointment of Mr Dax Ng as an Executive Director of the Company. |
| Whether appointment is executive, and if so, the area of responsibility | Executive<br>Chief Executive Officer | Non-Executive | Executive<br>Chief Commercial Officer<br>– Commercial and corporate development of the company and its subsidiaries and business interest<br>– Marketing and business development including strategic partnerships and business operational partnerships<br>– Works with the CEO and CFO on financial and corporate development matters including corporate finance, fundraising and deployment |
| Job Title (e.g. Lead ID, AC Chairman, AC Member etc.) | Executive Director and Chief Executive Officer | Lead Independent and Non-Executive Director of the Company. Chairman of Audit Committee, Member of the Remuneration Committee and the Nominating Committee. | Executive Director and Chief Commercial Officer |

# CORPORATE GOVERNANCE **REPORT**

| Details | Name of Director | | |
|---|---|---|---|
| | Tay Ching Yit, Wilson | Fong Heng Boo | Dax Ng Yung Sern |
| Professional qualifications | Registered Medical Specialist at Singapore Medical Council<br><br>Fellow at Academy of Medicine, Singapore<br><br>Certified Interventional Pain Sonologist (CIPS), 2016, World Institute of Pain (WIP)<br><br>Fellow of Interventional Pain Practice (FIPP), 2014, World Institute of Pain (WIP)<br><br>Fellowship in Chronic Pain Management, July 2011 – June 2012 St Joseph's Hospital, University of Western Ontario, London, Ontario, Canada<br><br>Master of Medicine (Anaesthesiology), 2009, National University of Singapore<br><br>Graduate Diploma in Acupuncture, 2008, Singapore College of Traditional Chinese Medicine<br><br>Bachelor of Medicine, Bachelor of Surgery (MBBS), 2004, National University | Bachelor of Accountancy (Honours) University of Singapore (now known as the National University of Singapore) | 1. Certificate in Prescription Drug Regulation, Cost, and Access: Current Controversies in Context at HarvardX<br><br>2. Certificate of Completion for MIT Fintech: Future Commerce online course at Massachusetts Institute of Technology<br><br>3. SMU Financial Training Institute Certificate: Framework for Conducting Private Equity Due Diligence (V) at Singapore Management University Financial Training Institute<br><br>4. SMU Financial Training Institute Certificate: Implementing Private Equitv Exit Strategies (V) at Singapore Management University Financial Training Institute<br><br>5. SMU Financial Training Institute Certificate: Sourcing Private Equity Deals & Fund Raising (V) at Singapore Management University Financial Training Institute<br><br>6. Capital Markets and Financial Advisory Services Examinations Module 6A – Securities and Futures Product Knowledge at The Institute of Banking & Finance<br><br>7. Capital Markets and Financial Advisory Services Examinations Module 9A – Life Insurance and Investment-Linked Policies II at Singapore College of Insurance<br><br>8. Capital Markets and Financial Advisory Services Examinations Module 8A – Collective Investment Schemes II at Singapore College of Insurance<br><br>9. Capital Markets and Financial Advisory Services Examinations Module 1B – Rules and Regulations for Dealing in Securities (Non-SGX-ST Members) at The Institute of Banking & Finance |

| Details | Name of Director | | |
|---|---|---|---|
| | Tay Ching Yit, Wilson | Fong Heng Boo | Dax Ng Yung Sern |
| | | | 10. Capital Markets and Financial Advisory Services Examinations Module 8 – Collective Investment Schemes at Singapore College of Insurance<br>11. Capital Markets and Financial Advisory Services Examinations Module 9 – Life Insurance and Investment-Linked Policies at Singapore College of Insurance<br>12. Certificate in Health Insurance Examination at Singapore at College of Insurance<br>13. Bachelor of Engineering (Chemical Engineering) at University of New South Wales<br>14. Capital Markets and Financial Advisory Services Examinations Module 5 – Rules and Regulations for Financial Advisory Services at Singapore College of Insurance<br>15. Associate member of Singapore Institute of Directors<br>16. National University of Singapore (NUS) School of Medicine: Artificial Intelligence (AI) for healthcare<br>17. Singapore Management University (SMU) Academy :<br>a) Conceptualizing Smart healthcare solutions<br>b) Analytics for Healthcare<br>c) Legal issue and risk management in Healthcare<br>d) Managing partnerships in digital health - Insurers & Insurance<br>e) Digital healthcare leadership |

# CORPORATE GOVERNANCE **REPORT**

| **Details** | **Name of Director** | | |
|---|---|---|---|
| | **Tay Ching Yit, Wilson** | **Fong Heng Boo** | **Dax Ng Yung Sern** |
| Working experience and occupation(s) during the past 10 years | Chief Executive Officer and Executive Diretor, 2020 - Present, Livingstone Health Holdings Limited<br><br>Executive Director, Nov 2019 – Present, Livingstone Health Ltd<br><br>Chief Executive Officer, Nov 2019 – Present, Livingstone Health Ltd<br><br>Chief Operations Officer, Dec 2017 – Nov 2019, Ardmore Medical Group<br><br>Director and Consultant, Sep 2015 – Present, Apicare Medical Pte Ltd<br><br>Visiting Consultant, Oct 2014 – Aug 2015, Singapore Paincare Center<br><br>Consultant, Department of Anaesthesiology, May 2013 – Sep 2014, Singapore General Hospital | December 2011 to December 2014: Director (Special Duties) at Singapore Totalisator Board | 1. January 2020 – Present: Chief Business Officer at Livingstone Health Holdings Limited.<br>2. December 2018 – December 2019: Chief Investment Officer at Livingstone Health Ltd.<br>3. January 2018 – March 2019: Executive Director at Naki Consolidated Pte Ltd<br>4. November 2014 – December 2017: Managing Director at TEHO Development (Cambodia) Pte. Ltd.<br>5. February 2005 – November 2014: Senior Vice President (Network Director) at The Hongkong and Shanghai Banking Corporation Limited |
| Shareholding interest in the listed issuer and its subsidiaries | Direct: 48,466,200 shares of the Company & 8,077,700 Warrants<br><br>Deemed: 258,373,267 shares of the Company & 43,062,211 Warrants held by Livingstone Health Consolidated Pte. Ltd. ("**LVS**") by virtue of Dr Tay Ching Yit, Wilson's shareholding of no less than 20% of the issued shares of LVS. | Nil | Mr. Dax Ng has a direct interest in 10,489,576 ordinary shares of the Company representing 1.79% of the total issued share capital of the Company, and a 12.88% interest in Livingstone Health Consolidated Pte. Ltd., a controlling shareholder holding 258,373,267 shares in the Company.<br><br>Mr. Dax Ng also holds 1,748,262 Warrants pursuant to the Rights cum Warrants Issue of the Company announced on 27 March 2024. |
| 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 | Yes.<br><br>Mr. Dax Ng holds 12.88% interest in Livingstone Health Consolidated Pte Ltd, being the controlling shareholder of the Company.<br><br>Mr. Dax Ng is also the brother of Dr Ng Yung Chuan, Sean ("**Dr Sean**") and brother in law of Dr Lim Pang Yen Rachel ("**Dr Rachel Lim**"). Dr Sean Ng is a practising doctor of the Group and Dr Rachel Lim is the Head of Aesthetics and Wellness of the Group. Dr Rachel Lim holds 17.35% interest in Livingstone Health Consolidated Pte Ltd. |
| Conflict of interest (including any competing business) | Nil | Nil | Nil |
| Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer | Yes | Yes | Yes |

CORPORATE GOVERNANCE REPORT

| Details | Name of Director | | |
|---|---|---|---|
| | Tay Ching Yit, Wilson | Fong Heng Boo | Dax Ng Yung Sern |
| Other Principal Commitments Including Directorships | **Present**<br>**Directorships**<br>– Diagnostix Imaging Holding Pte. Ltd.<br>– Al Tirah Anaesthesia Services Pte. Ltd.<br>– Apicare Medical Pte. Ltd.<br>– Apicare Pain Specialist Pte. Ltd.<br>– Atlas Podiatry Pte. Ltd.<br>– Cove Sports & Reconstruction Pte. Ltd.<br>– LSH Surgisuites Pte. Ltd.<br>– Livingstone Endocrine Pte. Ltd.<br>– Livingstone Gastroenterology & Liver Pte. Ltd.<br>– Livingstone Health Ltd.<br>– Livingstone Health Consolidated Pte. Ltd.<br>– Phoenix Medical Group Pte. Ltd.<br>– The Bone and Joint Centre Pte. Ltd.<br>– Livingstone Health International Pte. Ltd.<br>– Prism Partnerships (SG) Pte. Ltd.<br>– Venture Investment Pte. Ltd.<br>**Principal Commitments**<br>– Consultant and advisor<br>**Past (for the last 5 years)**<br>**Directorships**<br>– DC Brothers Private Limited<br>**Principal Commitments**<br>– Nil | **Present**<br>**Directorships**<br>– Bonvest Holdings Limited (SGX)<br>– Keong Hong Holdings Limited (SGX)<br>– Kwan Yong Holdings Limited (HKEX)<br>– SY Holdings Ltd (f.k.a. Shengye Capital Ltd) (HKEX)<br>– TA Corporation Ltd (SGX)<br>– UOA Development Bhd (KLSE)<br>– Agency for Integrated Care Pte Ltd<br>– Surbana Jurong Private Limited (f.k.a. TJ Holdings (II) Pte Ltd)<br>**Principal Commitments**<br>– Nil<br>**Past (for the last 5 years)**<br>**Directorships**<br>– Asian American Medical Group Limited (ASX)<br>– Colex Holdings Limited (SGX)<br>– CapitaLand China Trust Management Ltd (SGX) (f.k.a. CapitaLand Retail China Trust Management Ltd)<br>– Singapore Health Services Pte Ltd<br>**Principal Commitments**<br>– Nil | **Present**<br>**Directorships**<br>– Livingstone Health Consolidated Pte. Ltd.<br>– Livingstone Health International Pte. Ltd.<br>– Phoenix Medical Group Pte. Ltd.<br>– PMG TH Pte Ltd<br>– PMGPO Pte Ltd<br>– Prism Partnerships (SG) Pte Ltd<br>– Cove Dermatology Pte Ltd<br>– Ardennes Healthcare Pte. Ltd.<br>– Alo Ambulance Services Pte. Ltd.<br>– PMG INT2 Pte. Ltd<br>– ALTX Limited<br>– Virtuemed Pte. Ltd.<br>– Naki Consolidated Pte. Ltd.<br>– Olive Boulevard Pte. Ltd.<br>**Principal Commitments**<br>– Chief Commercial Officer at Livingstone Health Holdings Limited.<br>**Past (for the last 5 years)**<br>**Directorships**<br>– AC Venture Pte. Ltd.<br>– Al Tirah Anaesthesia Services Pte Ltd<br>– Cove Sports & Reconstruction Pte Ltd<br>– Livingstone Endocrine Pte Ltd<br>– Precision Medical Services Pte Ltd<br>– The Bone and Joint Centre Pte Ltd<br>– Livingstone Gastroenterology & Liver Pte Ltd<br>– Quantum Orthopaedics Pte Ltd<br>– Atlas Physiotherapy Pte Ltd (f.k.a Activfix Pte Ltd)<br>– Venture Investments Pte Ltd<br>– Atlas Podiatry Pte Ltd<br>– PMGXX Pte. Ltd.<br>– Livingstone Soriya Medical Specialists Co., Ltd (dissolved on 8 March 2023)<br>**Principal Commitments**<br>– Chief Business Officer at Livingstone Health Holdings Limited<br>– Chief Investment Officer at Livingstone Health Ltd. |

# CORPORATE GOVERNANCE **REPORT**

| **Details** | **Name of Director** | | |
|---|---|---|---|
| | **Tay Ching Yit, Wilson** | **Fong Heng Boo** | **Dax Ng Yung Sern** |
| a. Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner? | No | No | No |
| b. Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency? | No | No | No |
| c. Whether there is any unsatisfied judgment against him? | No | No | No |
| d. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose? | No | No | No |
| e. Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach? | No | No | No |

| Details | Name of Director | | |
|---|---|---|---|
| | **Tay Ching Yit, Wilson** | **Fong Heng Boo** | **Dax Ng Yung Sern** |
| f. Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part? | No | No | No |
| g. Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust? | No | No | No |
| h. Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust? | No | No | No |
| i. Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity? | No | No | No |
| j. Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– | | | |
| i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or | No | Yes<br><br>Mr Fong Heng Boo 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. | No |

# CORPORATE GOVERNANCE **REPORT**

| Details | Name of Director | | |
|---|---|---|---|
| | Tay Ching Yit, Wilson | Fong Heng Boo | Dax Ng Yung Sern |
| ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or | No | No | No |
| iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or | No | No | No |
| iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,<br><br>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust? | No | No | No |

CORPORATE GOVERNANCE
REPORT

| **Details** | **Name of Director** | | |
|---|---|---|---|
| | **Tay Ching Yit, Wilson** | **Fong Heng Boo** | **Dax Ng Yung Sern** |
| 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 | Yes<br><br>Mr Dax Ng was named as a witness and provided his testimony in a complaint made to the Prosecution Office in Phnom Penh, Cambodia, which concerned an altercation between two Cambodian nationals in November 2018 in Phnom Penh, Cambodia (the "**Altercation**"). In the investigations that were commenced on the Altercation, the alleged assailant (the "**Defendant**") made a counterclaim against various parties including Mr Dax Ng, in which it was alleged, *inter alia*, that he had presented untrue testimony. At the conclusion of the investigations, the prosecutor had issued a concluding summons charging the Defendant with causing the Altercation. Subsequently, the Defendant filed a new complaint to a second prosecutor against the same parties including Mr Dax Ng in respect of the Altercation, again alleging, *inter alia*, that he had presented untrue testimony. A second investigation was commenced on the Altercation and the second prosecutor had in June 2019 filed charges with an investigating judge against the same parties. On 11 June 2020, the Defendant submitted a request to the Phnom Penh Court of First Instance to withdraw the complaint. Mr Dax Ng has been advised that the Phnom Penh Court of First Instance has accepted the request to withdraw the complaint and has dropped the charge against him, and no further legal action will be taken against him. To the best of Dax Ng's knowledge and belief, no action has been taken against him and there are no further developments in relation to the Altercation. |

# CORPORATE GOVERNANCE
# REPORT

| Details | Name of Director | | |
|---|---|---|---|
| | **Tay Ching Yit, Wilson** | **Fong Heng Boo** | **Dax Ng Yung Sern** |
| Any prior experience as a director of an issuer listed on the Exchange? | Not applicable as this relates to the re-election of a director | Not applicable as this relates to the re-election of a director | Not applicable as this relates to the re-election of a director |
| If yes, please provide details of prior experience. | Not Applicable | 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 | Not Applicable |

# DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Livingstone Health Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2024 and the statement of financial position of the Company as at 31 March 2024.

**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 2024 and 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
Dax Ng Yung Sern (Appointed on 8 July 2024)

**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:

| | Direct interest | | Deemed interest | |
|---|---|---|---|---|
| **Name of directors and company in which interest are held** | **As at 1 April 2023** | **As at 31 March 2024** | **As at 1 April 2023** | **As at 31 March 2024** |
| **Livingstone Health Consolidated Pte. Ltd.** | | | | |
| **(Ultimate holding company)** | | | | |
| *(Ordinary shares)* | | | | |
| Tay Ching Yit, Wilson | 696 | **3,204** | – | **–** |
| **(The Company)** | | | | |
| *(Ordinary shares)* | | | | |
| Tay Ching Yit, Wilson | 40,388,500 | **40,388,500** | 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 2024.

**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 committee**

The audit 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 committee has convened four meetings during the financial year with key management, among which, two meetings with participation of internal auditors and two meetings with external auditors of the Company.

**6. Audit committee** (Continued)

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

(i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including, where applicable, the review of the nature and extent of non-audit services provided by the external auditors to the Group;

(ii) reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) reviewed the Group's annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) reviewed the half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company;

(v) reviewed and assessed the adequacy of the Group's risk management processes;

(vi) reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) reviewed interested person transactions in accordance with SGX listing rules;

(viii) reviewed the nomination of external auditors and gave approval of their compensation; and

(ix) submitted of report of actions and minutes of the audit committee to the board of directors with any recommendations as the audit committee deems appropriate.

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

The audit committee has recommended the nomination of Forvis Mazars LLP (formerly known as Mazars LLP) for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

# DIRECTORS' STATEMENT

**7. Independent auditors**

The auditors, Forvis Mazars LLP (formerly known as Mazars LLP), have expressed their willingness to accept re-appointment.

On behalf of the directors

**Tay Ching Yit, Wilson**
Director

**Teh Wing Kwan**
Director

Singapore
8 July 2024

# 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 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information from pages 108 to 178.

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 2024 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 of 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 identified 8 significant components which required a full scope audit of their financial information, 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.

*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 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.

<table>
<tr><td colspan="2">Impairment Assessment on Goodwill<br>Refer to Note 3 for critical accounting judgements and key sources of estimation uncertainty, and Note 16 (Goodwill arising on consolidation) for disclosures relating to the impairment assessment.</td></tr>
<tr><td>Key Audit Matter</td><td>Our Audit Response</td></tr>
<tr><td>As at 31 March 2024, the Group reported goodwill arising from the acquisition of subsidiaries with carrying value of approximately S$3.6 million, net of cumulative impairment loss of S$171,673.<br><br>Irrespective of whether there is any indication of impairment, the management is required to perform an impairment assessment of goodwill annually.<br><br>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.</td><td>Our audit procedures included, and were not limited to, the following:<br><br>• Obtained an understanding of the Group's process in assessing the goodwill for impairment;<br><br>• Assessed the achievability of the forecast based on actual results with comparison to the previous forecast;<br><br>• Together with internal valuation specialist, we evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's estimates applied in the value-in-use ("VIU") model, with comparison to recent performance, trend analysis and market expectations; and<br><br>• Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash-generating units subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.</td></tr>
</table>

INDEPENDENT
AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED

**Report on the Audit of Financial Statements** (Continued)

*Key Audit Matter* (Continued)

<table>
<tr><td colspan="2">Impairment assessment of investments in subsidiaries<br>Refer to Note 3 for critical accounting judgements and key sources of estimation uncertainty, and Note 17 (Investments in subsidiaries) for disclosures relating to the impairment assessment.</td></tr>
<tr><td>Key Audit Matter</td><td>Our Audit Response</td></tr>
<tr><td>As at 31 March 2024, the Company's investments in subsidiaries are S$73,000,000, which constitutes a significant balance in the statement of financial position of the Company. As at 31 March 2024, this represents approximately 98% of the carrying amount of the Company's total assets.<br><br>Investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of the investments in subsidiaries have been determined based on the higher of value-in-use calculations or fair value less cost to disposal. The value-in-use calculation requires the Company to estimate the future cash flows expected to arise from the subsidiaries and a suitable discount rate in order to calculate present value.<br><br>The determination of these impairments of investments in subsidiaries involves significant judgement. Hence, we determined this as a key audit matter.</td><td>Our audit procedures included, and were not limited to, the following:<br><br>• Reviewed management's impairment assessment at year end and understand whether there is any indication of impairment;<br><br>• If there is any indication of impairment, reviewed the appropriateness and reasonableness of the assumptions used in management's assessment;<br><br>• Assessed the achievability of the forecast based on actual results with comparison to the previous forecast;<br><br>• Together with internal valuation specialist, we evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's estimates applied in the value-in-use ("VIU") model, with comparison to recent performance, trend analysis and market expectations; and<br><br>• Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash-generating-units subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.</td></tr>
</table>

# 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 Wong Zi En.

**FORVIS MAZARS LLP**
**(FORMERLY KNOWN AS MAZARS LLP)**
Public Accountants and
Chartered Accountants

Singapore
8 July 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS **AND OTHER COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

| | Note | Group 2024 S$ | 2023 S$ |
|---|---|---|---|
| **Revenue** | 4 | **25,365,277** | 32,917,888 |
| Other operating income | 5 | **564,717** | 665,899 |
| Consumables and medical supplies used | | **(5,183,753)** | (5,640,768) |
| Employee benefits expenses | 8 | **(15,183,828)** | (18,749,199) |
| Depreciation expenses | 15 | **(2,246,289)** | (1,925,492) |
| Impairment loss on financial assets, net | | **(647,595)** | (79,982) |
| Other operating expenses | 6 | **(5,031,230)** | (5,083,527) |
| Finance costs | 7 | **(318,642)** | (308,217) |
| Share of results from equity-accounted for associate | 19 | **(30,000)** | – |
| **(Loss)/profit before tax** | 8 | **(2,711,343)** | 1,796,602 |
| Income tax expense | 9 | **(191,529)** | (511,068) |
| **(Loss)/profit for the financial year** | | **(2,902,872)** | 1,285,534 |
| | | | |
| **Other comprehensive loss:** | | | |
| *Components of other comprehensive loss that will be reclassified to profit or loss, net of taxation* | | | |
| Exchange differences on translating foreign operations | | **(4,750)** | – |
| **Total comprehensive (loss)/income for the financial year** | | **(2,907,622)** | 1,285,534 |
| **(Loss)/profit attributable to:** | | | |
| Owners of the Company | | **(2,872,330)** | 722,694 |
| Non-controlling interests | | **(30,542)** | 562,840 |
| **(Loss)/profit for the financial year** | | **(2,902,872)** | 1,285,534 |
| **Total comprehensive (loss)/income for the financial year attributable to:** | | | |
| Owners of the Company | | **(2,877,080)** | 722,694 |
| Non-controlling interests | | **(30,542)** | 562,840 |
| | | **(2,907,622)** | 1,285,534 |
| **(Loss)/earnings per share attributable to owners of the Company (cents per share)** | | | |
| Basic and diluted | 10 | **(0.65)** | 0.17 |

*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 2024

| | Note | Group 2024 S$ | Group 2023 S$ | Company 2024 S$ | Company 2023 S$ |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Current assets** | | | | | |
| Cash and cash equivalents | 11 | **3,458,428** | 4,226,877 | **610,923** | 24,696 |
| Trade receivables | 12 | **5,479,725** | 6,857,689 | **–** | – |
| Other receivables | 13 | **1,754,336** | 1,226,226 | **989,673** | 22,319 |
| Inventories | 14 | **823,723** | 707,918 | **–** | – |
| Total current assets | | **11,516,212** | 13,018,710 | **1,600,596** | 47,015 |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 15 | **5,962,103** | 4,900,496 | **–** | – |
| Goodwill arising on consolidation | 16 | **3,635,651** | 3,635,651 | **–** | – |
| Investments in subsidiaries | 17 | **–** | – | **73,000,000** | 73,000,000 |
| Investments in joint ventures | 18 | **–** | – | **–** | – |
| Investment in an associate | 19 | **–** | – | **–** | – |
| Loan to a joint venture | 20 | **359,765** | 361,534 | **–** | – |
| Other receivables | 13 | **186,706** | 451,257 | **–** | – |
| Deferred tax assets | 26 | **41,967** | 429,006 | **–** | – |
| Total non-current assets | | **10,186,192** | 9,777,944 | **73,000,000** | 73,000,000 |
| **Total assets** | | **21,702,404** | 22,796,654 | **74,600,596** | 73,047,015 |
| **LIABILITIES AND EQUITY** | | | | | |
| **Current liabilities** | | | | | |
| Trade payables | 21 | **1,290,675** | 1,069,717 | **–** | – |
| Other payables | 22 | **3,038,247** | 6,069,457 | **122,495** | 3,560,579 |
| Contract liabilities | 23 | **1,136,017** | 842,236 | **–** | – |
| Borrowings | 24 | **2,713,518** | 2,504,027 | **967,000** | 630,000 |
| Lease liabilities | 25 | **1,773,753** | 1,300,906 | **–** | – |
| Income tax payable | | **72,809** | 518,423 | **–** | – |
| Total current liabilities | | **10,025,019** | 12,304,766 | **1,089,495** | 4,190,579 |
| **Non-current liabilities** | | | | | |
| Other payables | 22 | **2,450,000** | – | **2,450,000** | – |
| Borrowings | 24 | **1,965,049** | 2,541,288 | **1,142,000** | – |
| Lease liabilities | 25 | **2,614,202** | 1,563,464 | **–** | – |
| Deferred tax liabilities | 26 | **3,266** | 58,384 | **–** | – |
| Total non-current liabilities | | **7,032,517** | 4,163,136 | **3,592,000** | – |
| **Total liabilities** | | **17,057,536** | 16,467,902 | **4,681,495** | 4,190,579 |
| **Equity** | | | | | |
| Share capital | 27 | **24,191,303** | 22,764,264 | **70,518,239** | 69,091,200 |
| Merger reserve | 28 | **57,375** | 57,375 | **–** | – |
| Foreign currency translation reserve | 28 | **–** | 4,750 | **–** | – |
| Other reserves | 28 | **21,543** | 21,543 | **–** | – |
| Accumulated losses | | **(20,524,983)** | (17,652,653) | **(599,138)** | (234,764) |
| **Equity attributable to owner of the Company** | | **3,745,238** | 5,195,279 | **69,919,101** | 68,856,436 |
| Non-controlling interests | | **899,630** | 1,133,473 | **–** | – |
| **Total equity** | | **4,644,868** | 6,328,752 | **69,919,101** | 68,856,436 |
| **Total liabilities and equity** | | **21,702,404** | 22,796,654 | **74,600,596** | 73,047,015 |

*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 2024

| Group | Share capital S$ | Merger reserve S$ | Foreign currency translation reserve S$ | Other reserves S$ | Accumulated losses S$ | Non-controlling interests S$ | Total S$ |
|---|---|---|---|---|---|---|---|
| **Balance at 1 April 2022** | 22,764,264 | 57,375 | 4,750 | 21,543 | (17,851,679) | 693,133 | 5,689,386 |
| Profit for the year, representing total comprehensive income for the year | – | – | – | – | 722,694 | 562,840 | 1,285,534 |
| Transaction with owner recognised directly in equity | | | | | | | |
| Dividend paid to non-controlling interest (Note 29) | – | – | – | – | – | (122,500) | (122,500) |
| Dividend paid (Note 29) | – | – | – | – | (523,668) | – | (523,668) |
| **Balance at 31 March 2023** | 22,764,264 | 57,375 | 4,750 | 21,543 | (17,652,653) | 1,133,473 | 6,328,752 |
| Total comprehensive loss for the year | – | – | – | – | (2,872,330) | (30,542) | (2,902,872) |
| Other comprehensive loss: | | | | | | | |
| Exchange differences on translating foreign operations | – | – | (4,750) | – | – | – | (4,750) |
| Total other comprehensive income, net of taxation | – | – | (4,750) | – | (2,872,330) | (30,542) | (2,907,622) |
| Transaction with owner recognised directly in equity | | | | | | | |
| Issuance of share capital (Note 27) | 1,500,039 | – | – | – | – | – | 1,500,039 |
| Transaction costs | (73,000) | – | – | – | – | – | (73,000) |
| Shares subscribed by non-controlling interest | – | – | – | – | – | 49 | 49 |
| Dividend paid to non-controlling interest (Note 29) | – | – | – | – | – | (203,350) | (203,350) |
| **Balance at 31 March 2024** | **24,191,303** | **57,375** | **–** | **21,543** | **(20,524,983)** | **899,630** | **4,644,868** |

*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 2024

| | Note | 2024<br>S$ | 2023<br>S$<br>(Restated) |
|---|---|---|---|
| **Operating activities** | | | |
| (Loss)/profit before tax | | **(2,711,343)** | 1,796,602 |
| Adjustments for: | | | |
| – Depreciation expense | 15 | **2,246,289** | 1,925,492 |
| – Interest expense | 7 | **318,642** | 308,217 |
| – Interest income | 5 | **(13,768)** | (10,790) |
| – Bad debt written-off | 6 | **7,363** | 2,140 |
| – Impairment loss on goodwill | 6 | **171,673** | – |
| – Impairment loss on financial assets, net | | **647,595** | 79,982 |
| – Unrealised foreign exchange gain | | **(4,750)** | – |
| – Plant and equipment written-off | 6 | **182,790** | 54,393 |
| – Gain on lease termination | 6 | **(25,031)** | – |
| – Share of results from equity-accounted for associate, net of tax | 19 | **30,000** | – |
| – Loss/(gain) on disposal of property, plant and equipment | 6 | **28,592** | (284) |
| **Total operating cash flows before movements in working capital** | | **878,052** | 4,155,752 |
| *Changes in working capital* | | | |
| – Trade receivables | | **1,153,872** | (1,034,471) |
| – Other receivables | | **(242,663)** | 153,048 |
| – Inventories | | **(115,805)** | (49,642) |
| – Trade payables | | **220,742** | 409,327 |
| – Other payables | | **(1,019,370)** | 164,959 |
| – Contract liabilities | | **293,781** | (25,917) |
| Cash generated from operations | | **1,168,609** | 3,773,056 |
| Tax paid | | **(305,222)** | (680,688) |
| **Net cash generated from operating activities** | | **863,387** | 3,092,368 |
| **Investing activities** | | | |
| Acquisition of a subsidiary, net of cash | 17 | **132,772** | – |
| Loan and advances to joint ventures | | **18,406** | (487,746) |
| Advances to an associate | | **(361,035)** | – |
| Purchase of plant and equipment | | **(421,250)** | (983,594) |
| Proceeds from disposal of plant and equipment | | **76,645** | 5,827 |
| Investment in an associate | 19 | **(30,000)** | – |
| Payment of base consideration | 22 | **(20,000)** | – |
| Interest received | | **5,358** | 10,790 |
| **Net cash used in investing activities** | | **(599,104)** | (1,454,723) |
| **Financing activities** | | | |
| Proceeds from issuance of share capital | 27 | **1,427,039** | – |
| Repayment of lease liabilities | | **(1,756,913)** | (1,548,786) |
| Proceeds from loans and borrowings | 24 | **2,000,000** | 1,500,000 |
| Repayment of loans and borrowings | | **(2,366,748)** | (1,967,945) |
| Interest paid | | **(132,809)** | (100,959) |
| Proceeds from issuance of shares to non-controlling interest | 17 | **49** | – |
| Dividends paid | 29 | **–** | (523,668) |
| Dividend paid to non-controlling interests | 29 | **(203,350)** | (122,500) |
| **Net cash used in financing activities** | | **(1,032,732)** | (2,763,858) |
| **Net decrease in cash and cash equivalents** | | **(768,449)** | (1,126,213) |
| Cash and cash equivalents at beginning of financial year | | **4,226,877** | 5,353,090 |
| **Cash and cash equivalents at end of financial year** | 11 | **3,458,428** | 4,226,877 |

*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 2024

**Reconciliation of liabilities arising from financing activities**

| | | | | Non-cash movements | | | | |
|---|---|---|---|---|---|---|---|---|
| | At 1 April 2023 | Financing cash outflows | Financing cash inflows – loan drawn down | Acquisition of a subsidiary | Termination | Purchase of property, plant and equipment | Interest expense | At 31 March 2024 |
| | S$ | S$ | S$ | S$ | S$ | S$ | S$ | S$ |
| Lease liabilities | 2,864,370 | (1,756,913) | – | 99,618 | (209,510) | 3,206,291 | 184,099 | **4,387,955** |
| Borrowings | 5,045,315 | (2,499,557) Note 1 | 2,000,000 | – | – | – | 132,809 | **4,678,567** |

| | | | | Non-cash movements | | |
|---|---|---|---|---|---|---|
| | At 1 April 2022 | Financing cash outflows | Financing cash inflows – loan drawn down | Purchase of property, plant and equipment | Interest expense | At 31 March 2023 |
| | S$ | S$ | S$ | S$ | S$ | S$ |
| Lease liabilities | 1,852,184 | (1,548,786) | – | 2,402,146 | 158,826 | 2,864,370 |
| Borrowings | 5,513,260 | (2,068,904) Note 1 | 1,500,000 | – | 100,959 | 5,045,315 |

Note 1: Included in the financing cash outflows is the interest paid amounted to S$132,809 (2023: S$100,959).

*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 2024

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 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., a company 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 2024 were authorised for issue by the Board of Directors at the date of the Directors' Statement.

## 2. Summary of material accounting policies

### 2.1 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 Company, 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 2023. The adoption of these new or revised SFRS(I)s and SFRS(I) INTs did not result in 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.

The Group adopted the amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies in the current financial year. The amendments require the disclosure of "material" instead of "significant" accounting policy information and provides guidance to assist the entity in providing useful, entity-specific accounting policy information for the users' understanding of the financial statements. Accordingly, management had reviewed the accounting policies and updated the information disclosed in Note 2 Summary of material accounting policies in line with the amendments.

**2. Summary of material accounting policies** (Continued)

**2.1 Basis of preparation** (Continued)

*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) 1-1 | Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non – current* | 1 January 2024 |
| SFRS(I) 16 | Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback* | 1 January 2024 |
| Various | Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants* | 1 January 2024 |
| SFRS(I) 1-7, SFRS(I) 7 | Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements* | 1 January 2024 |
| SFRS(I) 1-21, SFRS(I) 1 | Amendments to SFRS(I) 1-21: *Lack of Exchangeability* | 1 January 2025 |
| SFRS(I) 10, SFRS(I) 1-28 | Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* | To be determined |

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.

**2.2 Basis of consolidation**

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

## 2. Summary of material accounting policies (Continued)

### 2.2 Basis of consolidation (Continued)

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

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

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 in the subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

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

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

**2. Summary of material accounting policies** (Continued)

**2.3 Revenue recognition**

The Group recognises revenue from the following major sources:

- Specialist Healthcare;
- Primary Healthcare; and
- Other revenue (Including aesthetics and wellness, allied health, managing healthcare solutions business, consultancy services and management fee income)

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 service underlying the particular performance obligation is transferred to the customer.

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

Revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue from the provision of specialist, primary and allied healthcare services relate to performance obligations to provide consultation, surgical and treatment services. The services include services provided by healthcare professionals who focus on a specific field of medicine. This segment comprises anaesthesiology and pain management, orthopaedic surgery, dermatology and internal medicine.

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

Revenue from provision of management fee income relates to performance obligations to provide management services to joint venture and associate.

Performance obligations for all services are satisfied in a point in time.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**2. Summary of material accounting policies** (Continued)

### 2.4 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.

### 2.5 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.

### 2.6 Employee leave entitlements

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

### 2.7 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 country where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the 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, and are accounted for using the balance sheet liability method. 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 differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities that at the time of the transaction affects neither the taxable profit nor the accounting profit and does not give rise to equal taxable and deductible temporary differences.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. **Summary of material accounting policies** (Continued)

2.7 **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 differences and it is probable that the temporary differences 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 assets 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 year, 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.

2.8 **Dividends**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

## 2. Summary of material accounting policies (Continued)

### 2.9 Foreign currency transactions and translation

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

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

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

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

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.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**2. Summary of material accounting policies** (Continued)

**2.10 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.

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of 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 plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the 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 lease periods are disclosed in Note 25.

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**2. Summary of material accounting policies** (Continued)

**2.11 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 impairment losses.

Goodwill on acquisition

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

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

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

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

**2.12 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.

**2. Summary of material accounting policies** (Continued)

**2.12 Investment in joint venture** (Continued)

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

On acquisition of the investment in a joint venture, 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 classified as 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. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**2. Summary of material accounting policies** (Continued)

**2.13 Investment in associate**

An associate is an entity over which the Group has significant influence, being the power to participate in the financial and operating policy decisions of the entity but is not control or of joint control of those policies, and generally accompanying a shareholding of 20% or more or the voting power.

On acquisition of the associate, any excess of the cost of the investment over the Group's share of the net fair value of the associate identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's profit or loss in the reporting period in which the investment is acquired. Investments in associates are carried at cost less any impairment loss that has been recognised in profit or loss in the Company's separate financial statements.

The results and assets and liabilities of the associate are incorporated in these financial statements using the equity method of accounting, except when the investment 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 classified as held for sale. Under the equity method, investments in associates are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment loss of individual investments. The Group's share of losses in an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Distributions received from the associate reduce the carrying amount of the investment. Any goodwill arising on the acquisition of the Group's interest in an associate is accounted for in accordance with the Group's accounting policy for goodwill arising on such acquisitions.

Unrealised profits and losses are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Company has accounted for its investment in an associate at cost less any accumulated impairment in its separate financial statements.

**2.14 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.

**2. Summary of material accounting policies** (Continued)

**2.14 Impairment of non-financial assets excluding goodwill** (Continued)

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

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

**2.15 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 *Revenue from Contracts with Customers* in Note 2.3.

The classification of the financial assets at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL") 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**2. Summary of material accounting policies** (Continued)

**2.15 Financial instruments** (Continued)

**Financial assets** (Continued)

Financial assets at amortised cost

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

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

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.

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

**2. Summary of material accounting policies** (Continued)

**2.15 Financial instruments** (Continued)

**Financial assets** (Continued)

Impairment of financial assets (Continued)

While they are not financial assets, contract 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 collateralised 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 2024

**2. Summary of material accounting policies** (Continued)

**2.15 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 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 2.4 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 *Revenue from Contracts with Customers*.

**2. Summary of material accounting policies** (Continued)

**2.15 Financial instruments** (Continued)

**Financial liabilities and equity instruments** (Continued)

Derecognition of financial liabilities

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

**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.

**2.16 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.

**2.17 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.

**2.18 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 2024

**2. Summary of material accounting policies** (Continued)

**2.18 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 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.

**2. Summary of material accounting policies** (Continued)

**2.18 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.

**2.19 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**2. Summary of material accounting policies** (Continued)

**2.19 Provisions** (Continued)

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.

Provisions for asset dismantlement, removal or restoration is recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amounts have been reliably estimated.

The Group recognises the estimated liability of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

**Provision for reinstatement premises**

Changes in the estimated timing or amount of the expenditure or discount rate for asset dismantlement, removal or restoration costs are adjusted against the cost of the related property, plant and equipment, unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the assets or the changes in the liability is recognised in profit or loss immediately.

**2.20 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

**2.21 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.

**2. Summary of material accounting policies** (Continued)

**2.22 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.

**3. 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.

**3.1 Critical judgements in applying the Group's accounting policies**

**Determination of control of joint arrangements**

The Group carry on parts of its business activities through joint ventures. In those circumstances, The Group have the ability to affect the significant financial and operating policies of the investees through the presence of joint control. The definition of joint control is defined in 2.12. The determination of the level of influence the Group have over a business is often a mix of contractually defined and subjective factors that can be critical to the appropriate accounting treatment of investees in the Group's financial statements. The management exercises significant judgement in analysing and evaluating relevant, subjective, diverse and sometimes contrasting qualitative and quantitative facts and circumstances surrounding its involvement in the investees, in determining whether The Group have joint control over the investees.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

**3.1 Critical judgements in applying the Group's accounting policies** (Continued)

**Determination of control of joint arrangements** (Continued)

The Group have considered factors, including but not limited to, the size of its holding of voting rights relative to the size and dispersion of holdings of the other vote holders, its representation at the shareholders' and directors' meetings, the voting patterns, the composition of key management personnel which included the appointing, remunerating and terminating of key management personnel or service providers of the operations, contractual arrangements and etc. There are instances, elements are present that, considered in isolation, indicate control or lack of control over an investee, but when considered together make it difficult to reach a clear conclusion. In certain circumstances, despite the lack of the required technical equity ownership, there could exist a parent-subsidiary relationship or a joint-investor relationship between The Group with these investees. Such evaluation and assessment processes do take into consideration to account for transactions and events in accordance with their substance and economic reality, and not merely their legal forms.

Following the assessment, the Group assessed that it has joint control over the entities under Note 18 and classified these investee entities as investments in joint ventures.

Differing conclusions around these judgements, may materially impact how these entities are presented in the consolidated financial statements – under the full consolidation method, equity method or proportionate consolidation method.

**Determination of control over entity for which the Group has 35.7% ownership interests**

The Group has assessed whether the Group has control over this entity based on the Group's practical ability to direct the relevant activities of this entity unilaterally. In making their judgement, management considers the Group's rights arising from the contractual arrangements.

Following the assessment, the Group concludes that it has sufficiently dominant voting right and power to direct the relevant activities of this entity and therefore the Group has unilateral control over this entity. Hence, this entity is classified as an investment in subsidiaries.

Differing conclusions around these judgements may materially impact how this entity is presented in the consolidated financial statements – under the full consolidation method, equity method or proportionate consolidation method.

**3.2 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:

**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 a suitable discount rate in order to calculate present value. As at 31 March 2024, an impairment loss of S$171,673 has been recognised. The carrying amount of goodwill as at 31 March 2024 was S$3,635,651 (2023: S$3,635,651) (Note 16).

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

**3.2 Key sources of estimation uncertainty** (Continued)

**Measurement of ECL of trade receivables**

The Group's trade receivables mainly consist of public and private clinics and hospitals, private businesses, insurance companies, and individuals. The Group used an allowance matrix to measure ECL for trade receivables. The ECL rate are based on the Group's historical loss experience of the customers, for the last three years prior to the reporting date for various customers' segment, adjusted for forward looking factors 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. 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. As at 31 March 2024, the Group recognised specific provision for impairment loss on individually impaired receivables after the assessment of the recoverability and extended credit terms being given. The expected loss allowance on the Group's trade receivables as at 31 March 2024 is S$429,457 (2023: S$138,693) (Note 33). The carrying amount of the Group's trade receivables as at 31 March 2024 was S$5,479,725 (2023: S$6,857,689) (Note 12).

**Measurement of ECL of loan and advances to a joint venture**

The Group assessed the impairment loss allowance for the amounts due from a joint venture on a lifetime ECL basis consequent to their assessment. In its assessment of the credit risk of the joint venture, the Group considered amongst other factors, the financial position of the joint venture as of 31 March 2024, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the joint venture operate in. Accordingly, the amounts have been classified as Category 3. Category 3 represents receivables with a significant increase in credit risk since initial recognition. The Group measures the loss allowance taking into consideration the probability of default and loss given default of the receivable. As at 31 March 2024, the Group recognised a loss allowance of S$420,020 (2023: S$Nil) relating to advances to a joint venture. The carrying amount of the Group's loan and advances to a joint venture as at 31 March 2024 was S$359,765 (2023: S$361,534) (Note 20) and S$466,706 (2023: S$910,490) (Note 13) respectively.

**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 property, plant and equipment at 31 March 2024 was S$5,962,103 (2023: S$4,900,496) (Note 15).

# NOTES TO THE FINANCIAL STATEMENTS



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

**3.2 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 2024 was S$72,809 (2023: S$518,423).

**Impairment of investments in subsidiaries, joint ventures and associate**

At the end of each financial year, an assessment is made on whether there are indicators that the Group's and the Company's investments are impaired. Where applicable, the Group's and 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 2024 was S$73,000,000 (2023: S$73,000,000) (Note 17). The Group's carrying amount of investments in joint ventures and associate are set out in Note 18 and Note 19.

**Deferred tax assets**

Deferred tax assets are recognised for all unused tax losses and unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and level of future taxable profits together with future tax planning strategies.

Where taxable profits are expected in the foreseeable future, deferred tax assets are recognised on the unused tax losses and unutilised capital. The carrying amount of the Group's deferred tax assets as at 31 March 2024 was S$41,967 (2023: S$429,006) (Note 26).

**Measurement of ECL of amount due from a subsidiary – Company level**

The Company assessed the impairment loss allowance of the amount on a 12-month ECL basis consequent to their assessment and conclusion that the subsidiary is of low credit risk. In its assessment of the credit risk of the subsidiary, the Company considered amongst other factors, the financial position of the subsidiary as of 31 March 2024, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the subsidiary operate in. Using 12-month ECL, the expected loss allowance on the Company's amount due from a subsidiary as at 31 March 2023 is S$Nil (2023: S$Nil) (Note 13).

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

**3.2 Key sources of estimation uncertainty** (Continued)

**Measurement of ECL of advances to an associate**

Management determines whether there is significant increase in credit risk of advances to an associate since initial recognition. Management reviews the financial performance and results of the associate. As at 31 March 2024, the advances to an associate was S$361,035 (2023: S$Nil) (Note 13) and there is no loss allowance was recognised.

## 4. Revenue

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| Specialist healthcare | **16,057,541** | 22,851,501 |
| Primary healthcare | **6,418,728** | 6,540,374 |
| Other revenue[#1] | **2,889,008** | 3,526,013 |
| | **25,365,277** | 32,917,888 |
| Timing of revenue recognition: | | |
| At a point in time | **25,365,277** | 32,917,888 |

[#1] Included in other revenue is revenue from aesthetics and wellness, managing healthcare solutions business, consultancy services and management fee income.

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations is as disclosed in contract liabilities (Note 23) and is expected to be realised within the next financial year.

## 5. Other operating income

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| Interest income | **13,768** | 10,790 |
| Rental income | **166,597** | 43,802 |
| Rental rebate | **–** | 343 |
| Wage and other employment credit scheme | **157,627** | 549,726 |
| Gain on disposal of property, plant and equipment | **–** | 284 |
| Administrative services | **41,695** | – |
| Others | **185,030** | 60,954 |
| | **564,717** | 665,899 |

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

## 6. Other operating expenses

| | 2024 S$ | 2023 S$ |
|---|---|---|
| Marketing expenses | **1,920,308** | 2,554,316 |
| Bad debt written-off | **7,363** | 2,140 |
| Rental expenses | **63,406** | 228,680 |
| Hospital administrative charges | **613,745** | 490,250 |
| Impairment loss on goodwill | **171,673** | – |
| Professional fees | **684,482** | 408,321 |
| Bank and credit card charges | **246,949** | 224,015 |
| Repair and maintenance | **121,096** | 91,687 |
| Plant and equipment written-off | **182,790** | 54,393 |
| Subscription fee | **81,671** | 66,373 |
| Printing and stationery | **40,457** | 55,022 |
| Transportation expenses | **33,520** | 46,609 |
| Insurance | **207,271** | 165,813 |
| Service charges | **191,821** | 161,585 |
| Loss on disposal of fixed asset | **28,592** | – |
| Others[#1] | **436,086** | 534,323 |
| | **5,031,230** | 5,083,527 |

[#1] Gain on lease termination amounting to S$25,031 (2023: S$Nil).

## 7. Finance costs

| | 2024 S$ | 2023 S$ |
|---|---|---|
| Interest expense on lease liabilities | **184,099** | 158,826 |
| Interest expense on borrowings | **132,809** | 100,959 |
| Others | **1,734** | 48,432 |
| | **318,642** | 308,217 |

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

## 8. (Loss)/profit before tax

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

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| Auditors' remuneration: | | |
| – Audit fees | | |
| – Auditors of the Company | **150,000** | 178,500 |
| | | |
| – Non-audit fees | | |
| – Auditors of the Company | **2,500** | 5,000 |
| – Other auditors | **8,250** | 20,000 |
| | | |
| Directors' fees – directors of the Company | **156,000** | 172,877 |
| | | |
| Employee benefits expenses – director of the Company | | |
| – Short term benefits | **1,300,147** | 1,400,004 |
| – Post-employment benefits | **16,116** | 17,340 |
| | | |
| Key management remuneration other than directors | | |
| – Short term benefits | **2,802,646** | 4,703,651 |
| – Post-employment benefits | **153,249** | 153,720 |
| | | |
| Employee benefits expenses (including directors remuneration) | | |
| – Salaries and other related costs | **14,370,744** | 17,958,212 |
| – Defined contribution plan | **813,084** | 790,987 |

## 9. Income tax expense

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| **Current tax expense** | | |
| Current financial year | **71,678** | 487,881 |
| (Over)/underprovision in prior financial years | **(212,070)** | 15,271 |
| | **(140,392)** | 503,152 |
| **Deferred tax expense (Note 26)** | | |
| Current financial year | **(38,701)** | (129,158) |
| Underprovision in prior financial years | **370,622** | 137,074 |
| | **331,921** | 7,916 |
| Income tax expense | **191,529** | 511,068 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**9. Income tax expense** (Continued)

The income tax varied from the amount of taxation determined by applying the Singapore statutory income tax rate of 17% (2023: 17%) to (loss)/profit before tax as a result of the following differences:

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| (Loss)/profit before tax | **(2,711,343)** | 1,796,602 |
| Tax expense at statutory rate of 17% (2023: 17%) | **(460,928)** | 305,422 |
| Tax effects of: | | |
| Effect of tax concessions and tax exemptions | **(230,764)** | (164,207) |
| Effects of non-deductible expenses | **77,651** | 113,810 |
| Underprovision of income tax for prior financial years | **158,552** | 152,345 |
| Effects of non-taxable income | **(95,106)** | (44,392) |
| Deferred tax assets not recognised | **737,899** | 131,071 |
| Others | **4,225** | 17,019 |
| | **191,529** | 511,068 |

The following deductible temporary difference has not been recognised:

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| Capital allowances | **20,877** | 5,261 |
| Tax losses | **8,528,873** | 4,203,909 |
| | **8,549,750** | 4,209,170 |

The capital allowances and tax losses are subject to agreement by tax authorities and compliance with tax regulations in Singapore in which the Company and subsidiaries operate. Deferred tax assets have not been recognised in respect of the capital allowance and tax losses due to uncertainty in the availability of future taxable profit against which the Group and the Company can utilise the tax losses.

**10. (Loss)/earnings per share**

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

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| (Loss)/profit for the financial year attributable to the owners of the Company | **(2,872,330)** | 722,694 |
| Weighted average number of ordinary shares outstanding | **442,175,464** | 436,391,448 |
| Basic and diluted (loss)/earnings per share (cents) | **(0.65)** | 0.17 |

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

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**11. Cash and cash equivalents**

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **S$** | **S$** | **S$** | **S$** |
| Cash at banks | **2,452,852** | 4,221,464 | **10,923** | 24,696 |
| Cash on hand | **5,576** | 5,413 | **–** | – |
| Fixed deposits | **1,000,000** | – | **600,000** | – |
| | **3,458,428** | 4,226,877 | **610,923** | 24,696 |

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

Fixed deposits earn interest of 2.4% (2023: Nil) for the tenure of approximately 90 days (2023: Nil). The maturity of the fixed deposits is June 2024.

The currency profiles of the Group's and Company's cash and cash equivalents as at the reporting date are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **S$** | **S$** | **S$** | **S$** |
| Singapore Dollar | **3,443,912** | 4,212,669 | **610,923** | 24,696 |
| United States Dollar | **14,516** | 14,208 | **–** | – |
| | **3,458,428** | 4,226,877 | **610,923** | 24,696 |

**12. Trade receivables**

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Third parties | **5,418,861** | 6,080,822 |
| Related party | **425,583** | 838,140 |
| Associate | **7,518** | – |
| Joint venture | **17** | – |
| Unbilled receivables | **57,203** | 77,420 |
| Less: Loss allowance (Note 33) | **(429,457)** | (138,693) |
| | **5,479,725** | 6,857,689 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**12. Trade receivables** (Continued)

The movement in the loss allowance during the financial year is as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| At beginning of financial year | **138,693** | 58,711 |
| Acquisition of a subsidiary | **63,189** | – |
| Loss allowance | **237,723** | 121,326 |
| Reversal | **(10,148)** | (41,344) |
| | **429,457** | 138,693 |

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) credit terms. Trade receivables are denominated in Singapore Dollars.

The unbilled receivables relate to the revenue recognised to date but has not been invoiced to the customer as at the financial year end and is transferred to trade receivables at the point when it is invoiced to the customers.

**13. Other receivables**

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **S$** | **S$** | **S$** | **S$** |
| Amount due from a subsidiary | **–** | – | **945,740** | – |
| Deposits | **688,933** | 483,951 | **–** | – |
| Prepayments | **317,187** | 257,306 | **34,125** | 17,267 |
| GST receivables | **–** | – | **9,808** | 5,052 |
| Advances to joint venture | **886,726** | 910,490 | **–** | – |
| Advances to an associate | **361,035** | – | **–** | – |
| Others | **107,181** | 25,736 | **–** | – |
| Less: loss allowance | **(420,020)** | – | **–** | – |
| | **1,941,042** | 1,677,483 | **989,673** | 22,319 |
| Non-current | **186,706** | 451,257 | **–** | – |
| Current | **1,754,336** | 1,226,226 | **989,673** | 22,319 |
| | **1,941,042** | 1,677,483 | **989,673** | 22,319 |

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FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**13. Other receivables** (Continued)

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

Other receivables are denominated in Singapore Dollars.

Advances to joint venture and associate are non-interest bearing, unsecured and repayable on demand.

Amount due from a subsidiary is non-interest bearing, unsecured and repayable on demand.

The movement in the loss allowance during the financial year is as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| At beginning of financial year | **–** | – |
| Loss allowance | **420,020** | – |
| At end of financial year | **420,020** | – |

**14. Inventories**

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Consumables and medical supplies | **823,723** | 707,918 |

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$5,183,753 (2023: S$5,640,768).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

## 15. Property, plant and equipment

| Group | Leasehold properties S$ | Computers S$ | Office equipment S$ | Machines and equipment S$ | Renovation and furniture and fittings S$ | Total S$ |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 April 2022 | 2,865,022 | 264,924 | 27,632 | 1,699,817 | 930,325 | 5,787,720 |
| Additions | 2,533,379 | 32,847 | 3,873 | 300,137 | 646,737 | 3,516,973 |
| Disposal | – | (5,652) | (1,290) | (3,600) | (281) | (10,823) |
| Written-off | (1,062,156) | (6,130) | (942) | (112,239) | (171,557) | (1,353,024) |
| At 31 March 2023 | 4,336,245 | 285,989 | 29,273 | 1,884,115 | 1,405,224 | 7,940,846 |
| Additions | 3,331,706 | 53,693 | 13,464 | 92,532 | 261,561 | 3,752,956 |
| Acquisition of a subsidiary | 180,314 | 4,345 | – | 19,542 | – | 204,201 |
| Disposal | – | (29,336) | (2,844) | (233,980) | – | (266,160) |
| Lease termination | (394,189) | – | – | – | – | (394,189) |
| Written-off | (1,303,661) | (49,272) | (3,601) | (24,143) | (228,349) | (1,609,026) |
| At 31 March 2024 | **6,150,415** | **265,419** | **36,292** | **1,738,066** | **1,438,436** | **9,628,628** |
| **Accumulated depreciation** | | | | | | |
| At 1 April 2022 | 1,264,380 | 157,689 | 13,138 | 602,561 | 381,001 | 2,418,769 |
| Depreciation | 1,343,613 | 59,806 | 6,221 | 255,122 | 260,730 | 1,925,492 |
| Disposal | – | (3,282) | (1,064) | (674) | (260) | (5,280) |
| Written-off | (1,062,157) | (6,052) | (760) | (110,683) | (118,979) | (1,298,631) |
| At 31 March 2023 | 1,545,836 | 208,161 | 17,535 | 746,326 | 522,492 | 3,040,350 |
| Depreciation | 1,653,520 | 54,329 | 6,004 | 255,602 | 276,834 | 2,246,289 |
| Acquisition of a subsidiary | 83,222 | 4,345 | – | 5,600 | – | 93,167 |
| Disposal | – | (24,597) | (2,080) | (50,658) | – | (77,335) |
| Lease termination | (209,710) | – | – | – | – | (209,710) |
| Written-off | (1,286,057) | (44,199) | (3,588) | (12,237) | (80,155) | (1,426,236) |
| At 31 March 2024 | **1,786,811** | **198,039** | **17,871** | **944,633** | **719,171** | **3,666,525** |
| **Carrying amount** | | | | | | |
| At 31 March 2024 | **4,363,604** | **67,380** | **18,421** | **793,433** | **719,265** | **5,962,103** |
| At 31 March 2023 | 2,790,409 | 77,828 | 11,738 | 1,137,789 | 882,732 | 4,900,496 |

Property, plant and equipment includes right-of-use assets of S$4,314,086 (2023: S$2,886,466) which are presented together with the owned assets of the same class as the underlying assets. Details of the right-of-use assets are disclosed in Note 25(a).

During the financial year, the Group acquired property, plant and equipment for an aggregate of approximately S$3,752,956 (2023: S$3,516,973) of which S$3,206,291 (2023: S$2,402,146) was acquired by means of a lease and the capitalisation of provision of reinstatement costs of S$125,415 (2023: S$131,233) under leasehold properties pursuant to its legal obligation as stated in the lease agreements.

During the financial year, the Group disposed property, plant and equipment with an aggregate net book value of S$188,825 (2023: S$5,543). The total proceeds from these disposal amounted to S$160,233 (2023: S$5,827). As at 31 March 2024, the Group had received S$76,645 (2023: S$5,827), with the remaining balance still outstanding.

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## 16. Goodwill arising on consolidation

| | Group 2024 S$ | Group 2023 S$ |
|---|---|---|
| At beginning of financial year | **3,635,651** | 3,635,651 |
| Arising on acquisition of a subsidiary (Note 17) | **171,673** | – |
| Impairment loss | **(171,673)** | – |
| At end of financial year | **3,635,651** | 3,635,651 |

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

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

| Group | Specialist Healthcare S$ | Primary Healthcare S$ | Others S$ | Total S$ |
|---|---|---|---|---|
| At 1 April 2023 | 2,647,011 | 988,640 | – | 3,635,651 |
| Arising on acquisition of a subsidiary | – | – | 171,673 | 171,673 |
| Impairment loss | – | – | (171,673) | (171,673) |
| At 31 March 2024 | **2,647,011** | **988,640** | **–** | **3,635,651** |

Impairment of goodwill

The Group tests CGU for impairment annually, or more frequently when there is an indication of 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, terminal value 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 specifics 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:

| | Specialist Healthcare 2024 | Specialist Healthcare 2023 | Primary Healthcare 2024 | Primary Healthcare 2023 |
|---|---|---|---|---|
| Gross margin[(i)] | **77.6%** | 79.9% | **77.5%** | 78.5% |
| Growth rates[(ii)] | **2.2% to 98.0%** | -30.0% to 5.0% | **9.6% to 27.0%** | 8.0% |
| Discount rates[(iii)] | **10.1%** | 14.1% | **9.9%** | 13.7% |
| Terminal value growth rates[(iv)] | **2.2%** | 3.4% | **2.2%** | 3.4% |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**16. Goodwill arising on consolidation** (Continued)

Impairment of goodwill (Continued)

*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. Gross margin is calculated as revenue less consumables and medical supplies used.

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

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

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

*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*

As at 31 March 2024, impairment loss of S$171,673 on goodwill allocated to Venture Investment Pte Ltd and its subsidiary has been recognised by the management due to the closure of its operation to allow the Group to exit from nonperforming business and focus its available resources on its existing businesses. As such, the Group had impaired the goodwill in view that there will not be future benefits accruing from the goodwill.

**17. Investments in subsidiaries**

| | Company | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| ***Unquoted shares, at cost*** | | |
| Investments in subsidiaries, at cost | **73,000,000** | 73,000,000 |

**17. Investments in subsidiaries** (Continued)

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

| Name of subsidiary | Principal activities | Country of incorporation and principal place of business | Effective equity held by the Group 2024 % | 2023 % |
|---|---|---|---|---|
| **Held directly by the Company** | | | | |
| Livingstone Health Ltd. ("LSH")[(1)] | Investment holding company | Singapore | **100** | 100 |
| **Held through Livingstone Health Ltd.** | | | | |
| Precision Medical Services Pte. Ltd.[(1)] | Orthopaedic clinic | Singapore | **100** | 100 |
| Livingstone Endocrine Pte. Ltd.[(1)] | Medical clinic | Singapore | **100** | 100 |
| The Bone and Joint Centre Pte. Ltd.[(1)] | Orthopaedic clinic | Singapore | **100** | 100 |
| Alo Ambulance Services Pte. Ltd.[(1)] | Medical clinic | Singapore | **100** | 100 |
| Al Tirah Anaesthesia Services Pte.[(1)] Ltd. ("ATAS") | Medical clinic | Singapore | **51** | 51 |
| RL Aesthetics Pte. Ltd. ("RL")[(1)] | Medical clinic | Singapore | **100** | 100 |
| Apicare Pain Specialist Pte. Ltd.[(1)] | Medical clinic | Singapore | **100** | 100 |
| Sebastian Chua MH Pte. Ltd.[(1)] | Medical clinic | Singapore | **100** | 100 |
| Cove Sports & Reconstruction Pte. Ltd.[(1)] | Orthopaedic clinic | Singapore | **100** | 100 |
| LSH SurgiSuites Pte. Ltd.[(1)] | Medical clinic | Singapore | **100** | 100 |
| Livingstone Health International Pte. Ltd. ("LHI")[(1)] | Investment holding company | Singapore | **100** | 100 |
| Phoenix Medical Group Pte. Ltd. ("PMG")[(1)] | Medical clinic | Singapore | **51** | 51 |
| Livingstone Gastroenterology & Liver Pte. Ltd.[(1)] | Medical clinic | Singapore | **100** | 100 |
| Prism Partnerships (SG) Pte. Ltd.[(1)] | Management consultancy services | Singapore | **100** | 100 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**17. Investments in subsidiaries** (Continued)

| Name of subsidiary | Principal activities | Country of incorporation and principal place of business | Effective equity held by the Group 2024 % | Effective equity held by the Group 2023 % |
|---|---|---|---|---|
| Quantum Orthopaedics Pte. Ltd. ("QO")[1] | Orthopaedic clinic | Singapore | **51** | 51 |
| Virtuemed Pte. Ltd. ("VM")[1] | Other health services | Singapore | **51 (Note b)** | – |
| Cove Dermatology Pte. Ltd.[1] | Medical clinic | Singapore | **100 (Note b)** | – |
| **Held through LHI** | | | | |
| Venture Investment Pte. Ltd. ("VIPL")[2] | Investment holding company | Singapore | **100 (Note a)** | – |
| **Held through VIPL** | | | | |
| Atlas Physiotherapy Pte. Ltd.[2] | Medical clinic | Singapore | **100 (Note a)** | – |
| **Held through RL** | | | | |
| Cove Aesthetics T Pagar Pte. Ltd.[1] | Medical clinic | Singapore | **100 (Note b)** | – |
| **Held through PMG** | | | | |
| PMG CACTIII Pte. Ltd.[1] | Medical clinic | Singapore | **35.7** | 35.7 |
| PMG HV Pte. Ltd.[1] | Medical clinic | Singapore | **51** | 51 |
| PMG PL Pte. Ltd.[1] | Medical clinic | Singapore | **51** | 51 |
| Ardennes Healthcare Pte. Ltd.[1] | Medical clinic | Singapore | **51** | 51 |
| PMG TH Pte. Ltd.[1] | Medical clinic | Singapore | **51 (Note b)** | – |

(1) Audited by Mazars LLP as statutory auditors.

(2) Audited by other firms of certified public accountants for statutory purposes.

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FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**17. 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 | | (Loss)/profit allocated to NCI during the financial year | | Accumulated NCI at the reporting date | | Dividends paid to NCI | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | % | % | S$ | S$ | S$ | S$ | S$ | S$ |
| Phoenix Medical Group Pte. Ltd. and its subsidiaries | **49** | 49 | **(147,527)** | 201,915 | **469,805** | 690,832 | **73,500** | 122,500 |
| ATAS | **49** | 49 | **(44,768)** | 179,678 | **259,367** | 304,135 | **–** | – |
| QO | **49** | 49 | **169,398** | 181,247 | **178,054** | 138,506 | **129,850** | – |
| VM | **49** | – | **(7,645)** | – | **(7,596)** | – | **–** | – |

Summarised financial information (before intercompany eliminations):

| | Phoenix Medical Group Pte. Ltd. and its subsidiaries | | ATAS | | QO | | VM | |
|---|---|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | S$ | S$ | S$ | S$ | S$ | S$ | S$ | S$ |
| **Assets:** | | | | | | | | |
| Non-current assets | **1,806,554** | 2,036,375 | **–** | 3,078 | **344,477** | 85,360 | **1,004** | – |
| Current assets | **1,784,998** | 2,487,132 | **541,811** | 915,947 | **711,316** | 959,272 | **30,446** | – |
| **Liabilities:** | | | | | | | | |
| Non-current liabilities | **743,375** | 805,291 | **–** | – | **170,980** | 8,958 | **–** | – |
| Current liabilities | **2,080,946** | 2,162,579 | **13,615** | 299,466 | **523,361** | 753,007 | **46,953** | – |
| Net assets/(liabilities) | **767,232** | 1,555,637 | **528,196** | 619,559 | **361,452** | 282,667 | **(15,503)** | – |
| **Results:** | | | | | | | | |
| Revenue | **6,427,276** | 6,582,274 | **198,247** | 1,977,068 | **2,806,832** | 2,616,019 | **15,420** | – |
| (Loss)/profit after taxation | **(397,382)** | 521,105 | **(91,363)** | 366,690 | **343,786** | 369,892 | **(15,603)** | – |
| Total comprehensive (loss)/income | **(397,382)** | 521,105 | **(91,363)** | 366,690 | **343,786** | 369,892 | **(15,603)** | – |
| Net cash flow generated from/(used in) operation | **35,179** | 1,460,151 | **(130,770)** | 83,274 | **258,851** | 143,123 | **(15,333)** | – |

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

**a. Change of control from joint venture to subsidiary – Venture Investment Pte. Ltd. ("VIPL") and its subsidiary**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**17. Investments in subsidiaries** (Continued)

**a. Change of control from joint venture to subsidiary – Venture Investment Pte. Ltd. ("VIPL") and its subsidiary** (Continued)

The purchase consideration was negotiated at arm's length and on a willing-buyer willing-seller basis, after taking into consideration of the unaudited net assets of the VIPL and its subsidiary as at 31 May 2023. Accordingly, the Group obtained control over VIPL and its subsidiary and reclassified VIPL and its subsidiary from joint ventures to subsidiaries. The management is of the view that the acquisition of VIPL and its subsidiary is a strategic business decision to diversify the Group's existing medical services into allied healthcare to complement its existing medical services with their specialised support and expertise.

*Fair values of the identifiable assets and liabilities of VIPL subgroup as at the date of change of control:*

| | **Fair value recognised on date of change of control S$** |
|---|---|
| **Assets** | |
| Property, plant and equipment | 111,034 |
| Trade and other receivables | 17,100 |
| Cash and cash equivalents | 132,773 |
| | 260,907 |
| **Liabilities** | |
| Trade and other payables | (332,961) |
| Lease liabilities | (99,618) |
| | (432,579) |
| Net identifiable liabilities at fair value | (171,672) |
| Goodwill arising from change of control | 171,673 |
| Total consideration | 1 |

The fair value of property, plant and equipment is approximately S$111,034 which consist of right-of-use asset of S$97,092 and medical equipment of S$13,942, respectively.

The fair value of trade and other receivables is approximately S$17,100 which includes trade receivables of S$10,846 and prepayments of S$5,163.

From the date of acquisition, VIPL and its subsidiary have contributed S$146,051 and S$58,921 to the revenue and loss, net of tax of the Group respectively. If the combination has taken place at the beginning of the financial year, the Group's revenue and loss, net of tax would have been approximately S$25,411,580 and S$2,901,448 respectively.

**17. Investments in subsidiaries** (Continued)

**a. Change of control from joint venture to subsidiary – Venture Investment Pte. Ltd. ("VIPL") and its subsidiary** (Continued)

*Effects of the change of control of the subsidiary on cash flows*

| | S$ |
|---|---|
| Total consideration | 1 |
| Consideration paid in cash | 1 |
| Less: Cash and cash equivalents of subsidiary acquired | (132,773) |
| **Net cash inflow on change of control during the financial year ended 31 March 2024** | 132,772 |

**b. Incorporation of subsidiaries – Virtuemed Pte. Ltd., Cove Dermatology Pte. Ltd., Cove Aesthetics T Pagar Pte. Ltd. and PMG TH Pte. Ltd.**

During the financial year, the above-mentioned subsidiaries were incorporated in the Republic of Singapore on 3 April 2023, 22 August 2023, 24 August 2023 and 24 October 2023 respectively as a private company limited by shares. The proceeds from issuance of Virtuemed Pte Ltd's shares to non-controlling interest is S$49.

**18. Investments in joint ventures**

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Investments in joint ventures | **53,471** | 53,471 |
| Amount due to joint ventures | **(26,060)** | (26,060) |
| Share of post-acquisition results | **(27,411)** | (27,411) |
| | **–** | – |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**18. Investments in joint ventures** (Continued)

Details of the joint ventures are as follows:

| Name of joint venture | Country of incorporation and principal place of business | Principal activities | Effective equity held by the Group | |
|---|---|---|---|---|
| | | | **2024** | **2023** |
| | | | **%** | **%** |
| **Held through Livingstone Health Ltd** | | | | |
| Atlas Podiatry Pte. Ltd. ("Atlas")[(1)(3)] | Singapore | Podiatry clinic | **70** | 70 |
| **Held through Livingstone Health International Pte. Ltd.** | | | | |
| Venture Investment Pte. Ltd. ("VIPL")[(2)(3)(4)] | Singapore | Investment holding company | **–** **(Note 17a)** | 60 |
| Atlas Physiotherapy Pte. Ltd.[(2)(3)(4)] | Singapore | Physiotherapy | **–** **(Note 17a)** | 60 |

(1) Audited by Mazars LLP as statutory auditors.

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

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

(4) During the financial year, the Group acquired additional interest in Venture Investment Pte. Ltd. which resulted in obtaining control over VIPL and its subsidiary (Note 17a).

No individual joint ventures are considered to be material to the Group. Summarised financial information of the joint ventures is presented in aggregate as below.

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Loss for the financial year | **225,515** | 381,466 |

As at 31 March 2024, the cumulative unrecognised share of losses are S$536,522 (2023: S$406,072).

**19. Investment in an associate**

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Investments in an associate, at cost | **30,000** | – |
| Share of post-acquisition results | **(30,000)** | – |
| | **–** | – |

**19. Investment in an associate** (Continued)

PMGPO Pte. Ltd. ("PMGPO") is a direct 15%-owned associated company of Phoenix Medical Group Pte. Ltd. (an indirect 51%-owned subsidiary of the Company), incorporated in Singapore on 11 August 2023. The issued and paid-up capital of PMGPO is S$200,000, comprising 200,000 ordinary shares.

Details of the associate is as follows:

| Name of associate | Country of incorporation and principal place of business | Principal activity | Effective equity held by the Group 2024 % | 2023 % |
|---|---|---|---|---|
| **Held through PMG** | | | | |
| PMGPO Pte. Ltd. ("PMGPO")[1] | Singapore | Medical clinic | **7.65** | – |

[1] Audited by Mazars LLP as statutory auditors.

The associate is considered to be immaterial to the Group. Summarised financial information of the associate is presented as below.

| | Group 2024 S$ | 2023 S$ |
|---|---|---|
| Loss for the financial year | **267,844** | – |

As at 31 March 2024, the cumulative unrecognised share of losses are S$10,177 (2023: S$Nil).

**20. Loan to a joint venture**

| | Group 2024 S$ | 2023 S$ |
|---|---|---|
| Non-current | **359,765** | 361,534 |

The loan to a joint venture is unsecured, non-trade in nature and bears interest rate of 3.06% (2023: 3.06%) 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

## 21. Trade payables

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Third parties | **1,197,324** | 1,061,422 |
| Related parties | **86,751** | 7,650 |
| Joint venture | **6,600** | 645 |
| | **1,290,675** | 1,069,717 |

The average credit period on purchases of goods generally ranges between 30 to 60 days (2023: 30 to 60 days). No interest is charged on the trade payables. Trade payables are denominated in Singapore Dollars.

## 22. Other payables

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **S$** | **S$** | **S$** | **S$** |
| ***Non-current*** | | | | |
| Base consideration on reverse acquisition[#2] | **980,000** | – | **980,000** | – |
| Deferred consideration on reverse acquisition[#2] | **1,470,000** | – | **1,470,000** | – |
| | **2,450,000** | – | **2,450,000** | – |
| ***Current*** | | | | |
| Accruals | **1,532,421** | 1,995,923 | **88,800** | 74,521 |
| Customer deposits | **60,995** | 44,145 | **–** | – |
| GST payables | **356,948** | 478,652 | **–** | – |
| Amounts due to related companies | **22,239** | – | **–** | – |
| Amounts due to subsidiaries | **–** | – | **–** | 957,689 |
| Amounts due to ultimate holding company | **246,020** | 248,943 | **–** | – |
| Amounts due to a joint venture | **97,379** | – | **–** | – |
| Deferred consideration on reverse acquisition | **30,000** | 1,500,000[#1] | **30,000** | 1,500,000[#1] |
| Base consideration on reverse acquisition | **–** | 1,000,000 | **–** | 1,000,000 |
| Provision for unutilised leave | **121,695** | 419,228 | **–** | – |
| Provision for reinstatement cost | **256,648** | 131,233 | **–** | – |
| Third parties | **313,902** | 251,333 | **3,695** | 28,369 |
| | **3,038,247** | 6,069,457 | **122,495** | 3,560,579 |
| | **5,488,247** | 6,069,457 | **2,572,495** | 3,560,579 |

[#1] The Company will make payment for 6.0% of the Deferred Consideration amounting to S$1,500,000 in cash to the Vendors in proportion to the Vendor's Respective Shareholdings by 31 December 2023.

[#2] The respective vendors has agreed to extend the scheduled payment date for an additional period of time, which will begin 36 months from 31 March 2024 and it is interest free. During the financial year, the Company has made the payment of base consideration amounted to S$20,000 (2023: S$Nil).

[#3] Included in accruals is performance related remuneration of approximately S$0.3 million (2023: S$0.4 million) for directors and key management personnel which is also included in compensation of directors and key management personnel in Note 32.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**22. Other payables** (Continued)

Amounts due to related companies, subsidiaries, ultimate holding company and joint venture are unsecured, interest-free and repayable on demand.

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

Other payables are denominated in Singapore Dollars.

**23. Contract liabilities**

| | Group | | |
|---|---|---|---|
| | **2024** | **2023** | **1 April 2022** |
| | **S$** | **S$** | **S$** |
| Deferred revenue | **1,136,017** | 842,236 | 868,153 |

There were no significant changes in the nature of contract liabilities balances during the reporting period, the deferred revenue is expected to be realised within the next financial year. The movements are explained as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| At beginning of financial year | **842,236** | 868,153 |
| Receipt from customers | **2,054,949** | 2,065,262 |
| Revenue recognised during the financial year | **(1,761,168)** | (2,091,179) |
| At end of financial year | **1,136,017** | 842,236 |

**24. Borrowings**

| | Group | | Company | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **S$** | **S$** | **S$** | **S$** |
| Loan 1 | **–** | 20,609 | **–** | – |
| Loan 2 | **14,125** | 177,861 | **–** | – |
| Loan 3 | **1,608,775** | 2,787,258 | **–** | – |
| Loan 4 | **–** | 12,920 | **–** | – |
| Loan 5 | **916,667** | 1,416,667 | **–** | – |
| Loan 6 | **1,934,000** | – | **1,934,000** | – |
| Loans from related party | **205,000** | 630,000 | **175,000** | 630,000 |
| | **4,678,567** | 5,045,315 | **2,109,000** | 630,000 |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | **(2,713,518)** | (2,504,027) | **(967,000)** | (630,000) |
| Amount due for settlement after 12 months | **1,965,049** | 2,541,288 | **1,142,000** | – |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**24. 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 rate of the loan is at 2.65% (2023: 4.86%) 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 rate of the loan is at 6.50% (2023: 4.28%) 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 fixed interest rate of the loan is at 2.00% (2023: 2%) per annum.

d) Loan 4 of S$100,000 was raised on 28 September 2018 and is arising from the acquisition of PMG Group in 2019. Repayments 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 rate of the loan is at 4.41% (2023: 4.73%) per annum.

e) Loan 5 of S$1,500,000 was obtained on 25 January 2023. Repayments commenced on 24 February 2023 and will continue until 24 January 2026. The loan is secured by guarantee from the Company and its subsidiaries. The effective interest rate of the loan is at 5.55% (2023: 5.64%) per annum.

f) Loan 6 of S$2,000,000 was obtained on 16 February 2024. Repayments commenced on 15 March 2024 and will continue until 18 August 2026. The loan is secured by guarantee from the Company and its subsidiaries. The effective interest rate of the loan is at 6.44% per annum.

g) Loans from related party are financial assistance provided by a director to the Company in the form of an unsecured, interest-free loan and repayable on demand.

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.

During the financial year ended 31 March 2024, one of the subsidiaries had not met a covenant requirement by a bank for Loan 2, Loan 3 and Loan 5 but has obtained a waiver of this requirement for a period of 12 months from the financial year end.

**25. Lease liabilities**

The Group leased certain medical equipment and leasehold properties under leases. The lease term is one to three years. Interest rates are fixed at inception of the lease contract dates at 3.08% to 8.00% (2023: 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 15).

The Group leases certain clinics and offices for one to five 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

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| **Leasehold properties** | | |
| At beginning of financial year | **2,690,152** | 1,600,642 |
| Additions | **3,206,291** | 2,402,146 |
| Acquisition of a subsidiary | **97,092** | – |
| Depreciation | **(1,605,479)** | (1,312,636) |
| Lease termination | **(184,479)** | – |
| Written-off | **(17,604)** | – |
| At end of financial year | **4,185,973** | 2,690,152 |
| **Machines and equipment** | | |
| At beginning of financial year | **196,314** | 260,657 |
| Depreciation | **(68,201)** | (64,343) |
| At end of financial year | **128,113** | 196,314 |

The total cash outflow for leases during the financial year ended 31 March 2024 is S$1,756,913 (2023: S$1,548,786).

(b) Lease liabilities

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Lease liabilities – current | **1,773,753** | 1,300,906 |
| Lease liabilities – non-current | **2,614,202** | 1,563,464 |
| At end of financial year | **4,387,955** | 2,864,370 |

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**25. Lease liabilities** (Continued)

(c) Amounts recognised in profit or loss

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Interest expense on lease liabilities | **184,099** | 158,826 |
| Expense relating to short-term leases | **55,410** | 225,009 |
| Expense relating to low-value assets | **7,996** | 3,671 |

**26. Deferred tax**

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Deferred tax assets | **41,967** | 429,006 |
| Deferred tax liabilities | **3,266** | 58,384 |

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 year are as follows:

Deferred tax assets

| | **Tax losses S$** | **Capital allowances S$** | **Total S$** |
|---|---|---|---|
| **Group** | | | |
| At 1 April 2022 | 388,805 | 23,141 | 411,946 |
| Credit to profit or loss | 43,697 | (26,637) | 17,060 |
| At 31 March 2023 | 432,502 | (3,496) | 429,006 |
| Debit to profit or loss | (390,535) | 3,496 | (387,039) |
| At 31 March 2024 | **41,967** | **–** | **41,967** |

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**26. Deferred tax** (Continued)

The movements in deferred tax position for the financial year are as follows: (Continued)

Deferred tax liabilities

| Group | Provision and accelerated tax depreciation S$ |
|---|---|
| At 1 April 2022 | 33,408 |
| Debit to profit or loss | 24,976 |
| At 31 March 2023 | 58,384 |
| Credit to profit or loss | (55,118) |
| At 31 March 2024 | **3,266** |

**27. Share capital**

| Group | 2024 Number of shares | 2023 Number of shares | 2024 S$ | 2023 S$ |
|---|---|---|---|---|
| **Issued and fully paid, with no par value:** | | | | |
| **Ordinary shares** | | | | |
| At beginning of financial year | **436,391,448** | 318,891,448 | **22,764,264** | 22,764,264 |
| Issue of new ordinary shares | **55,557,000**[#1] | 117,500,000[#2] | **1,500,039** | – |
| Transaction costs | **–** | – | **(73,000)** | – |
| At end of financial year | **491,948,448** | 436,391,448 | **24,191,303** | 22,764,264 |

| Company | 2024 Number of shares | 2023 Number of shares | 2024 S$ | 2023 S$ |
|---|---|---|---|---|
| **Issued and fully paid, with no par value:** | | | | |
| **Ordinary shares** | | | | |
| At beginning of financial year | **436,391,448** | 318,891,448 | **69,091,200** | 45,591,200 |
| Issue of new ordinary shares | **55,557,000**[#1] | 117,500,000[#2] | **1,500,039** | 23,500,000[#2] |
| Transaction costs | **–** | – | **(73,000)** | – |
| At end of financial year | **491,948,448** | 436,391,448 | **70,518,239** | 69,091,200 |

[#1] As of 22 February 2024, the Company had issued an aggregate of 55,557,000 fully paid-up ordinary shares in the capital of the Company pursuant to a placement exercise undertaken by the Company. As such, the total issued and paid-up share capital of the Company has increased from 436,391,448 ordinary shares to 491,948,448 ordinary shares.

[#2] This is in relation to the payment of the 96% of the Deferred Consideration of the reverse acquisition which was satisfied by the allotment of issuance 117,500,000 shares (Note 22[#1]).

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**27. Share capital** (Continued)

The cash received for the share capital are as follows:

| | 2024 S$ | 2023 S$ |
|---|---|---|
| **Group** | | |
| Issued share capital | **1,500,039** | – |
| Less: Transaction costs | **(73,000)** | – |
| Cash receipts from issued of share capital | **1,427,039** | – |

**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**

| | 2024 S$ | 2023 S$ |
|---|---|---|
| **The Group and the Company** | | |
| Final tax-exempt (one-tier) dividend in respect of the previous financial year of S$Nil (2023: S$0.0012) per ordinary share | **–** | 523,668 |

In the previous financial year, the Group declared final tax-exempt dividend of S$0.0012 per ordinary share of the Company totalling approximately S$523,668 in respect of the financial year ended 31 March 2022.

During the financial year ended 31 March 2024, a subsidiary of the Group, Phoenix Medical Group Pte. Ltd. declared interim tax-exempt dividend of S$1.0000 (2023: S$1.6667) per ordinary share totalling S$150,000 (2023: S$250,000) in respect of the financial year ended 31 March 2023, of which S$73,500 (2023: S$122,500) are allocated to non-controlling interests.

During the financial year ended 31 March 2024, a subsidiary of the Group, Quantum Orthopaedics Pte. Ltd. declared interim tax-exempt dividend of S$2,650 (2023: S$Nil) per ordinary share totalling S$265,000 (2023: S$Nil) in respect of the financial year ended 31 March 2023, of which S$129,850 (2023: S$Nil) are allocated to non-controlling interests.

**30. Segment information**

*Change in Segment Reporting*

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. Previously, the Group has reported its financial performance based on the business segments of Aesthetics and Wellness, Anaesthesiology and Pain Management, Family Medicine, Internal Medicine, Orthopaedic Surgery and Others respectively. With effect from the financial year ended 31 March 2024, the Group adopted a new segment classification for reporting its segment revenue and results. This forms the basis of identifying the segments of the Group under SFRS(I) 8 *Operating segments* as follows:

i. Specialist Healthcare

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

ii. Primary Healthcare

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

iii. Others

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

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 2. Segment profit represents the profit earned by each segment without allocation of other operating income, consumables and medical supplies used, employee benefits expenses, depreciation expenses, other operating expenses, share of results from joint venture and finance costs. 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 2024

**30. Segment information** (Continued)

*Segment revenue and results*

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

| | Specialist Healthcare S$ | Primary Healthcare S$ | Others S$ | Total S$ |
|---|---|---|---|---|
| **31 March 2024** | | | | |
| Segment revenue | **16,057,541** | **6,418,728** | **2,889,008** | **25,365,277** |
| Segment profit/(loss) | **1,385,259** | **(314,215)** | **(101,610)** | **969,434** |
| Unallocated loss | | | | **(3,872,306)** |
| Loss for the year | | | | **(2,902,872)** |
| Depreciation | **473,815** | **702,869** | **516,276** | **1,692,960** |
| Unallocated depreciation | | | | **553,329** |
| | | | | **2,246,289** |
| Impairment of goodwill | **–** | **–** | **171,673** | **171,673** |
| Share of results from equity-accounted for associate | **–** | **30,000** | **–** | **30,000** |
| Finance costs | **39,703** | **63,796** | **27,643** | **131,142** |
| Unallocated finance costs | | | | **187,500** |
| | | | | **318,642** |
| Income tax expense/(credit) | **119,154** | **69,051** | **(34,173)** | **154,032** |
| Unallocated income tax expense | | | | **37,497** |
| | | | | **191,529** |
| Segment assets | **6,731,249** | **3,751,151** | **10,561,804** | **21,044,204** |
| Unallocated assets | | | | **658,200** |
| | | | | **21,702,404** |
| Segment liabilities | **3,120,951** | **1,891,263** | **7,366,936** | **12,379,150** |
| Unallocated liabilities | | | | **4,678,386** |
| | | | | **17,057,536** |

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**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)

| | Specialist Healthcare S$ | Primary Healthcare S$ | Others S$ | Total S$ |
|---|---|---|---|---|
| **31 March 2023** | | | | |
| Segment revenue | 22,851,501 | 6,540,374 | 3,526,013 | 32,917,888 |
| Segment profit | 3,168,831 | 354,001 | 592,996 | 4,115,828 |
| Unallocated loss | | | | (2,830,294) |
| Profit for the year | | | | 1,285,534 |
| Depreciation | 274,552 | 680,543 | 421,634 | 1,376,729 |
| Unallocated depreciation | | | | 548,763 |
| | | | | 1,925,492 |
| Finance costs | 15,935 | 66,139 | 26,295 | 108,369 |
| Unallocated finance costs | | | | 199,848 |
| | | | | 308,217 |
| Income tax expense | 164,850 | 159,432 | 217,313 | 541,595 |
| Unallocated income tax expense | | | | (30,527) |
| | | | | 511,068 |
| Segment assets | 9,116,457 | 4,285,969 | 2,537,203 | 15,939,629 |
| Unallocated assets | | | | 6,857,025 |
| | | | | 22,796,654 |
| Segment liabilities | 3,343,081 | 1,962,787 | 2,177,996 | 7,483,864 |
| Unallocated liabilities | | | | 8,984,038 |
| | | | | 16,467,902 |

**31. Contingent liabilities**

As at 31 March 2024, the Company and certain subsidiaries have given a corporate guarantee to a bank for bank borrowings, Loan 2, Loan 3, Loan 5 and Loan 6 in respect to the banking facilities granted to a subsidiary (Note 24).

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

## 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);

(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.

**32. Significant related party transactions** (Continued)

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:

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| **Company related to a director of the Company** | | |
| Sales of services to | **692,664** | 958,938 |
| Purchase of services from | **(67,802)** | (51,402) |
| Professional fees | **–** | (2,910) |
| Rental paid | **(104,201)** | – |
| **Company related to a substantial shareholder** | | |
| Sales of services to | **58,348** | – |
| Purchase of services from | **(28,000)** | – |
| **With a substantial shareholder** | | |
| Rental paid | **(9,539)** | (79,920) |
| **With an associate** | | |
| Administrative income | **25,000** | – |
| Sales to | **19,792** | – |
| Other income | **23,324** | – |
| **With a joint venture** | | |
| Management fee charged to | **165,000** | 180,000 |
| Sales to | **538** | – |
| Purchase from | **(6,182)** | – |

***Compensation of directors and key management personnel***

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

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| Short-term benefits | **4,102,793** | 6,103,655 |
| Post-employment benefits | **169,365** | 171,060 |
| | **4,272,158** | 6,274,715 |

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 2024

## 33. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risks (including foreign currency risk and interest rate risk) and liquidity risk. 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 risk***

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 and trade and other receivables carried at amortised cost. 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 risk, 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.

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.

**33. Financial instruments and financial risks** (Continued)

***Credit risk*** (Continued)

The Group's internal credit risk grading categories are as follows:

| **Category** | **Description** | **Basis of recognising ECL** |
|---|---|---|
| 1 | Low credit risk[Note 1] | 12-months ECL |
| 2 | Non-significant increase in credit risk 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 risk

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.

Note 2. Significant increase in credit risk

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 90 days past due) and forward looking quantitative and qualitative information.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**33. Financial instruments and financial risks** (Continued)

***Credit risk*** (Continued)

Note 2. Significant increase in credit risk (Continued)

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 independently obtained information (e.g. expert reports, analyst's reports etc) and 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 >90 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.

With reference to Note 31, the Company and certain subsidiaries provide financial guarantee to certain banks 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.

NOTES TO THE
FINANCIAL STATEMENTS



**33. Financial instruments and financial risks** (Continued)

***Credit risk*** (Continued)

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 12)

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 customers' segment, 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 country (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.

The loss allowance for trade receivables are determined as follows:

| Group | 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 |
|---|---|---|---|---|---|---|---|
| **31 March 2024** | | | | | | | |
| Expected credit loss rates | **0%** | **0%** | **0%** | **0%** | **0.1%** | **25.6%** | |
| Trade receivables (gross) (S$) | **1,575,885** | **1,028,780** | **619,012** | **213,099** | **798,449** | **1,673,957** | **5,909,182** |
| Loss allowance (S$)[a] | **–** | **–** | **–** | **–** | **(706)** | **(428,751)** | **(429,457)** |
| **31 March 2023** | | | | | | | |
| Expected credit loss rates | 0% | 0% | 0% | 0% | 0% | 10.0% | |
| Trade receivables (gross) (S$) | 2,079,452 | 1,308,294 | 800,706 | 393,380 | 1,021,090 | 1,393,460 | 6,996,382 |
| Loss allowance (S$) | – | – | – | – | – | (138,693) | (138,693) |

[a] This amount includes S$148,113 (2023: S$Nil) which are credit-impaired balances from several customers who are unlikely to repay the outstanding balances mainly due to economic circumstances or who have defaulted in payment terms.

# NOTES TO THE FINANCIAL STATEMENTS



**33. Financial instruments and financial risks** (Continued)

***Credit risk*** (Continued)

Other receivables (Note 13), excluding advances to a joint venture

As of 31 March 2024, the Group recorded deposits paid of S$688,933 (2023: S$483,951), advances to an associate S$361,035 (2023: S$Nil) and other receivables of S$107,181 (2023: S$25,736), respectively. As of 31 March 2024, the Company recorded amount due from a subsidiary of S$945,740 (2023: S$Nil). The Group and the Company assessed the latest performance and financial position of the respective debtors, associate and joint venture, 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-months ECL and determined that the ECL is insignificant.

Advances to a joint venture (Note 13) and loan to a joint venture (Note 20)

The Group assessed the impairment loss allowance for the amounts due from a joint venture on a lifetime ECL basis consequent to their assessment. In its assessment of the credit risk of the joint venture, the Group considered amongst other factors, the financial position of the joint venture as of 31 March 2024, the past financial performance and cash flow trends, adjusted for the outlook of the industry and economy in which the joint venture operate in. Accordingly, the amounts have been classified as Category 3. Category 3 represents receivables with a significant increase in credit risk since initial recognition. The Group measures the loss allowance taking into consideration the probability of default and loss given default of the receivable. As at 31 March 2024, the Group recognised a loss allowance of S$420,020 (2023: S$Nil) relating to advances to a joint venture. The carrying amount of the Group's loan and advances to joint venture as at 31 March 2024 was S$359,765 (2023: S$361,534) (Note 20) and S$466,706 (2023: S$910,490) (Note 13) respectively.

Amount due from a subsidiary (Note 13)

Management determines whether there is significant increase in credit risk of amount due from a subsidiary since initial recognition. Management reviews the financial performance and results of the subsidiary. As at 31 March 2024, the amount due from a subsidiary was S$945,740 (2023: S$Nil) (Note 13) and there is no loss allowance was recognised.

**33. Financial instruments and financial risks** (Continued)

***Credit risk*** (Continued)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables and other receivables is as follows:

| **Group** | **Trade receivables** | | | **Other receivables** | | |
|---|---|---|---|---|---|---|
| **Internal credit risk grading** | **Note (i)** | **Category 4** | **Total** | **Note (i)** | **Category 3** | **Total** |
| | **S$** | **S$** | **S$** | **S$** | **S$** | **S$** |
| **Loss allowance** | | | | | | |
| Balance at 1 April 2022 | 58,711 | – | 58,711 | – | – | – |
| Loss allowance | 121,326 | – | 121,326 | – | – | – |
| Reversal | (41,344) | – | (41,344) | – | – | – |
| Balance at 31 March 2023 | 138,693 | – | 138,693 | – | – | – |
| Loss allowance | 89,610 | 148,113 | 237,723 | – | 420,020 | 420,020 |
| Reversal | (10,148) | – | (10,148) | – | – | – |
| Acquisition of a subsidiary | 63,189 | – | 63,189 | – | – | – |
| Balance at 31 March 2024 | **281,344** | **148,113** | **429,457** | **–** | **420,020** | **420,020** |
| **Gross carrying amount** | | | | | | |
| At 31 March 2023 | 6,996,382 | – | 6,996,382 | 509,687 | 910,490 | 1,420,177 |
| At 31 March 2024 | **5,761,069** | **148,113** | **5,909,182** | **1,157,149** | **886,726** | **2,043,875** |
| **Net carrying amount** | | | | | | |
| At 31 March 2023 | 6,857,689 | – | 6,857,689 | 509,687 | 910,490 | 1,420,177 |
| At 31 March 2024 | **5,479,725** | **–** | **5,479,725** | **1,157,149** | **466,706** | **1,623,855** |

Note (i): For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where the loss allowance is equal to lifetime ECL. No loss allowance was recognised with respect to these trade receivables.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**33. Financial instruments and financial risks** (Continued)

***Market risks***

The Group's activities expose it primarily to the financial risk of changes in 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.

Interest rate risk

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 risk arises primarily from the floating rate borrowings with financial institutions.

| | **Principal S$** | **Interest rate range** |
|---|---|---|
| **Group** | | |
| **2024** | | |
| Borrowings from financial institutions | **2,864,792** | **2.65% – 6.44%** |
| **2023** | | |
| Borrowings from financial institutions | 1,615,137 | 4.28% – 5.64% |
| **Company** | | |
| **2024** | | |
| Borrowings from financial institutions | **1,934,000** | **6.44%** |

*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 200-basis point increase or decrease is used and represents management's assessment of the possible change in interest rates.

If interest rates had been 200 (2023: 200) basis points higher or lower and all other variables were held constant, the loss for the financial year ended 31 March 2024 of the Group and Company would decrease/increase by S$47,556 (2023: S$26,811) and S$32,104 (2023: S$Nil) respectively.

**33. Financial instruments and financial risks** (Continued)

***Market risks*** (Continued)

Interest rate risk (Continued)

*Interest rate benchmark reform and associated risks*

In view of the reform of major interest rate benchmarks that is being undertaken globally, the Group 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.

The Group applied the practical expedient under the Phase 2 amendments to SFRS(I) 9 Financial Instruments, SFRS(I) 1-39 Financial Instruments: Recognition and Measurement and SFRS(I) 7 Financial Instruments: Disclosures, which assist entities in applying the Standards when changes are made to contractual cash flows or hedging relationships because of the ongoing reform of inter-bank offered rates ("IBOR") and other interest rate benchmarks (the "reform"), to not consider whether the changes required by the Reform to contractual cash flows of financial instrument measured at amortised cost would result in the derecognition of the financial asset or financial liability. Instead, the Group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate used. The exception applies only to the extent that the change is required by interest rate benchmark reform when both these conditions are met:

a) the change is necessary as a direct consequence of the reform; and

b) the new basis for determining the contractual cash flows as a result of the reform is economically equivalent to the previous basis.

As of 31 March 2024, the Group has amended the terms and conditions of all financial instruments in the form of bank borrowings that are indexed to IBOR to the new benchmark rate (i.e. SORA).

***Liquidity risk***

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risk is managed by matching the payment and receipt cycle.

As at 31 March 2024, the Company enters into financial guarantee contracts on behalf of its subsidiaries as disclosed in Note 31.

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 2024

**33. Financial instruments and financial risks** (Continued)

***Liquidity risk*** (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$** | **2 to 5 years S$** | **Total S$** |
|---|---|---|---|---|
| **Undiscounted financial assets** | | | | |
| Cash and cash equivalents | 2.40% | 3,458,428 | – | 3,458,428 |
| Trade receivables | – | 5,479,725 | – | 5,479,725 |
| Other receivables excluding prepayments | – | 1,437,149 | 186,706 | 1,623,855 |
| Loan to a joint venture | 3.06% | – | 370,648 | 370,648 |
| **As at 31 March 2024** | | **10,375,302** | **557,354** | **10,932,656** |
| Cash and cash equivalents | – | 4,226,877 | – | 4,226,877 |
| Trade receivables | – | 6,857,689 | – | 6,857,689 |
| Other receivables excluding prepayments | 0% – 3.06% | 968,920 | 486,463 | 1,455,383 |
| Loan to a joint venture | 3.06% | – | 431,799 | 431,799 |
| **As at 31 March 2023** | | 12,053,486 | 918,262 | 12,971,748 |
| **Undiscounted financial liabilities** | | | | |
| Trade payables | – | 1,290,675 | – | 1,290,675 |
| Other payables* | – | 2,302,956 | 2,450,000 | 4,752,956 |
| Lease liabilities | 3.08% – 8.00% | 1,943,370 | 2,750,939 | 4,694,309 |
| Borrowings | 2.00% – 6.50% | 2,871,813 | 2,032,035 | 4,903,848 |
| **As at 31 March 2024** | | **8,408,814** | **7,232,974** | **15,641,788** |
| Trade payables | – | 1,069,717 | – | 1,069,717 |
| Other payables* | – | 5,040,344 | – | 5,040,344 |
| Lease liabilities | 3.08% – 5.65% | 1,424,265 | 1,664,456 | 3,088,721 |
| Borrowings | 2.00% – 6.00% | 2,619,535 | 2,613,882 | 5,233,417 |
| **As at 31 March 2023** | | 10,153,861 | 4,278,338 | 14,432,199 |
| **Total undiscounted net financial assets/(liabilities)** | | | | |
| **– At 31 March 2024** | | **1,966,488** | **(6,675,620)** | **(4,709,132)** |
| **– At 31 March 2023** | | 1,899,625 | (3,360,076) | (1,460,451) |

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

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**33. Financial instruments and financial risks** (Continued)

***Liquidity risk*** (Continued)

| Company | Effective interest rate % | On demand or less than 1 year S$ | 2 to 5 years S$ | Total S$ |
|---|---|---|---|---|
| **Undiscounted financial assets** | | | | |
| Cash and cash equivalents | 2.40% | 610,923 | – | 610,923 |
| Other receivables excluding prepayments GST receivables | – | 945,740 | – | 945,740 |
| **As at 31 March 2024** | | **1,556,663** | **–** | **1,556,663** |
| Cash and cash equivalents | – | 24,696 | – | 24,696 |
| **As at 31 March 2023** | | 24,696 | – | 24,696 |
| **Undiscounted financial liabilities** | | | | |
| Other payables | – | 122,495 | 2,450,000 | 2,572,495 |
| Borrowings | 6.50% | 1,065,250 | 1,196,438 | 2,261,688 |
| Maximum amount of financial guarantee | – | 2,539,567 | – | 2,569,567 |
| **As at 31 March 2024** | | **3,727,312** | **3,646,438** | **7,403,750** |
| Other payables | – | 3,560,579 | – | 3,560,579 |
| Borrowings | – | 630,000 | – | 630,000 |
| **As at 31 March 2023** | | 4,190,579 | – | 4,190,579 |
| **Total undiscounted net financial liabilities** | | | | |
| **– At 31 March 2024** | | **(2,170,649)** | **(3,646,438)** | **(5,847,087)** |
| **– At 31 March 2023** | | (4,165,883) | – | (4,165,883) |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

**33. Financial instruments and financial risks** (Continued)

***Financial instruments by category***

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position and as follows:

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| **Group** | | |
| ***Financial assets at amortised cost*** | | |
| Cash and cash equivalents | **3,458,428** | 4,226,877 |
| Trade receivables | **5,479,725** | 6,857,689 |
| Other receivables excluding prepayments | **1,623,855** | 1,420,177 |
| Loan to a joint venture | **359,765** | 361,534 |
| | **10,921,773** | 12,866,277 |
| ***Financial liabilities at amortised cost*** | | |
| Trade payables | **1,290,675** | 1,069,717 |
| Other payables* | **4,752,956** | 5,040,344 |
| Lease liabilities | **4,387,955** | 2,864,370 |
| Borrowings | **4,678,567** | 5,045,315 |
| | **15,110,153** | 14,019,746 |

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

| | 2024<br>S$ | 2023<br>S$ |
|---|---|---|
| **Company** | | |
| ***Financial assets at amortised cost*** | | |
| Cash and cash equivalents | **610,923** | 24,696 |
| Other receivables excluding prepayments and GST receivables | **945,740** | – |
| | **1,556,663** | 24,696 |
| ***Financial liabilities at amortised cost*** | | |
| Other payables | **2,572,495** | 3,560,579 |
| Borrowings | **2,109,000** | 630,000 |
| | **4,681,495** | 4,190,579 |

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 cash and cash equivalents, trade and other receivables, loan to a joint venture, trade and other payables, lease liabilities and borrowings approximate their respective fair values due to the relative short-term maturity of these financial instruments other than those disclosed in Note 33 with maturity analysis.

## 35. Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance except where decisions are made to exit businesses or close companies.

The capital structure of the Group consists of debts, which includes the borrowings and lease liabilities as disclosed in Note 24 and 25 and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed in Note 27 and 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 2023.

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 less cash and cash equivalents.

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Net debt | **1,220,139** | 818,438 |
| Total equity | **4,644,868** | 6,328,752 |
| Gearing ratio | **26%** | 13% |

## 36. Operating lease commitments

<u>Lessor</u>

The Group has entered a commercial property lease on its leasehold property. This non-cancellable lease has remaining lease terms of less than 1 year to 2.5 years.

As at the end of the financial year, future minimum lease receivables under non-cancellable operating leases at the end of the financial year are as follows:

| | Group | |
|---|---|---|
| | **2024** | **2023** |
| | **S$** | **S$** |
| Future minimum lease receivables: | | |
| Within one year | **287,790** | 17,066 |
| After one year but within five years | **208,982** | – |
| | **496,772** | 17,066 |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

### 37. Capital commitments

| | Group 2024 S$ | Group 2023 S$ |
|---|---|---|
| Capital expenditure contracted but not provided for | | |
| – Commitments for the acquisition of plant and equipment | **45,326** | 41,364 |

### 38. Comparative figures

Certain adjustments have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended on the notes to the financial statements. Comparative figures have been adjusted to conform with the current year's presentation.

The items adjusted are summarised as follows:

| | Balance as previously reported S$ | Adjustment S$ | Balance as restated S$ |
|---|---|---|---|
| **Year ended 31 March 2023** | | | |
| **Statement of cash flows** | | | |
| **Operating activities** | | | |
| **Adjustment for:** | | | |
| Interest income | – | (10,790) | (10,790) |
| **Cash generated from operations** | | | |
| Interest paid | (100,959) | 100,959 | – |
| **Investing activities** | | | |
| Interest received | – | 10,790 | 10,790 |
| **Financing activities** | | | |
| Interest paid | – | (100,959) | (100,959) |

The above adjustments did not have any financial implication to last year's statement of financial position of the Group. Accordingly, management did not present the statement of financial position of the Group as at 1 April 2023.

## 39. Subsequent events after reporting date

### a) Allotment and issuance of renounceable non-underwritten rights issue

On 3 July 2024, the Company allotted and issued 93,263,938 rights shares and 93,263,938 free detachable and unlisted warrants. The issue price for each rights share is S$0.016. Each warrant entitles the warrant holder to subscribe for one new ordinary share in the share capital of the Company at an exercise price of S$0.025 for each new share, on the basis of one rights share for every five existing ordinary shares in the capital of the Company.

The net proceeds arising from the issuance is approximately S$1.27 million, after deducting estimated costs and expenses of approximately S$0.22 million incurred in connection with the issuance. The net proceeds are excluding proceeds to be raised from the exercise of the warrants.

### b) Investment in an associate

PMG INT 2 Pte. Ltd. ("PMG INT2"), a joint investment clinic was incorporated in Singapore on 4 April 2024. PMG INT 2 is a direct 15%-owned associated company of Phoenix Medical Group Pte. Ltd. (an indirect 51%-owned subsidiary of the Company). The issued and paid-up capital of PMG INT2 is S$200,000, comprising 200,000 ordinary shares. The investment by Phoenix Medical Group Pte. Ltd. in PMG INT2 amounted to S$30,000 and was funded through the Group's internal resources. The principal activity of PMG INT is in the provision of healthcare medical services by general practitioners. Following its establishment, PMG INT2 has become an indirect associate of the Group.

# STATISTICS OF **SHAREHOLDINGS**

AS AT 18 JUNE 2024

| | |
|---|---|
| Number of Issued Shares | 491,948,448 |
| 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 | 1,821 | 36.76 | 54,399 | 0.01 |
| 100 – 1,000 | 1,910 | 38.55 | 783,659 | 0.16 |
| 1,001 – 10,000 | 935 | 18.87 | 3,080,625 | 0.63 |
| 10,001 – 1,000,000 | 260 | 5.25 | 22,582,479 | 4.59 |
| 1,000,001 AND ABOVE | 28 | 0.57 | 465,447,286 | 94.61 |
| **TOTAL** | **4,954** | **100.00** | **491,948,448** | **100.00** |

**TWENTY LARGEST SHAREHOLDERS**

| NO. | NAME | NO. OF SHARES | % |
|---|---|---|---|
| 1 | LIVINGSTONE HEALTH CONSOLIDATED PTE. LTD. | 215,311,056 | 43.77 |
| 2 | TAY CHING YIT WILSON | 40,388,500 | 8.21 |
| 3 | CHUA MENG HUI SEBASTIAN | 24,183,900 | 4.92 |
| 4 | CITIBANK NOMINEES SINGAPORE PTE LTD | 24,149,088 | 4.91 |
| 5 | TEH WING KWAN | 23,743,922 | 4.83 |
| 6 | LIM PANG YEN RACHEL | 19,508,400 | 3.97 |
| 7 | TOE TEOW HENG | 18,519,000 | 3.76 |
| 8 | LIU HUA | 16,667,000 | 3.39 |
| 9 | DBS NOMINEES (PRIVATE) LIMITED | 11,431,594 | 2.32 |
| 10 | AW CHI-KEN BENJAMIN (HU ZHIQING) | 9,259,000 | 1.88 |
| 11 | DAX NG YUNG SERN (DAX HUANG YONGSHENG) | 8,741,314 | 1.78 |
| 12 | MAYBANK SECURITIES PTE. LTD. | 8,407,868 | 1.71 |
| 13 | PHILLIP SECURITIES PTE LTD | 6,577,624 | 1.34 |
| 14 | KGI SECURITIES (SINGAPORE) PTE. LTD. | 5,350,980 | 1.09 |
| 15 | ICH CAPITAL PTE LTD | 4,946,300 | 1.01 |
| 16 | WENG HUA YU @SIMON ENG | 4,168,240 | 0.85 |
| 17 | CHUA HSHAN CHER | 4,012,272 | 0.82 |
| 18 | LEE KAI LUN | 2,896,000 | 0.59 |
| 19 | WONG QINGYUAN | 2,407,000 | 0.49 |
| 20 | LIM LIANG MENG | 2,000,006 | 0.41 |
| | **TOTAL** | **452,669,064** | **92.05** |

STATISTICS OF
SHAREHOLDINGS

AS AT 18 JUNE 2024

**SUBSTANTIAL SHAREHOLDINGS AS AT 18 JUNE 2024**

| | Direct Interest | | Deemed interest | | Total interest | |
|---|---|---|---|---|---|---|
| | Number of Shares | % | Number of Shares | % | Number of Shares | % |
| Teh Wing Kwan | 23,743,922 | 4.83% | – | – | 23,743,922 | 4.83% |
| Tay Ching Yit, Wilson | 40,388,500 | 8.21% | 215,311,056 | 43.77% | 255,699,556 | 51.98% |
| Fong Heng Boo | – | – | – | – | – | – |
| Chan Yu Meng | – | – | – | – | – | – |
| Lim Jun Xiong Steven | – | – | – | – | – | – |
| **Substantial Shareholders (Other than Directors)** | | | | | | |
| Livingstone Health Consolidated Pte. Ltd. | 215,311,056 | 43.77% | – | – | 215,311,056 | 43.77% |
| Chua Meng Hui, Sebastian | 24,183,900 | 4.91% | 215,311,056 | 43.77% | 239,494,956 | 48.68% |

**Notes:**

1 Based on 491,948,448 Shares in the issued and paid-up share capital of the Company (excluding nil treasury shares and nil subsidiary holdings) as at 18 June 2024.

2 Dr Tay Ching Yit, Wilson is deemed interested in the 215,311,056 Shares held by Livingstone Health Consolidated Pte. Ltd. ("**LVS**") by virtue of his shareholding of no less than 20% of the issue shares of LVS.

3 Dr Chua Meng Hui, Sebastian is deemed interested in the 215,311,056 Shares held by LVS by virtue of his shareholding of no less than 20% of the issue shares of LVS.

**PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS**

29.09% 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 Catalist of the Singapore Exchange Securities Trading Limited.

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LIVINGSTONE
HEALTH

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