



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

**ENTRY INTO SUPPLEMENTAL AGREEMENT
IN RELATION TO THE ACQUISITION OF INTEREST IN
PHOENIX MEDICAL GROUP PTE LTD BY LIVINGSTONE HEALTH LTD
ON 31 DECEMBER 2019**

*Unless otherwise defined, all capitalised terms used in this announcement shall have the meaning ascribed to them in the circular dated 31 December 2020 ("**Circular**").*

1. Introduction

- 1.1 The board of directors (the "**Board**" or "**Directors**") of Livingstone Health Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Circular and Section 17.4 therein titled "*The PMG Acquisition*" of the Target Letter to shareholders of the Company ("**Shareholders**"), and wishes to announce that the Company has, on 6 January 2022 entered into a supplemental agreement (the "**Supplemental Agreement**") with Dr Chua Hshan Cher, ("**Dr Chua**"), Dr Lee Kai Lun ("**Dr Lee**") and Dr Foong Ching Ching Angela ("**Dr Foong**") (collectively, the "**Vendors**") to vary certain terms of the share sale and purchase agreement (the "**SPA**").
- 1.2 The SPA was entered into between Livingstone Health Ltd ("**Livingstone Health**" or the "**Purchaser**") and the Vendors on 31 December 2019 in relation to the acquisition by Livingstone Health of 51% of the issued share capital of Phoenix Medical Group Pte. Ltd. (the "**Target**" or "**PMG**") (the "**Acquisition**"). The remaining 49% of the issued share capital of the Target is owned by the Vendors.

2. Supplemental Agreement

- 2.1 Pursuant to the terms of the SPA, out of an aggregate consideration of \$1,530,000 for the Acquisition, a remaining balance of \$612,000 is payable in cash to the Vendors by 31 December 2021 ("**Second Tranche Consideration**"). The Vendors and Livingstone Health have now, pursuant to the Supplement Agreement, mutually agreed to vary the payment terms of the Second Tranche Consideration, in the following manner:

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

The VWAP per Share on 5 January 2021 is \$0.1485 ("**Issue Price**"). Pursuant thereto, the number of Purchaser Shares to be issued to each of the Vendors is as follows:

Name of Vendor	Aggregate Amount of Second Tranche Consideration	Amount of Cash Portion	Amount of Second Tranche Consideration payable in Purchaser Shares	No. of Purchaser Shares to be issued	No. of Purchaser Shares as a % of the existing share capital	No. of Purchaser Shares as a % of the enlarged share capital
Dr Chua	S\$263,160	S\$65,790	S\$197,370	1,265,800	0.40%	0.40%
Dr Lee	S\$263,160	S\$65,790	S\$197,370	1,265,800	0.40%	0.40%
Dr Foong	S\$85,680	S\$21,420	S\$64,260	412,100	0.13%	0.12%
Total:	S\$612,000	S\$153,000	S\$459,000	2,943,700	0.93%	0.92%

- (b) The Cash Portion of the second tranche consideration shall be payable by way of cheque to the Vendors, to be given to the Vendors by 31 January 2022.
- (c) The Company shall issue and allot the above Purchaser Shares to each of the Vendors by 31 January 2022 ("**Proposed Issue of Purchaser Shares**") or such later date as may be agreed among the Purchaser and Vendors in writing. In the allotment of the Purchaser Shares, the Company will avoid creating odd lots as far as possible.

- 2.2 Save for the amendment disclosed in paragraph 2.1 above, all other terms and conditions of the SPA remain in full force and effect.
- 2.3 The Company will be making an application, through the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"), to the SGX-ST for the permission to deal in and for the listing of and quotation of the Purchaser Shares on Catalist. An appropriate announcement will be made in due course when the Company receives the listing and quotation notice for the Purchaser Shares from the SGX-ST.
- 2.4 Shareholders should note that each of the Vendors is an independent third party and not related to any of the Directors or controlling shareholders of the Company and/or their respective associates. As at the date of this announcement, Dr Chua is interested in 2,614,472 Shares, representing approximately 0.83% of the total issued and paid-up share capital of the Company. Save as disclosed, none of the Vendors have any interest in the Shares of the Company.

3. Purchaser Shares

3.1 Principal terms of Purchaser Shares

The Issue Price of S\$0.1560 per Purchaser Share represents a premium of approximately 5% to the VWAP of S\$0.1485 for each Purchaser Share based on trades done on the SGX-ST on 5 January 2022.

The Purchaser Shares, when issued, will be free from all encumbrances and shall rank *pari passu* in all respects with the Shares existing as at their date of issue except for any dividends, distributions or entitlements, the record date of which falls on or before such date of issue and allotment of the Purchaser Shares.

3.2 Issue size

The total number of the Purchaser Shares to be issued and allotted by the Company to the Vendors is 2,943,700, representing approximately 0.93% of the existing share capital of the Company and 0.92% of the enlarged share capital of the Company (taking into consideration the issue and allotment of the Purchaser Shares). The Proposed Issue of Purchaser Shares will not result in any transfer of controlling interest in the Company.

3.3 Authority to issue and allot the Purchaser Shares

The Purchaser Shares will be allotted and issued pursuant to the general share issue mandate (the “**Share Issue Mandate**”) to issue Shares, as passed by the Company’s shareholders at the annual general meeting held by the Company on 30 July 2021 (“**FY2021 AGM**”).

The Share Issue Mandate authorises the Directors to, among other things, issue Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at any time, and upon such terms and conditions, and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that, among other things, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to existing shareholders of the Company does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of FY2020 AGM, after adjusting for:

- (a) new Shares arising from the conversion or exercise of any convertible securities;
- (b) new Shares arising from the exercise of share options or vesting of share awards, provided that the share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”); and
- (c) any subsequent bonus issue, consolidation or sub-division of Shares.

As at the date of the FY2021 AGM, the Company had 315,947,748 Shares in issue (excluding treasury shares and subsidiary holdings). Accordingly, the maximum number of Shares that may be issued pursuant to the Share Issue Mandate is 315,947,748 Shares (excluding treasury shares and subsidiary holdings), of which the maximum number of Shares that may be issued other than on a *pro rata* basis pursuant to the Share Issue Mandate is 157,973,874 Shares. Accordingly, the Proposed Issue of Purchaser Shares fall within the limit of the Share Issue Mandate.

4. **Rationale for the Supplemental Agreement**

Livingstone Health and the Vendors have mutually agreed to enter into the Supplemental Agreement to vary the payment terms of the Second Tranche Consideration for, *inter alia*, the following reasons:

- (a) to instil a sense of identity in the Vendors to contribute to the long-term growth and prosperity of the Group;
- (b) to retain the expertise and services of the Vendors whose contributions are essential to the long-term growth and prosperity of the Group; and
- (c) to align the interests of the Vendors with the interests of Shareholders of the Company.



5. Computation of Catalist Rule 1006 Figures in respect of the Acquisition

Pursuant to the entry into the Supplemental Agreement by Livingstone Health, and in respect of the Acquisition, which was completed on 31 December 2019, the Company has computed the relative figures on the bases set out in Rule 1006 of the Catalist Rules:

Rule	Bases of Calculation	Relevant figures
Rule 1006(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable
Rule 1006(b)	Net profits attributable to the assets acquired, compared with the Group's net profits.	11.36% ⁽¹⁾
Rule 1006(c)	The aggregate value of the consideration paid, compared with the Company's market capitalisation.	3.26% ⁽²⁾
Rule 1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	0.93% ⁽³⁾
Rule 1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable

Notes:

- (1) Computed based on the net profit before tax of the Group for half year ended 30 September 2021 ("HY2022") amounting to S\$2,696,000 and the net profits before tax of PMG for half year ended 30 September 2021 amounting to S\$306,304. Given that the completion date of the Acquisition was on 31 December 2019, for illustration purposes, the relative figure computed pursuant to Rule 1006(b) as at 31 December 2019, was 6.56% based on the net profit before tax of the Group of \$1,833,256 for the financial year ended 31 December 2019 and the net profit before tax of PMG amounting to S\$120,291 for the financial year ended 31 December 2019.
- (2) Based on the aggregate consideration of \$1,530,000 as per SPA, and the Company's market capitalisation of approximately \$46,918,240 and the VWAP of \$0.1485 as at 5 January 2022 (being the last market day where the Company's shares were traded, preceding the date of the Supplemental Agreement).
- (3) Computed based on an aggregate of 2,943,700 Purchaser Shares to be issued and the existing issue share capital of the Company of 315,947,748 shares as at the date of this announcement.

As the relative figures computed under Rule 1006 exceed 5% but do not exceed 75%, the Acquisition constitutes a "discloseable transaction" pursuant to Rule 1010 of the Catalist Rules.

6. Financial Effects of the Acquisition

The financial effects of the Proposed Issue of Purchaser Shares are presented for illustrative purposes only and are not intended to reflect the actual future financial performance and position of the Company or the Group after the completion of the Proposed Issue of Purchaser Shares.

6.1 The financial effects set out below have been computed based on the latest audited consolidated financial statements of the Group for FY2021 as well as on the following bases and key assumptions:

- (a) the financial effects on the NTA per Share of the Group are computed assuming that the Proposed Issue of Purchaser Shares was completed on 31 March 2021;



- (b) the allotment and issuance of 2,943,700 Purchaser Shares to the Vendors was completed on 31 March 2021; and
- (c) the financial effects on the earnings per Share (“EPS”) of the Group are computed assuming that the Proposed Issue of Purchaser Shares was completed on 1 January 2020.

6.2 Share Capital

	Before the Proposed Issue of Purchaser Shares	After the Proposed Issue of Purchaser Shares
Issued and paid-up share capital of the Company (S\$'000)	22,305	22,764
Total number of Shares ('000) *Excluding Treasury Shares	315,948	318,891

6.3 NTA per Share

	Before the Proposed Issue of Purchaser Shares	After the Proposed Issue of Purchaser Shares
NTA as at 31 December 2020 (S\$'000)	1,511	1,511
Total number of Shares ('000) *Excluding Treasury Shares	315,948	318,891
NTA per Share (Singapore cents)	0.48	0.47

6.4 EPS

	Before the Proposed Issue of Purchaser Shares	After the Proposed Issue of Purchaser Shares
Net income attributable to shareholders (S\$'000)	(16,694)	(16,694)
Weighted average number of Shares ('000)	315,948	318,891
EPS (Singapore cents)	(5.28)	(5.23)

7. **Rationale for the Acquisition**

As disclosed in the Circular, the Acquisition is the Group's inaugural venture into the family medicine business and accordingly, the Group's acquisition of 51.0% of PMG was agreed upon between the Group and the Vendors as it would give the Group majority control over PMG while limiting the Group's investment risks of a new business segment. At the same time, it allows the Vendors, who had established and who continue to manage the daily operations of PMG, to continue to share in the risks and rewards of PMG in proportion to their respective shareholdings.



8. Directors' Service Contracts

No person is proposed to be appointed as a Director of the Company in connection with the Acquisition and accordingly, no service contracts in relation thereto had been or will be entered into by the Company.

9. Confirmation by the Board

The Board confirms that:

- (a) the issuance of Purchaser Shares is in the interest of the Company having considered the rationale for the variation of the SPA set out in **Paragraph 4** of this announcement; and
- (b) the Purchaser Shares will not be issued and allotted to (a) any person who is a director or a substantial shareholder of the Company; and (b) any other person in the categories set out in Catalist Rule 812(1).

10. Interest of Directors and Substantial Shareholders

Save as disclosed in this announcement, none of the Directors and/or the substantial shareholders of the Company have any interest, direct or indirect, in the Supplemental Agreement, other than through their respective shareholdings in the Company, if any.

11. Documents Available for Inspection

A copy of the SPA and the Supplemental Agreement may be inspected at the Company's registered address at 1 Robinson Road #17-00 AIA Tower, Singapore 048542 during normal business hours for three months from the date of this announcement.

By Order of the Board
Livingstone Health Holdings Limited

Dr Tay Ching Yit, Wilson
Chief Executive Officer

6 January 2022

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

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