LIVINGSTONE

HEALTH

CRAFTING THE PERFECT BALANCE

PASSION | COMMITMENT

ANNUAL REPORT 2023

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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 Mr David Yeong (Telephone: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

CORPORATE
PROFILE

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

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

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

A team of doctors who care deeply about each patient and their individual needs.

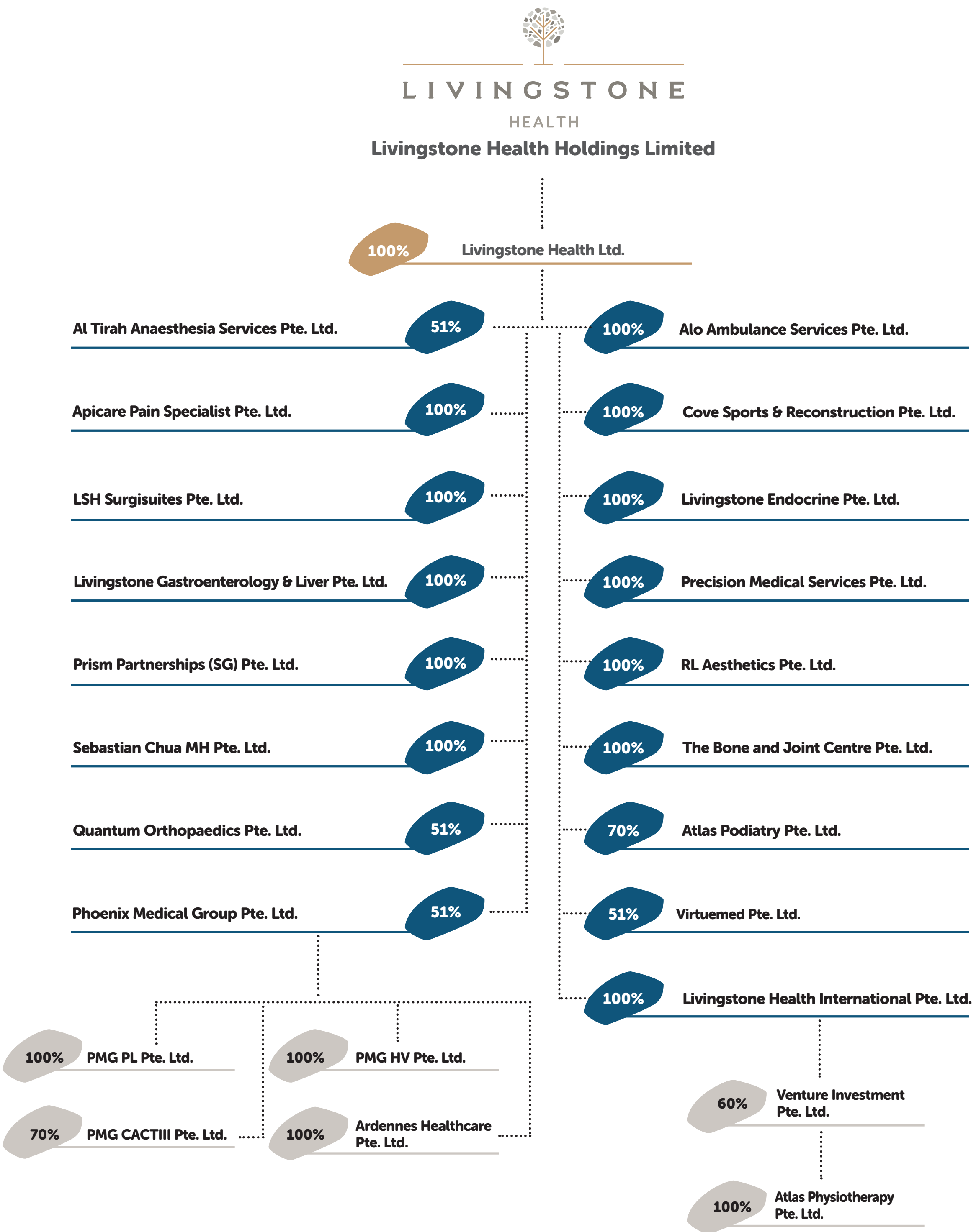
INTEGRITY

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.

GROUP **STRUCTURE**



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 2023 ("**FY2023**").

OVERVIEW

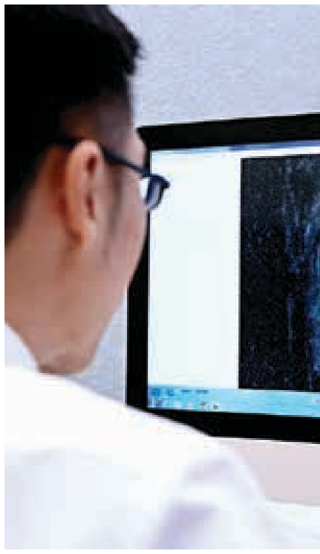
Against the backdrop of the recent pandemic and challenges emerging in the post-pandemic period, we have recorded a second profitable year since our listing in February 2021. In FY2023, the Group reported revenue of S$32.9 million (FY2022: S$34.1 million) and generated net operating cash flows of S$3.0 million (FY2022: S$4.7 million).

We recorded higher turnover from (i) our Internal Medicine, as the gastroenterology division made its first full-year contribution, and (ii) the Anaesthesiology & Pain Management and Orthopaedic Surgery segments, thanks to higher patient volumes during the year in the review.

However, this was offset by lower contributions from the Aesthetics & Wellness segment amid lower customer utilisation of purchased packages. The Family Medicine segment also saw lower turnover, due to the absence of one-off revenue from the sale and administration of Sinovac vaccines. Excluding the one-off vaccine sale, revenue from the segment would have increased by S$1.2 million on the back of higher patient loads.

Meanwhile, the Group recorded lower costs for medical supplies as a result of higher procurement efficiencies while total operating costs increased amid intensified marketing efforts, operational expansion and higher staff costs (including salary adjustments and additional recruitments).

Accordingly, net profit attributable to owners of the Company declined to S$0.7 million in FY2023 (FY2022: S$3.0 million) while cash and cash equivalents remained healthy at S$4.2 million as at 31 March 2023, after accounting for net operating cash flows of S$3.0 million and net cash outflows for investing and financing activities. More details of our performance for FY2023 can be found in Results at a Glance on Pages 10 and 11.



OUR NEW HEADQUARTERS

In July 2022, we shifted to our new corporate headquarters, a 10,000 sq. ft, 4-storey building, located at 217 Henderson Road. The new premises gives us much needed space for current operations as well as catering for our future growth and expansion, by providing us with warehousing facilities for medical supplies, and designated spaces for staff training.

We have also improved on operational efficiencies by employing better inventory management and improving inter-department collaboration. Moving ahead, we will continue to prioritise cost management and expenditure control, as well as optimising our operations and enhancing various clinical touchpoints so as to improve patient experience and service delivery.

JOINT STATEMENT BY CHAIRMAN AND CEO

LOOKING AHEAD

The Group's primary healthcare subsidiary, Phoenix Medical Group ("PMG"), intends to grow its brand, network, and patient touchpoints to capture the fast-growing demand for General Practitioner services, driven by the Healthier SG initiative. By expanding our network of General Practitioners to attract and capture a larger patient base, this will in turn open up more opportunities for the specialists within the Group and partner services, including the newly-established Livingstone SurgiSuites, a centre catered to minor surgeries. The Group will also strengthen its eco-system through B2B partnerships with insurers and other medical groups as well.

Nonetheless, the post-pandemic landscape remains challenging, where manpower shortages combined with economic uncertainty and rising inflation rates have pushed operating costs higher. We have however identified several strategies to address these challenges, including consolidating and centralising operations at our new premises to leverage economies of scale; assessing internal efficiencies and implementing cost-saving initiatives to maintain a streamlined cost structure; integrating and consolidating our business segments; and unifying our patient base across our different business segments to facilitate and provide seamless patient care coordination through a wide spectrum of medical services, from primary care to specialist services.

By undertaking these initiatives, we hope to generate new opportunities and revenue streams, all the while sustaining, if not enhancing, our profit margins.

APPRECIATION

On behalf of the Board, we would like to express our sincere thanks and gratitude to our valued patients, esteemed business partners, associates, and bankers, for their trust and unwavering support in us throughout our journey.

We would also like to thank our clinical and back-end staff for their tireless efforts and dedication to delivering outstanding patient care throughout the years, which has played a pivotal role in our success.

Last but not least, we would like to thank our shareholders for their steadfast loyalty during this challenging and demanding year. We remain committed to creating long-term and sustainable value for all stakeholders and 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. 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 Singapore Health Services Pte Ltd, Agency of Integrated Care (AIC) Pte Ltd and Surbana Jurong Pte Ltd.

Mr. Fong graduated from the University of Singapore (now known as the National University of Singapore) with a Bachelor of Accountancy (Honours) in 1973.

MR. CHAN YU MENG
INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr. Chan Yu Meng was first appointed as an Independent Director of the Company on 20 July 2018. He is the chairman of the Remuneration Committee, 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 is currently the Head of Legal, Risk and Compliance at Golden Energy and Resources Limited, which is listed on the Mainboard of the SGX-ST. He was previously a partner in the corporate department of Lee & Lee, a law firm in Singapore. He has more than 20 years of experience in the areas of mergers and acquisitions, capital markets, corporate finance, corporate restructuring, securities law, stock exchange practice and corporate secretarial matters. He also has prior experience as a litigation counsel representing clients in both civil and criminal matters.

He had previously also served as an independent director on several SGX-listed companies. Mr. Chan is an ordinary member of the Singapore Academy of Law and the Singapore Institute of Directors (SID).

MR. STEVEN LIM
INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr. Steven Lim was appointed as an Independent Director of the Company on 4 February 2021. He is the chairman of the Nominating Committee, and a member of the Audit Committee and Remuneration 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 Hong Fok Corporation Limited.

Mr. Steven Lim holds a Bachelor of Commerce majoring in Accounting and Finance from the University of Newcastle, Australia. He is a fellow member of CPA Australia, the Institute of Singapore Chartered Accountants and a member of the Society of Trusts and Estate Practitioners.

KEY MANAGEMENT

DR. CHUA HSHAN CHER

DEPUTY CHIEF EXECUTIVE OFFICER,
HEAD OF FAMILY MEDICINE

Dr. Chua Hshan Cher was appointed as Deputy Chief Executive Officer of the Company on 1 March 2022, and is responsible for providing strategy and operational leadership to the Livingstone Health team. He works closely with 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. DAX NG

CHIEF BUSINESS OFFICER

Mr. Dax Ng is the Chief Business Officer at Livingstone Health. He is responsible for developing the Group's growth and investment strategy and policy, and provides strategic growth advisory and recommendations for the Group in consultation with the Board, advisers, partners and investors. He maintains key relationships as well as sources for opportunities for collaboration or investment.

Before joining the Group, Mr. Dax Ng held senior management and strategic executive positions in property development divisions and the banking and finance sector, specialising in business acquisition, wealth management, investment consultancy, and product development.

Mr. Dax Ng holds a Bachelor of Chemical Engineering from the University of New South Wales. He has undertaken graduate certification for digital healthcare, encompassing healthcare analytics, legal issues and risk management, and healthcare leadership. In 2020, he completed courses in Prescription Drug, Regulation, Cost, and Access from Harvard-X. Mr. Dax Ng also holds certifications in Private Equity on sourcing private equity deals and fundraising, conducting due diligence and exit strategies from the Singapore Management University (SMU) Financial Training Institute, as well as the Fintech future of commerce certificate at Massachusetts Institute of Technology.

Mr. Dax Ng is an active grassroots leader and an associate member of the Singapore Institute of Directors.

KEY MANAGEMENT

DR. RACHEL LIM

CHIEF OPERATING OFFICER,
HEAD OF AESTHETICS AND WELLNESS

Dr. Rachel Lim is the Chief Operating Officer at Livingstone Health, and provides strategic leadership for the Group's operations, and ensures that day-to-day activities are in line with the Group's vision and initiatives.

A medical doctor with 16 years of clinical experience, Dr. Rachel has a special interest in aesthetics, weight management and wellness. After obtaining her Bachelor of Medicine and Bachelor of Surgery from NUS in 2005 and a Graduate Diploma in Family Medicine from NUS in 2009, Dr. Rachel Lim was a Medical Officer with MOH Holdings Pte. Ltd. from 2005 to 2011. She worked as a family physician with a special interest in aesthetic medicine in private practice from 2012 to 2015 before setting up her own private practice in 2015.

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

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

DR. SEBASTIAN CHUA

CHIEF MEDICAL OFFICER,
HEAD OF ANAESTHESIOLOGY & PAIN MANAGEMENT

As Chief Medical Officer at Livingstone Health, Dr. Sebastian Chua is responsible for managing the Group's clinical operations, updating the Group on new healthcare regulations and safety standards, and serves as the bridge between the management team and medical staff. He specialises in anaesthesiology and perioperative care with 23 years of clinical experience.

Dr. Sebastian Chua was an associate consultant (2006-2008) and consultant (2008-2010) with the Department of Anaesthesia at SGH, before entering private practice in 2010. He was also the director of the Perioperative Evaluation Clinic at SGH from 2007 to 2010, where he formulated guidelines for perioperative assessment and optimisation of patients.

He currently practices anaesthesia and perioperative care at Mount Elizabeth Hospital and other private hospitals, where he is involved in pre-surgical optimisation of patients, provision and management of anaesthesia during surgery, as well as post-surgical care of patients, including pain management and intensive care.

Dr. Sebastian Chua graduated with a Bachelor of Medicine and Bachelor of Surgery, and obtained a Master of Medicine (Anaesthesiology) from NUS in 1996 and 2003 respectively. Dr. Sebastian Chua received training experience in obstetric anaesthesia in King Edward Memorial Hospital for Women in Perth, Western Australia and perioperative medicine in Geelong Hospital in Geelong, Victoria, Australia in 2005.

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 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 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 has attended executive courses at reputable institutions alongside her Master of Business Administration from Anglia Ruskin University. Her recent accomplishment includes earning 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. 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

2. **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

3. **DR. JOHN HSIANG**
   MB ChB (NZ)
   F.R.A.C.P. (Aus)
   MD
   GASTROENTEROLOGY

4. **DR. TAY TUNN LIN**
   M.B.B.S. (Singapore)
   M.R.C.P. (Internal Medicine, UK)
   F.A.M.S. (Endocrinology)
   ENDOCRINOLOGY

5. **DR. ONG YEE YIAN**
   M.B.B.S. (Singapore)
   M.Med Anaes (Singapore)
   ANAESTHESIOLOGY

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

7. **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

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

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

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

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

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

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

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

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

RESULTS AT A GLANCE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	2023 S$'000	2022 S$'000	Change %
Revenue	32,918	34,141	(3.6)
Other operating income	666	1,192	(44.1)
Consumables and medical supplies used	(5,641)	(6,817)	(17.3)
Employee benefits expenses	(18,749)	(17,503)	7.1
Depreciation expenses	(1,925)	(1,543)	24.8
Other operating expenses	(5,164)	(4,735)	9.1
Finance costs	(308)	(344)	(10.5)
Share of results from joint ventures	–	(142)	NM
Profit before tax	1,797	4,249	(57.7)
Income tax expense	(511)	(704)	(27.4)
Profit for the financial year	1,286	3,545	(63.7)
Other comprehensive income:			
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation			
Exchange differences on translating foreign operations	–	1	NM
Total comprehensive income for the financial year	1,286	3,546	(63.7)
Profit attributable to:			
Owners of the Company	723	3,025	(76.1)
Non-controlling interests	563	520	8.3
	1,286	3,545	(63.7)
Total comprehensive income attributable to:			
Owners of the Company	723	3,026	(76.1)
Non-controlling interests	563	520	8.3
	1,286	3,546	(63.7)

NM: Not meaningful

Revenue
Decreased mainly due to lower revenue contribution from Family Medicine and Aesthetics and Wellness segments, partially offset by higher revenue contribution from the Internal Medicine, Anaesthesiology and Pain management, Orthopaedic Surgery, and Others segments.

Other income
Decreased mainly due to absence of rental rebate and grant received for listing purposes.

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

Employee benefits expense
Increased primarily attributable to salary adjustments to maintain salary competitiveness for our staffs and doctors and non-cash provision for unutilised leave.

Depreciation expenses
Increased due to the addition of new premises and new HQ offices and investment in new medical equipment.

Other operating expenses
Increased was mainly due to higher marketing and advertising expenses.

Finance costs
Decreased marginally due to the absence of accounting adjustment pertaining to time value of money arising from the purchase consideration payable on previous acquisition and lower interest expenses on loans and borrowings, partially offset by the increase in interest expenses on lease liabilities and the effect of discounting of loan and advances to a joint venture.

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

Profit Attributable to Owners of the Company
As a result of the above, the Group recorded a Net Profit of S$0.72 million in FY2023.

RESULTS AT A GLANCE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Group	
	31.03.2023 S$'000	31.03.2022 S$'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,900	3,369
Goodwill arising on consolidation	3,636	3,636
Loan to a joint venture	362	375
Other receivables	451	–
Deferred tax assets	429	412
Total non-current assets	9,778	7,792
Current assets		
Cash and cash equivalents	4,227	5,353
Trade receivables	6,858	5,905
Other receivables	1,226	1,378
Inventories	708	658
Total current assets	13,019	13,294
Total assets	22,797	21,086
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	22,764	22,764
Merger reserve	57	57
Foreign currency translation reserve	5	5
Other reserves	22	22
Accumulated (losses)/profits	(17,652)	(17,851)
Equity attributable to owners of the Company	5,196	4,997
Non-controlling interests	1,133	693
Total equity	6,329	5,690
Non-current liabilities		
Other payables	–	1,500
Borrowings	2,541	2,986
Lease liabilities	1,564	871
Deferred tax liabilities	58	33
Total non-current liabilities	4,163	5,390
Current liabilities		
Trade payables	1,070	660
Other payables	6,070	4,273
Borrowings	2,504	2,528
Lease liabilities	1,301	981
Deferred revenue	842	868
Income tax payable	518	696
Total current liabilities	12,305	10,006
Total liabilities	16,468	15,396
Total equity and liabilities	22,797	21,086

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.

Other receivables – (Non-current)
Relates to advances to a joint venture.

Cash and cash equivalents
Fell by S$1.13 million mainly due to reasons mentioned in the review of cash flow statements.

Trade and other receivables
Increased due to trade receivables from a related party and unbilled receivables, partially offset by the decrease in prepayments.

Total equity
Increased due to net profit generated in FY2023, partially offset by final dividends for the financial year ended 31 March 2022 paid to shareholders.

Other payables (Non-current)
Decreased due to reclassification of deferred consideration payable on reverse acquisition from non-current to current liabilities.

Borrowings (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.

Trade and other payables (Current)
Rose as a result of higher operating expenses incurred and the reclassification of deferred consideration on reverse acquisition from non-current to current liabilities.

Deferred revenue
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 decreased in provision for taxation as a result of lower taxable profit in FY2023.

OPERATIONS AND FINANCIAL **REVIEW**

OPERATIONS REVIEW

Livingstone Health took several important steps to address post-pandemic economic headwinds, driven mainly by elevated inflation rates and higher operational costs.

The management team of Livingstone Health is cognisant of these challenges and aims to improve efficiency, reduce costs, and improve patient journeys and outcomes, so as to continue to provide and improve quality care to all its stakeholders by adopting the following strategies:

i. Centralisation of operations and generating economies of scale at the Group's new headquarters ("HQ") at 217 Henderson Road;

ii. Placing further emphasis on growing the primary healthcare network through Phoenix Medical Group ("PMG"). 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.

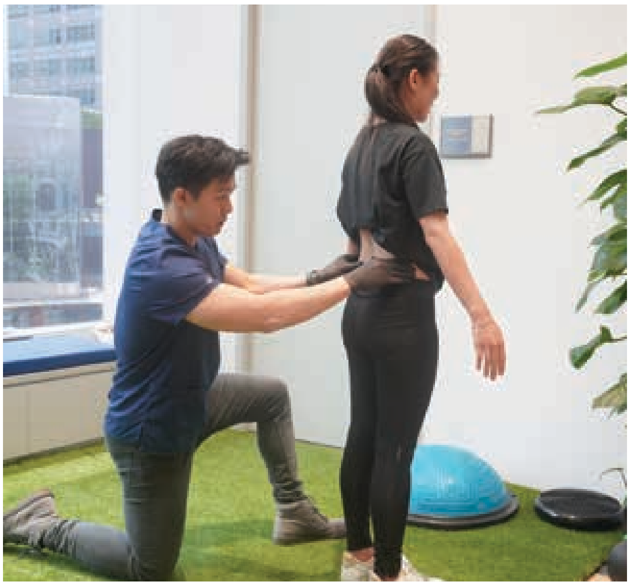
iii. Strengthening coordination of care operational teams within various patient touchpoints, having both internal and external healthcare providers coordinate care for patients with complex needs, to potentially ensure that patients are receiving trusted and appropriate care for their medical conditions.

While the Group incurred higher costs associated with its expansion plans and intensified marketing efforts in FY2023, it has placed increasing emphasis on optimizing internal efficiencies for the expansion of operations via implementing cost-containment measures and balancing growth opportunities. The Group has made significant progress in its efforts to grow its eco-system organically, specifically:

- Establishing Livingstone SurgiSuites in 2023, which is a centre for doctors to conduct minor surgeries and procedures, in Farrer Park Medical Centre.

- In July 2022, the Group entered a long lease for its new corporate headquarters at 217 Henderson Road. With increased usable space, the 4-storey building has a warehouse for medical supplies to streamline direct operating costs and inventory efficiencies, and training rooms for staff to improve both operational and clinical standards.

- Livingstone Health also strengthened its surgical team and welcomed Quantum Orthopaedics, which has clinics in Farrer Park Medical Centre, Mount Elizabeth Medical Centre, and Mount Alvernia Hospital, to its clinic portfolio.



FINANCIAL REVIEW

Note: For ease of reference, we have included "**Results At A Glance**" on Pages 10 to 11 in our Annual Report to provide explanatory notes to the Group's financial performance for FY2023 and financial position as at 31 March 2023.

Financial Performance for FY2023

The Group reported total revenue of S$32.92 million for FY2023 as compared to S$34.14 million for the financial year ended 31 March 2022 ("**FY2022**"). Revenue has decreased by 3.6% as a result of lower contribution from

OPERATIONS AND FINANCIAL REVIEW

the Family Medicine segment due to the absence of one-off revenue generated from the sale and administration of Sinovac vaccines in FY2022 which coincided with the COVID-19 pandemic. In addition, the decrease is also attributed to the decline in revenue from the Aesthetics & Wellness segment due to lower utilization of purchased packages from customers. Against the backdrop, our tertiary specialisations which include Anaesthesiology and Pain Management segment, and Orthopaedic surgery segment remained resilient, contributing an increase in revenue by S$0.20 million and S$0.12 million respectively mainly due to higher patient volume. Our revenue was further augmented by higher contribution from the Internal Medicine segment, driven by our Gastroenterology division which recorded its first full-year revenue in FY2023, coupled with higher revenue contribution from the Others segment due to increase in management fee income from joint venture company and revenue from managed healthcare solutions.

Other income decreased by 44.1% from S$1.19 million in FY2022 to S$0.67 million in FY2023 mainly due to the absence of rental rebate and grant received for listing purposes.

In line with the decline in revenue, consumables and medical supplies used for the year decreased by 17.3% to S$5.64 million from S$6.82 million in FY2022, while consumables and medical supplies used as a percentage of revenue improved by 2.9 percentage points from 20.0% in FY2022 to 17.1% in FY2023, mainly due to higher procurement efficiencies.

Employee benefits expense were higher by 7.1% as compared to last year, which mainly arose from salary adjustments so as to maintain salary competitiveness for our staffs and doctors and the increase in provision for unutilised leave.

Depreciation expenses rose by 24.8%, mainly attributable to the addition of new premises and new HQ office resulting in an increase in right-of-use assets and the purchase of new medical equipment for our specialist clinics and health screening and radiology centre.

Other operating expenses rose by 9.1% to S$5.16 million in FY2023 from S$4.74 million in FY2022, mainly attributable to higher marketing and advertising expenses incurred due to increase in marketing activities.

Finance costs decreased marginally from S$0.34 million in FY2022 to S$0.31 million in FY2023 due to the absence of accounting adjustment pertaining to time value of money arising from the purchase consideration payable for acquisition of businesses in prior year and lower interest expenses on loans and borrowings, partially offset by the increase in interest expenses on lease liabilities and the effect of discounting of loan and advances to a joint venture.

Share of losses from joint ventures decreased as the Group has not recognised losses during the current financial year as the share of losses exceeds the Group's interest in the joint ventures.

Income tax expenses decreased by 27.4% mainly due to lower taxable profits during the 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.

Consequently, the Group posted a net profit after income tax of S$1.29 million in FY2023 as compared to S$3.55 million for FY2022.

OPERATIONS AND FINANCIAL REVIEW

Financial Position as at 31 March 2023

Assets

Total assets of the Group expanded to S$22.80 million as at 31 March 2023 from S$21.09 million as at 31 March 2022.

Non-current assets increased by S$1.99 million to S$9.78 million as at 31 March 2023. The increase was primarily attributable to (i) increase in property, plant and equipment by S$1.53 million due to the recognition of right-of-use assets from the additions of lease contracts entered, coupled with the capitalisation of reinstatement cost and the purchase of additional plant and equipment, net of depreciation charged; and (ii) increase in other receivables by S$0.45 million due to advance to a joint venture.

Current assets declined by S$0.28 million to S$13.02 million as at 31 March 2023, mainly attributable to the decrease in cash and cash equivalent by S$1.13 million due to reasons mentioned in the review of cash flow statement and the lower other receivables by S$0.15 million due to the reclassification of downpayment made in relation to the renovation cost incurred to property, plant and equipment in FY2023, partially offset by the increase in trade receivables of S$0.95 million due to trade receivables from a related party and unbilled receivables.

Liabilities

Total liabilities increased to S$16.47 million as at 31 March 2023 from S$15.40 million as at 31 March 2022.

Current liabilities increased by S$2.30 million to S$12.30 million as at 31 March 2023. The increase was mainly due to the increase in trade and other payables as a result of higher operating expenses incurred and the reclassification of deferred consideration on reverse acquisition from non-current to current liabilities, coupled with the increase in lease liabilities which arose from renewal of and new leases entered during the year, partially offset by the decrease in income tax payable due to lower taxable profits.

Non-current liabilities decreased by S$1.23 million to S$4.16 million as at 31 March 2023, mainly due to decrease in other payables and loans and borrowings as a result of reclassification from non-current to current liabilities of S$1.50 million and S$0.45 million respectively, partially offset by the increase in lease liabilities of S$0.69 million.

Shareholders' Equity

Shareholders' equity of the Group increased from S$5.00 million as at 31 March 2022 to S$5.20 million as at 31 March 2023. The increase was mainly due to net profit generated in FY2023, partially offset by final dividends for the financial year ended 31 March 2022 paid to shareholders during the financial year ended 31 March 2023.

Cash flow for FY2023

The net cash generated from operating activities of S$3.00 million was mainly derived from operating cash flows before working capital changes of S$4.17 million, partially offset by net working capital outflow of S$0.39 million, interest paid of S$0.10 million and income tax paid of $0.68 million.

Net cash used in investing activities of approximately S$1.47 million was mainly due to the purchase of plant and equipment of S$0.98 million and advances to joint ventures of S$0.49 million.

Net cash used in financing activities amounted to S$2.66 million, mainly attributable to (i) repayment of lease liabilities of S$1.55 million; (ii) repayment of loans and borrowings of S$1.97 million; (iii) dividends paid to the owners of the Company of S$0.52 million; and (iv) dividends paid to non-controlling interest of S$0.12 million. This is partially offset by the proceeds from bank borrowings of S$1.50 million.

Consequently, the Group recorded a net decrease in cash and cash equivalents of approximately S$1.13 million to S$4.23 million in FY2023.

SUSTAINABILITY REPORT

1. CORPORATE PROFILE

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

2. 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.

3. BOARD STATEMENT

Livingstone Health is pleased to present the sustainability report for the financial year ended 31 March 2023 ("**SR2023**"). 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. SR2023 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.

4. ABOUT THE REPORT

Reporting Scope and Period

SR2023 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 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 are the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures.

SR2023 covers data and information for the financial year commencing from 1 April 2022 to 31 March 2023 ("**FY2023**") and discusses Livingstone Health's achievements and performance in ESG matters. We used a consolidated operating approach to determine organisational boundaries. Our data is an aggregation of our main operations in Singapore.

Reporting Boundaries and Standards

The reporting boundaries of this sustainability report cover all entities within the Group that operate and conduct activities in Singapore. We have applied the following GRI reporting principles for defining the contents of SR2023, 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.

SUSTAINABILITY REPORT

Independent Assurance

The ESG performance data presented in SR2023 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.

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 SR2023. SR2023 is published online exclusively and is available for download from our corporate website at https://livingstonehealth.com.sg/investor-relations.

5. 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 FY2023, Management has determined that SR2023 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 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 SR2023.

6. ORGANISATION PROFILE

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

- Medications
- Consumables
- Medical Implants
- Imaging Services

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.

7. MEMBERSHIP OF ASSOCIATIONS

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

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

8. CERTIFICATIONS

As a group and across our various subsidiaries, we maintain various certifications, such as the following:

- 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

9. OUR KEY STAKEHOLDERS

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

SUSTAINABILITY REPORT

Stakeholders	Our Engagement with Them	Key Topics	Our Responses
Suppliers/ Service Providers	• Regular meetings • Emails and telephone calls	• Feedback on their products and services • Information on their new product or service	• Active engagement with key suppliers is maintained to ensure all issues are addressed and solved promptly.
Government and Regulatory Agencies	• Consultations • Discussions through industry forums and events	• Regulatory and industry standards and guidelines	• The 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.

10. MATERIALITY ASSESSMENT

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

Our systematic and interactive materiality assessment process to identify, categorise, and prioritise material ESG topics, comprises 3 steps:

1. Identify: Define a list of potential material ESG topics.
2. Categorise: Refine the list of topics by clustering them into categories.
3. Prioritise: Engage stakeholders for feedback on each topic based on its respective importance to internal and external stakeholders.

Management has reviewed and assessed the relevant topics to focus on for the Group, as well as targets and commitments. Based on our materiality assessment process employed in consultation and assessment with internal and external stakeholders, the Group has ranked the following material ESG topics to be discussed in SR2023:

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

11. 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 FY2023, the Group recorded revenue of S$32.92 million (FY2022: S$34.14 million), a decrease of 3.6% mainly due to the absence of one-off revenue from the sale and administration of Sinovac vaccines in FY2022 as Singapore establishes an endemic COVID-19 new normal. The Group remained profitable in FY2023 and achieved a net profit attributable to the owners of the Company of S$0.72 million in FY2023 (FY2022: S$3.02 million). No tax-exempt (one-tier) dividend is declared for FY2023 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.

FY2023 Targets and Performance		
Target	**Status**	**Performance**
Explore other healthcare-related fields to complement the Group's multidisciplinary approach.	Achieved	The Group has explored and identified possible businesses and assets for potential integration into the Group. Additional due diligence is expected to successfully realise these projects.
Constantly deliver high-quality and efficient healthcare services to our patients.	Achieved	The Group placed greater emphasis on patients' experience in providing high-quality service which ensures good clinical outcomes.

FY2024 Targets
✓ Explore other healthcare-related fields to complement the Group's multidisciplinary approach.
✓ Constantly deliver high-quality and efficient healthcare services to our patients.

SUSTAINABILITY REPORT

12. 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.

FY2023 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 FY2023. Please refer to our Corporate Governance Report in our FY2023 Annual Report for further details.

FY2024 Targets
✓ No reported violations of corporate governance laws and regulations, business ethics and codes of conduct.

13. 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.

Our environmental efforts largely focus on our radiation management. 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.

There were no incidents of environmental non-compliance, and no related monetary fines or penalties were imposed on the Group in FY2023.

FY2023 Targets and Performance		
Target	**Status**	**Performance**
Continue to maintain NEA licences required for equipment operation.	Achieved	The Group has maintained the NEA licences required for equipment operation.
Remain proactive in implementing policies to improve the Group's environmental performance.	Achieved	In FY2023, there were no incidents of non-compliance with the rules and regulations from the Ministry of Health and NEA.
Develop innovative and efficient ways to decrease our operational impact on the environment, such as using energy-efficient electrical appliances, and encourage the reduction, reuse, and recycling of materials used.	Partially Achieved	The Group has encouraged employees to reduce, reuse, and recycle materials during FY2023.

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 FY2023, the Group's energy consumption intensity (MWh/S$ million revenue) was approximately 3.35 MWh/S$ million revenue.

Types of energy	Unit	FY2023
Indirect energy consumption • Purchased electricity	MWh	110.30
Total energy consumption	**MWh**	**110.30**
Energy consumption intensity	**MWh/S$ million revenue**	**3.35**

FY2024 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 FY2023, the Group's GHG emission intensity (tCO_2e/S$ million revenue) was approximately 1.36 tCO_2e/S$ million revenue.

Types of GHG emissions	Unit	FY2023
Energy indirect GHG emissions (Scope 2)	tCO_2e	44.75
Total energy consumption	**tCO_2e**	**44.75**
Energy consumption intensity	**tCO_2e/S$ million revenue**	**1.36**

FY2024 Targets
✓ Promote emission reduction by reminding employees to adopt energy-saving practices.

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 FY2023, all of the Group's biohazardous waste was collected by licensed toxic industrial waste collectors to ensure proper disposal and transportation.

FY2024 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 Task Force on Climate-Related Financial Disclosure ("**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 with reference to TCFD.

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

We continuously update ourselves on climate-related risks, including physical risks and transition risks, and climate events affecting our business.

While physical risks 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. As the Group strives to exceed the requirements of regulations in its operations, the Group can quickly adapt to the more stringent regulations that may arise.

Metrics and Targets

We have measured and disclosed our Scope 2 GHG emissions in SR2023. GHG emissions data is calculated based on, including but not limited to, the 2021 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 and set more ambitious GHG reduction targets in the future.

14. 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 FY2023.

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

GRI 401: EMPLOYMENT

	FY2023		FY2022*		FY2021*	
Distribution by Gender (New Hire)	Male	Female	Male	Female	Male	Female
Total No. of New Hires by Gender	6	43	12	63	7	29
% of New Hires by Gender	12%	88%	16%	84%	19%	81%

SUSTAINABILITY REPORT

	Distribution by Age Group (New Hire)								
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Total No. of New Hires by Age Group	20	23	6	29	41	5	10	23	3
% of New Hires by Age Group**	41%	47%	12%	39%	55%	7%	28%	64%	8%

	Distribution by Region (New Hire)					
	Singapore	Vietnam	Singapore	Vietnam	Singapore	Vietnam
Total No. of New Hires by Region	49	0	74	1	36	0
% of New Hires by Region	100%	0%	99%	1%	100%	0%

	Distribution by Gender (Turnover)					
Total No. of Turnover by Gender	10	42	5	33	2	18
% of Turnover by Gender	19%	81%	13%	87%	10%	90%

	Distribution by Age Group (Turnover)								
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Total No. of Turnover by Age Group	13	32	7	13	21	4	7	13	0
% of Turnover by Age Group**	25%	62%	13%	34%	55%	11%	35%	65%	0%

	Distribution by Region (Turnover)					
	Singapore	Vietnam	Singapore	Vietnam	Singapore	Vietnam
Total No. of Turnover by Region	51	1	38	0	20	0
% of Turnover by Region	98%	2%	100%	0%	100%	0%

* The data has been restated.
** The sum of percentages may not be equal to 100% due to rounding.

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 29 employees took parental leave for FY2023. The Group has achieved a 97% return-to-work rate and 52% retention rate.

FY2023

	Distribution by Gender	
Total number of employees that were entitled to parental leave	9	20
Total number of employees that took parental leave	9	20
Total number of employees that returned to work in the reporting period after parental leave ended	9	19
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	4	9
Return to work rates of employees that took parental leave	100%	95%
Retention rates of employees that took parental leave	40%	60%

SUSTAINABILITY REPORT

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.

FY2023 Targets and Performance		
Target	**Status**	**Performance**
Fully comply with the Employment Act of Singapore.	Achieved	The Group has strictly complied with the Employment Act of Singapore during FY2023.
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.

FY2024 Targets
✓ Fully comply with the 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.

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, we will continue to follow the advice of the Government and other public health related agencies to ensure the health and wellbeing of its employees and patients. The Group closely monitors all its measures adopted on a monthly basis to ensure continued vigilance and safe management measures is enforced.

Our commitment to protect the health and safety of our employees is supported by our track record. For the last consecutive 5 years since 2018, there were zero work-related fatalities, 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 FY2023.

FY2023 Targets and Performance		
Target	**Status**	**Performance**
Zero fatalities and/or workplace injuries.	Achieved	The Group had no records of fatalities or workplace injuries during FY2023.
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.

FY2024 Targets
✓ Zero fatalities and/or workplace injuries.
✓ Evaluate and identify safety hazards to improve health and safety practices every 2 years.
✓ Conduct on-the-job safety training to educate employees on the best health and safety practices regularly.

GRI 404: TRAINING AND EDUCATION

We recognise that employees need to stay updated in their skill sets in our ever-changing global work environment. To encourage and support our employees to develop their potential and craft out a fulfilling career, both on-the-job formal and ad-hoc training sessions are made available to our employees in FY2023. 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 FY2023, approximately 59% (FY2022: approximately 90%) of employees were assessed based on their experience, qualifications, and performance. The average training hours per employee in FY2023 was 0.20 hours.

	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 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.

FY2023 Targets and Performance		
Target	**Status**	**Performance**
Achieve an average of 2 hours of training per employee annually.	Not Achieved	The average training hours per employee was 0.20 hours during FY2023. The Group will expand its efforts and provide more resources for employees to participate in more training sessions in the future.
Ensure learning and development roadmap account for future skills required to improve the efficiency of the business.	Achieved	The learning needs of employees shall be analyzed, and training gaps shall be closed with identified courses and seminars to better equip the employees with the right skills and attitude.

FY2024 Targets
✓ Achieve an average of 2 hours of training per employee annually.

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

	As at 31 March 2023			As at 31 March 2022*			As at 31 March 2021*		
Total No. of Employees	99			102			65		
	Distribution by Gender (Total Employees)								
% of Total Employees by Gender	Male 19%	Female 81%		Male 23%	Female 77%		Male 26%	Female 74%	
	Distribution by Age Group (Total Employees)								
	< 30	30 – 50	> 50	< 30	30 – 50	> 50	< 30	30 – 50	> 50
% of Total Employees by Age Group**	26%	66%	8%	25%	69%	7%	20%	71%	9%
	Distribution by Gender (Board Members)								
% of Board Members by Gender	Male 100%	Female 0%		Male 100%	Female 0%		Male 100%	Female 0%	
	Distribution by Age Group (Board Members)								
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
% of Board Members by Age Group	0%	40%	60%	0%	40%	60%	0%	60%	40%

* The data has been restated.
** The sum of percentages may not be equal to 100% due to rounding.

Due to the inherent nature of our services, medical nurses 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 FY2023.

FY2023 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.

SUSTAINABILITY REPORT

FY2024 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 FY2023, 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
✓ Maintain full compliance with the relevant regulations.
✓ Maintain a track record of zero incidents of fatalities or injuries due to medical errors or accidents.

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 FY2023, 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 FY2023.

FY2023 Targets and Performance		
Target	**Status**	**Performance**
Perform annual security testing to ensure customers' information is securely stored.	Achieved	The Group has performed internal domain scanning and penetration testing during FY2023.
Conduct e-training during onboarding and annually 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 during FY2023. 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.

FY2024 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.

SUSTAINABILITY REPORT

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 from 1 April 2022 to 31 March 2023 with reference to the GRI Standards 2021.
GRI 1 used	GRI 1: Foundation 2021

Category	Disclosure	Description	Page Reference and Remarks
GRI 2: General Disclosures 2021	2-1	Organizational details	Pages 14-15
	2-2	Entities included in the organization's sustainability reporting	Page 15
	2-3	Reporting period, frequency and contact point	Pages 15-16
	2-4	Restatements of information	Restated employee data (including number of employees, new hires and turnover) for FY2022 and FY2021
	2-6	Activities, value chain and other business relationships	Pages 16-17
	2-7	Employees	Page 29
	2-9	Governance structure and composition	Refer to AR FY2023 – Corporate Governance Report
	2-10	Nomination and selection of the highest governance body	Refer to AR FY2023 – Corporate Governance Report
	2-11	Chair of the highest governance body	Refer to AR FY2023 – Corporate Governance Report
	2-12	Role of the highest governance body in overseeing the management	Refer to AR FY2023 – Corporate Governance Report
	2-13	Delegation of responsibility for managing impacts	Pages 15-16
	2-14	Role of the highest governance body in sustainability reporting	Page 15
	2-15	Conflicts of interest	Refer to AR FY2023 – Corporate Governance Report
	2-19	Remuneration policies	Refer to AR FY2023 – Corporate Governance Report
	2-20	Process to determine remuneration	Refer to AR FY2023 – Corporate Governance Report

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Category	Disclosure	Description	Page Reference and Remarks
	2-22	Statement on sustainable development strategy	Page 16
	2-27	Compliance with laws and regulations	Pages 20-23
	2-29	Approach to stakeholder engagement	Pages 17-18
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 18
	3-2	List of material topics	Page 18
	3-3	Management of material topics	Pages 19-31
GRI 201: Economic Performance 2016	DMA	Management approach disclosures	Page 19
	201-1	Direct economic value generated and distributed	Refer to AR FY2023 – Notes to The Financial Statement – Notes 4 and 5
	201-4	Financial assistance received from government	Refer to AR FY2023 – Notes to The Financial Statement – Notes 4 and 5
GRI 205: Anti-corruption 2016	DMA	Management approach disclosures	Page 20
	205-3	Confirmed incidents of corruption and actions taken	Page 20
GRI 302: Energy 2016	DMA	Management approach disclosures	Page 21
	302-1	Energy consumption within the organization	Page 21
	302-3	Energy intensity	Page 21
GRI 305: Emissions 2016	DMA	Management approach disclosures	Page 22
	305-2	Energy indirect (Scope 2) GHG emissions	Page 22
	305-4	GHG emissions intensity	Page 22
GRI 306: Waste 2020	DMA	Management approach disclosures	Page 22
	306-2	Management of significant waste-related impacts	Page 22
GRI 401: Employment 2016	DMA	Management approach disclosures	Page 25
	401-1	New employee hires and employee turnover	Pages 23-24
	401-3	Parental leave	Page 25

SUSTAINABILITY REPORT

Category	Disclosure	Description	Page Reference and Remarks
GRI 403: Occupational Health and Safety 2018	DMA	Management approach disclosures	Page 26
	403-1	Occupational health and safety management system	Page 26
	403-9	Work-related injuries	Page 26
GRI 404: Training and Education 2016	DMA	Management approach disclosures	Pages 27-28
	404-1	Average hours of training per year per employee	Page 28
	404-2	Programs for upgrading employee skills and transition assistance programmes	Page 27
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 28
GRI 405: Diversity and Equal Opportunity 2016	DMA	Management approach disclosures	Page 29
	405-1	Diversity of governance bodies and employees	Page 29
GRI 416: Customer Health and Safety 2016	DMA	Management approach disclosures	Page 30
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Page 30
GRI 418: Customer Privacy 2016	DMA	Management approach disclosures	Page 30
	418-1	Complaints concerning breaches of customer privacy and losses of customer data	Page 31

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. 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
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Henderson Industrial Park
Singapore 159555

PRINCIPAL BANKER

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12 Marina Boulevard,
DBS Asia Central @ Marina Bay Financial Centre
Tower 3,
Singapore 018982

UNITED OVERSEAS BANK LIMITED
80 Raffles Place
UOB Plaza 1
Singapore 048624

AUDITORS

MAZARS LLP
PARTNER-IN-CHARGE: MR OOI CHEE KEONG
(Appointed on 4 February 2021)

SHARE REGISTRAR/SHARE TRANSFER AGENT

BOARDROOM CORPORATE & ADVISORY SERVICES PTE LTD
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

CONTINUING SPONSOR

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1 Robinson Road
#21-00 AIA Tower
Singapore 048542
Tel: (65) 6232 3210

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 2023 ("**FY2023**"), 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, guidelines and provisions as set out in the Code and Catalist Rules, as the case may be. Insofar as any principle, guideline and/or provision has not been complied with, appropriate explanations have been provided. In this report, the Company defines the term "key management personnel" to mean the Chief Executive Officer ("**CEO**") and Executive Officers of the Company. The term "Executive Officers" carries the same meaning as defined in the 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;

(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 our disclosures in relation to Provision 10.1 of this CG Report and in our Sustainability Report (as required under Rule 711A of the Catalist Rules) found in this Annual Report.

The Board has also set an appropriate tone-from-the-top and a desired organisational culture, and ensures proper accountability within the Company. Directors who face conflicts of interest disclose the issue of conflict and recuse themselves from meetings, discussions and decisions involving the issues of conflict.

Induction, Training and Development of Directors 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.

CORPORATE GOVERNANCE **REPORT**

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. Catalist Rule 406(3)(a)

Changes to legislations, regulations, financial reporting standards and the Catalist Rules are monitored closely by the Management. To keep pace with such changes, all Board members are encouraged to receive regular training, particularly on relevant new laws, regulations and changing commercial risks, from time to time. The Board is mindful of the best practice in the Code to initiate programmes for Directors to meet their relevant training needs. In this regard, the Company is supportive of Board members in the participation of industry conferences and seminars and will fund Directors' attendance at any course or training programme in connection with their duties as directors.

In the financial year under review, the Directors had attended appropriate courses, conferences and seminars including programmes conducted by the Singapore Institute of Directors and SGX. In addition, all Directors of the Company have attended the training on sustainability matters as prescribed by SGX-ST.

Directors are also keeping abreast of developments which are relevant to the Company and are informed by Management of legislative and regulatory changes affecting the Company via emails. During the financial year under review, the Board was updated on the changes of rules and/or regulations, including but not limited to recent changes to relevant legislative and regulatory requirements, amendments to the Catalist Rules, recent changes to the Singapore Financial Reporting Standards (International), and changing commercial risks. The Directors also discussed and shared their views on those changes which are relevant to the Company's businesses and strategic directions.

In the financial year under review, the Board and Management of the Company have appropriate experience and expertise to manage the Group's business, taking into account the existing nature and scope of the Group's operations and requirements of the business.

Matters Requiring Board 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)(e)

The names of each Board Committee member, the terms of reference, any delegation of the Board's authority to make decisions and a summary of each Board Committee's activities are set out below:

(i) Nominating Committee (Principle 4);

(ii) Remuneration Committee (Principle 6); and

(iii) Audit Committee (Principle 10).

CORPORATE GOVERNANCE **REPORT**

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.

On 27 February 2020, the Company announced that it will not be performing quarterly reporting of its financial results as it is not required to do so. Notwithstanding, the Board will continue to meet at least quarterly to review and consider the Group's key activities, strategies and financial performance. The Board will also continue to meet and approve the release of the unaudited financial results of the Group on a half-yearly basis. The schedule of upcoming Board meetings is planned well in advance. Besides the scheduled Board meetings, the Board also meets on an ad-hoc basis as often as may be necessary to discuss the business affairs of the Group or when warranted by particular circumstances, and to approve, if applicable, any business objectives and strategies.

The Company's Constitution allows for Directors to participate in Board and Board Committees meetings by means of teleconferencing or videoconferencing. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circulating resolutions.

The number of Board meetings and Board Committees meetings held in the financial year under review and the attendances of the Directors at these meetings are set out below:

Name of Director	Board Meetings		Audit Committee Meetings		Nominating Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Teh Wing Kwan	4	4	4	4	1	1	2	2
Tay Ching Yit, Wilson	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Fong Heng Boo	4	4	4	4	1	1	2	2
Lim Jun Xiong Steven	4	4	4	4	1	1	2	2
Chan Yu Meng	4	4	4	4	1	1	2	2

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

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

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.

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.

CORPORATE GOVERNANCE **REPORT**

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.

Members of the Board of Directors Provision 2.3

As at the date of this CG Report, the Board comprises one (1) Executive Director, one (1) Non-Independent and Non-Executive Chairman and three (3) Independent and Non-Executive Directors. Non-Executive Directors therefore make up the majority of the Board. Details of the Directors are set out below as required under Rule 1204(10B) of the Catalist Rules:

Catalist Rule 406(3)(c)

Catalist Rule 1204(10B)

Name of Director	Designation	Date of First Appointment	Date of Last Re-Election	AC	NC	RC
Teh Wing Kwan	Non-Executive Chairman	27 June 2018	29 July 2022	Member	Member	Member
	Executive Chairman and Chief Executive Officer	24 July 2018				
	Non-Executive and Non-Independent Chairman	4 February 2021				
Tay Ching Yit, Wilson	Executive Director and Chief Executive Officer	4 February 2021	30 July 2021	–	–	–
Fong Heng Boo	Lead Independent and Non-Executive Director	20 July 2018	29 July 2022	Chairman	Member	Member
Lim Jun Xiong Steven	Independent and Non-Executive Director	4 February 2021	30 July 2021	Member	Chairman	Member
Chan Yu Meng	Independent and Non-Executive Director	20 July 2018	30 July 2021	Member	Member	Chairman

It is a requirement of the Code that Independent Directors should make up a majority of the Board where the Chairman of the Board: (i) is not an Independent Director; (ii) is also the CEO of the Company (or equivalent); (iii) is an immediate family member to the CEO; (iv) and the CEO have close family ties with each other (i.e. a familial relationship between two parties which extends beyond immediate family members and could influence the impartiality of the Chairman) as determined by the NC; or (v) is part of the management team.

Provision 2.2

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

Catalist Rule
Rule 406(3)(c)

Although Mr Teh Wing Kwan, our Non-Independent and Non-Executive Chairman, is not considered independent, the Company is in compliance with the Code and the Catalist Rules as the Company's Independent Directors do in fact make up a majority of the Board, and provide a strong and independent element on the Board.

Independence of Directors

Provision 2.1

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.

Catalist
Rule 406(3)(d)

The independence of each Director is reviewed annually by the NC in accordance with the practice guidance and the definitions of independence under the Code and the Catalist Rules.

Each Director is required to complete a Director's independence checklist on an annual basis to confirm his/her independence. The Director's independence checklist is drawn up based on the provisions provided in the Code and the Catalist Rules, and requires each Director to assess whether he/she considers himself/herself independent despite not being involved in any of the relationships identified in the Code and the Catalist Rules. The NC then reviews the Director's independence checklist to determine whether each Director is independent.

In its deliberation as to the independence of a Director, the NC took into account examples of relationships as set out in the Code, and is satisfied that the Independent and Non-Executive Directors are independent in character and judgement, and that they do not have any relationships with the Company, its related companies, its substantial shareholders or its officers, nor are there any circumstances, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

CORPORATE GOVERNANCE 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. 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 Company's annual general meeting for the financial year ending 31 March 2024.

The Independent and Non-Executive Directors have declared their independence for FY2023, 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.

The NC is responsible for examining the size and composition of the Board and Board Committees. In respect of the financial year under review, the Board comprised five (5) members. Having considered the scope and nature of the Group's business and the requirements of the business in the financial year under review, the NC believes that its Board size and the existing composition of the Board Committees are appropriate in the financial year under review. Provision 2.4

Board Diversity Policy

The Company endorses the principles of board diversity as set out in the Code and the practice guidance thereto. Accordingly, 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.

In respect of the financial year under review wherein the Board comprised of five (5) 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 at the time. 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 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 appointment of new directors and Board succession planning.

CORPORATE GOVERNANCE **REPORT**

For the financial year ending 31 March 2024, the NC is reviewing the setting of appropriate targets for various aspects of diversity but the fundamental principle remains that the candidate must be of right fit and meet the relevant needs and vision of the Company.

In the financial year under review, the Non-Executive Directors met regularly without the presence of Management and the Executive Director, to review any matters that they wish to raise privately, constructively challenge and help develop proposals on company strategy, review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance. The Chairman of such meetings provides feedback to the Board as appropriate. Provision 2.5

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Group's Chairman and CEO are separate persons. Mr Teh Wing Kwan is the Non-Independent and Non-Executive Chairman while Dr Tay Ching Yit, Wilson is the Executive Director and CEO of the Company. Provision 3.1

Catalist Rule 1204(10A)

The separation of the roles of Chairman and CEO is to ensure that the working of the Board and executive responsibility of the Group's business are kept distinct, increasing the accountability and capacity of the Board for independent decision making.

Responsibilities of the Chairman 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.

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:

(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(4)

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.

Mr Chan Yu Meng and Mr Lim Jun Xiong Steven shall retire pursuant to Regulation 104 of the Company's Constitution at the forthcoming AGM.

Mr Chan Yu Meng and Mr Lim Jun Xiong Steven have given their consent to remain in office and will submit themselves for re-election at the forthcoming AGM.

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

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 new Director. The NC will shortlist candidates for interview before nominating the most suitable candidate to the Board for approval. The NC will evaluate a Director in accordance with a set of criteria approved by the Board before recommending him/her to the Board for re-election. As recommended by the NC, a new Director can be appointed by way of a Board resolution. Such Directors must present themselves for re-election at the next AGM of the Company as required under the Company's Constitution.

In identifying new appointees as Directors, the NC considers the range of skills and experience required of Directors in the light of:

(a) the geographical spread and diversity of the Group's businesses;

(b) the strategic directions and advancement of the Group;

(c) the current composition of the Board; and

(d) the need for a strong and independent element on the Board.

The Company is of the view that the collection of skills, experience and diversity of the current Board meets the current needs of the Company. Please refer to our disclosure in respect of Provision 2.4 above for further details.

The NC reviews and affirms the independence of the Company's Independent Directors annually. Please refer to our disclosure in respect of Provision 2.1 above for further details. Provision 4.4

CORPORATE GOVERNANCE REPORT

Multiple Directorships

Provision 4.5

The NC ensures that new Directors are aware of their duties and obligations. Please refer to our disclosures in respect of Provision 1.2 above with regard to new Directors' induction into the Board, briefing on their duties and the receipt of mandatory training as prescribed by the SGX-ST.

The Board and the NC determine annually the number of directorships and principal commitments of each Director in assessing whether he is able to or has been adequately carrying out his duties. All Directors are required to declare their board representations and other principal commitments outside of the Group.

The NC takes into account the attendance and contributions of the Directors at Board and Board Committees meetings, the level of commitment required of the Director's other principal commitments, the degree of complexity of the other listed companies where the Director holds directorships, the expectations of the Director's obligations in the capacity as director in other organisations, the results of the assessment of the effectiveness of the Board as a whole and Board Committees, and the respective Directors' actual conduct and participation on the Board and its Board Committees, in making its determination.

In respect of the financial year under review, the NC was of the view that each Director has given sufficient time and attention to the affairs of the Company and has been able to discharge his duties as a Director effectively. The NC noted that based on the Directors' attendance at the Board and Board Committees meetings during the financial year under review, all the Directors were able to participate in at least a substantial number of such meetings to carry out their duties. The NC is satisfied that all the Directors have been able to and have adequately carried out their duties notwithstanding their multiple board representations where applicable and other principal commitments.

The NC and the Board are of the view that it is not meaningful to set a limit on the number of listed Company board representations a Director should have as the contribution of each Director would depend on their individual circumstances, including whether they have a 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.

CORPORATE GOVERNANCE **REPORT**

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 Re-designated as CEO and Executive Chairman on 24 July 2018 Re-designated as Non-Executive and Non-Independent Chairman on 4 February 2021	**Directorships (Listed)** Director of: – China Vanadium Titato-Magnetite Mining Company Limited (HKEX) **Principal Commitments** Director of: – Singapore VTM Mining Pte. Ltd. *Others:* – Koda Ltd. (SGX) (Advisor)	**Directorships (Listed)** Director of: – Sapphire Corporation Limited (SGX) **Principal Commitments** – Ranken Holdings Co., Limited (f.k.a. Ranken Infrastructure Limited)
Dr. Tay Ching Yit, Wilson	4 February 2021	**Directorships (Listed)** Nil **Principal Commitments** Director of: – Al Tirah Anaesthesia Services Pte. Ltd. – Apicare Medical Pte. Ltd. – Apicare Pain Specialist Pte. Ltd. – Atlas Podiatry Pte. Ltd. – Cove Sports & Reconstruction Pte. Ltd. – Diagnostix Imaging Holding Pte. Ltd. – LSH Surgisuites Pte. Ltd. – Livingstone Endocrine Pte. Ltd. – Livingstone Gastroenterology & Liver Pte. Ltd. – Livingstone Health Ltd. – Livingstone Health Consolidated Pte. Ltd. – Phoenix Medical Group Pte. Ltd. – The Bone and Joint Centre Pte. Ltd. – Livingstone Health International Pte. Ltd. – Prism Partnerships (SG) Pte. Ltd. – Atlas Podiatry Pte. Ltd.	**Directorships (Listed)** Nil **Principal Commitments** Director of: – 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**
Fong Heng Boo	20 July 2018	**Directorships (Listed)** Director of: – Bonvests Holdings Limited (SGX) – Keong Hong Holdings Limited (SGX) – Kwan Yong Holdings Limited (HKEX) – SY Holdings Ltd (f.k.a. Shengye Capital Ltd) (HKEX) – TA Corporation Ltd (SGX) – UOA Development Bhd (KLSE) **Principal Commitments** Director of: – Agency for Integrated Care Pte Ltd – Singapore Health Services Pte Ltd – Surbana Jurong Private Limited (f.k.a. TJ Holdings (II) Pte Ltd)	**Directorships (Listed)** Director of: – Asian American Medical Group Limited (ASX) – Colex Holdings Limited (SGX) – CapitaLand China Trust Management Ltd (SGX) (f.k.a. CapitaLand Retail China Trust Management Ltd) **Principal Commitments** Nil
Lim Jun Xiong Steven	4 February 2021	**Directorships (Listed)** Director of: – Bund Center Investment Ltd (SGX) – Hong Fok Corporation Limited (SGX) – Riverstone Holdings Limited (SGX) – Sinarmas Land Limited (SGX) – Cosmosteel Holdings Limited (SGX) **Principal Commitments** Nil	**Directorships (Listed)** Director of: – Emerging Towns & Cities Singapore Ltd.(SGX) – Mirach Energy Limited (SGX) – Keong Hong Holdings Limited (SGX) **Principal Commitments** Nil

<table>
<tr><th rowspan="2">Name of Director</th><th rowspan="2">Date of appointment of Directorships or Chairmanships in the Company</th><th colspan="2">Directorships or Chairmanships in other listed companies and other principal commitments</th></tr>
<tr><th>Present</th><th>Past 5 years</th></tr>
<tr><td>Chan Yu Meng</td><td>20 July 2018</td><td><u>Directorships</u>
Director of:
– Avi-Tech Holdings Limited (SGX)

<u>Principal Commitments</u>
Golden Energy and Resources Limited (SGX) (Head of Legal, Risk and Compliance)</td><td><u>Directorships</u>
Nil

<u>Principal Commitments</u>
Lee & Lee (Partner)</td></tr>
</table>

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

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.

CORPORATE GOVERNANCE **REPORT**

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:

- 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 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 Director 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 Director and key management personnel to provide good stewardship of the Company and to successfully manage the Company for the long term.

In recommending the remuneration of the Executive Director and key management personnel, the RC is largely guided by the financial performance of the Company, the Group and the key operating subsidiaries, as applicable. Currently, the remuneration packages for the Executive Director and key management personnel comprises basic salary and a variable component which comes in the form of discretionary bonus. Please also refer to the disclosure in respect of Provision 8.3 below.

In respect of long-term incentives, the Company previously implemented an Employee Share Option Scheme and Performance Shares Scheme. However, following completion of the reverse takeover of Livingstone Health Ltd on 5 February 2021 ("**RTO**"), the Board, in consultation with the RC, is in the midst of evaluating the implementation of new long-term share option and performance share incentive schemes to form the foundation and driver in aligning the long term interest of various stakeholders (including employees, management and ultimately, the shareholders of the Company) and influencing significant growth potential improvement for generating and sustaining future value creation.

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

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 the Executive Director's remuneration is aligned with the interests of Shareholders, promote the long-term success of the Company and recognises the performance, potential and responsibilities of the Executive Director. The mix of fixed and variable reward is considered appropriate for the Group and for the Executive Director. The performance-related remuneration structure is directly linked to corporate and individual performance. The RC also recognises the need for a reasonable alignment between risk and performance-related remuneration to discourage excessive risk taking. As such, in determining the performance-related remuneration structure, the RC took into account the risk policies and risk tolerance of the Group, and whether such remuneration was symmetric with risk outcomes and sensitive to the time horizon of risks. Provision 7.3

The Company is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of the Executive Director's remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company, as the Executive Director owes fiduciary duties to the Company and the Company should be able to avail itself of remedies against the Executive Director in the event of such breach of fiduciary duties.

The Company is of the view that the variable component of the remuneration packages of the key management personnel is moderate and not at risk of jeopardising good stewardship. At present, there is no necessity for the Company to institute contractual provisions in the service agreements to reclaim incentive components of remuneration paid in prior years from the key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

Principle 8: Disclosure on Remuneration

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company views the primary value creation objective as improving the revenue and profits of the Group, thereby increasing the return to shareholders. A secondary value creation objective would be creating sustainable value creation for other stakeholders, including employees, customers and suppliers. Provision 8.1

The Group has adopted qualitative performance conditions such as leadership, people development, commitment, teamwork, and current and industry practices as well as quantitative performance conditions such as profit before tax, relative financial performance of the Group to its industry peers, and order book and sales growth to assess an individual's performance. Such performance conditions are designed to align the Executive Director's and key management personnel's interests with those of Shareholders and to motivate them to strive for the Group's long-term prosperity.

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

By selecting performance targets based on a balance of drivers and outcomes as described above and as disclosed in respect of Principle 7 above, the Board can ensure that key management personnel are not only paid for value already created but also to incentivise performance in generating and sustaining future value creation.

Please refer to our disclosures in respect of Principle 7 above for more details on the Company's policy and criteria for setting remuneration for Directors and key management personnel.

The Company sees human capital as a key factor in giving it a competitive advantage. Therefore, disclosure of details in excess of the below details may be detrimental to its business interests having regard to the highly competitive human resource environment. The Company strongly believes that it is of strategic importance now to assemble and build a strong and stable management team, which may include (i) reorganisation of certain job functions for improving work efficiencies and (ii) potentially recruiting new corporate positions. As such, remuneration matters are commercially sensitive.

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 2024. 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 (%)
Above S$1,000,000					
Tay Ching Yit, Wilson	81	19	–	–	100
Below S$250,000					
Teh Wing Kwan	–	–	100	–	100
Fong Heng Boo	–	–	100	–	100
Lim Jun Xiong Steven	–	–	100	–	100
Chan Yu Meng	–	–	100	–	100
Key Management Personnel					
Above S$2,000,000					
Edwin Tan(1)	64	33	–	3	100
S$500,001 to S$1,000,000					
Sebastian Chua	84	16	–	–	100
S$250,001 to S$500,000					
Chua Hshan Cher	93	7	–	–	100
Rachel Lim	85	15	–	–	100
Dax Ng	85	15	–	–	100
John Yeo	82	18	–	–	100
Below S$250,000					
Cindy Lau(2)	50	50	–	*	100
Telvina Tan	84	16	–	*	100
Leow Chin Yew(3)	87	13	–	*	100

(1) Mr Edwin Tan resigned as Head of Orthopaedic Surgery with effect from 6 May 2023.

(2) Ms Cindy Lau resigned as Head of Operations with effect from 14 August 2022.

(3) Mr Leow Chin Yew resigned as Group Financial Controller with effect from 30 November 2022.

* Amount below 1%.

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 or wider, and not to disclose the aggregate remuneration paid to key management personnel, which constitutes a variation from Provision 8.1(a) and 8.1(b) of the Code. The Company is of the view that the intent of Principle 8 was met, as the remuneration policies and the procedure for setting remuneration applicable to the Directors and key management personnel are described in our disclosures in respect of Principle 7 above, the level and mix of remuneration is disclosed in the table above and disclosures in the financial statements of the Company provides sufficient overview of the remuneration of the Group. The RC and the Board is also of the opinion that the remuneration packages of the Executive Director and the key management personnel are of a confidential and sensitive nature, the disclosure of which would place the Group in a competitively disadvantageous position, and hence have chosen to make disclosures in relation thereto in bands of S$250,000 or wider.

There are no employees who are substantial shareholders of the Company, or are immediate family members of the Directors, the CEO or substantial shareholders of the Company receiving more than S$100,000 in remuneration in the financial year under review. Provision 8.2

Forms of remuneration and other payments and benefits Provision 8.3

Please refer to our disclosure in respect of Provision 8.1 above. Persons from our Group (whether Director or key management personnel) who are appointed as Directors to the Company's subsidiaries comprise Mr Teh Wing Kwan and Dr Tay Ching Yit, Wilson, who apart from receiving their remuneration from the Company, does not receive any further remuneration from any other companies within the Group.

Catalist Rule 851

Catalist Rule 1204(16)

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 Director 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 package of the Company's only Executive Director, who is also the CEO, is based on terms stipulated in his service contract. The CEO's service contract with the Company is for a fixed period. The Executive Director does not receive any Directors' fee.

CORPORATE GOVERNANCE **REPORT**

As disclosed in respect of Provision 7.1 above, the Company previously implemented an Employee Share Option Scheme and Performance Shares Scheme. There are no outstanding share options and since the implementation of these schemes, no award of performance shares has been granted to Directors or employees. The Board, in consultation with the RC, is in the midst of evaluating the implementation of new long-term share option and performance share incentive schemes at the appropriate time.

(C) ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Internal Control Systems 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 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 our disclosure in respect of Provision 10.4 below for further details.

The Board relies on internal audit reports and the management letter prepared by the external auditors to report on any material non-compliance or internal control weaknesses. In line with the requirements under Rule 1204(10) of the Catalist Rules, for the financial year under review, based on the risk management systems and internal controls established and maintained by the Group, work performed by the internal and external auditors, review of the internal audit plan and the internal auditors' evaluation of the system of internal controls and reviews performed by Management, various Board committees and the Board, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 31 March 2023 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" portion of this Annual Report for further details.

Risk Management

The Company is aware that the healthcare business carries risk whether internally and/or externally in the form of environmental, operational, financial and/or Management decision making risk. Other risks would include legal risk and strategic risk (the risk of a loss arising from a poor strategic business decision). The Group has identified certain key operational risks in relation to its existing healthcare business (as disclosed below).

CORPORATE GOVERNANCE REPORT

The Management maintains the risk management and internal control systems and the Board monitors the Group's risks through the AC and internal auditors, and has delegated the Company's risk governance to the AC. In designing these controls, the Company has considered the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them. Risk management and internal controls are detailed in formal instructions, standard operating procedures and financial authority limits policies. The principal aim of the risk management and internal control systems is the management of business risks with a view to safeguarding shareholders' investments and the Group's assets. The Management will continue to evaluate at regular intervals, on other relevant key business risks as may be applicable to the Company's new businesses from time to time that internal audit reports shall focus on, including operational effectiveness of the material controls in managing these risks in the future upon implementation of the new business strategies. The Company also reviews all significant control policies and procedures and highlights all significant matters to the AC and the Board.

The Company has set up an enterprise risk management framework whereby periodic enterprise risk assessments will be performed by the Management and CLA Global will carry out periodic internal controls review based on the internal audit plan approved by the AC. The enterprise risk management framework aims to present the risk assessment of the Group by key managers of the Group based on an evaluation of the likelihood and magnitude of the eventuation of certain risks the Group faces. The risks will subsequently be ranked in accordance of priority and category, and the recommendations of the internal auditor and responses of and steps taken to address such risks by the Management will be presented to the AC annually for consideration.

Key Operational Risks

The Board is aware of the operational risks which may adversely affect the Group's existing business of specialist healthcare including the fields of aesthetics and wellness, anaesthesiology and pain management, family medicine, internal medicine and orthopaedic surgery, and believes that it is important to highlight the key risk factors pertaining thereto for the Shareholders' information in the event that any of these risk factors and uncertainties materialise into actual events.

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

(Please note that most, if not all, of the following events have occurred during the year under review and it should also be noted that the following are a non-exhaustive list of key operational risks, which may affect or have affected the Group's operation).

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 Group Financial Controller ("**FC**") that for the financial year under review, the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Catalist Rule 1204(10)

The Board relies on internal audit reports and the management letter prepared by the external auditors to report on any material non-compliance or internal control weaknesses. In line with the requirements under Catalist Rule 1204(10), for the financial year under review, based on the risk management systems and internal controls established and maintained by the Group, work performed by the internal and external auditors, review of the internal audit plan and the internal auditors' evaluation of the system of internal controls and reviews performed by management, various Board committees and the Board, the Board, with the concurrence of the AC, is of the view that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at 31 March 2023 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

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 FC on the financial records and financial statements;

(d) reviews the adequacy, effectiveness, independence, scope and results of the Company's internal audit function;

(e) reviews the audit plans of the internal auditors and external auditors of the Group and the Company;

(f) reviews the financial statements and the auditors' report on the annual financial statements of the Company before submission to the Board of Directors;

(g) reviews the adequacy, effectiveness, independence, scope and results of the external audit;

(h) makes recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(i) reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns;

(j) reviews transactions falling within the scope of Chapter 9 of the Catalist Rules; and where necessary, reviews and seeks approval for interested person transactions; and

(k) reviews the non-audit services provided by the external auditors and whether the provision of such services affects their independence.

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

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

The AC is kept informed by the Management and the EA of changes to the financial reporting standards, the 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 2023 on impairment assessment of goodwill. The AC discussed with the Management and considered the approach and methodology adopted by the Group in respect of these highlighted key audit matter be appropriate for its nature of business practices. The AC concluded that it is satisfied with the work and conclusion of the EA in respect of this matter. Further details on the Company's KAM are set out in the "Independent Auditor's Report" portion of this Annual Report.

Composition of AC 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 AC therefore consists a majority of Independent and Non-Executive Directors.

The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the AC's responsibilities. In particular, the Board is of the view that Mr Fong Heng Boo, Mr Chan Yu Meng, Mr Lim Jun Xiong Steven and Mr Teh Wing Kwan have recent and relevant accounting and/or related financial management expertise or experience, as the Board interprets such qualification in its business judgment. Please also refer to our disclosure in respect of Provision 2.4 above.

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

Internal Audit Provision 10.4

As disclosed under Provision 9.1 of this Corporate Governance Report, the Group's outsourced IA, CLA Global, performs its internal audit function.

The recommended scope of internal audit is to:

- assess if adequate systems of internal control are in place to protect the funds and assets of the Group and ensure control procedures are complied with;
- assess if operations of the business processes under review are conducted efficiently and effectively; and
- identify and recommend improvement to internal control procedures, where required.

The scope of work will be agreed with the AC on an annual basis and the IA will report directly to the Chairman of the AC and submit a report on their findings to the AC for review and approval yearly. The IA have 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 internal auditors.

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 TS 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 several staff members led by the Head of Internal Audit.

The AC reviews, at least annually, the adequacy and effectiveness and assesses the independence of the internal audit function including the qualifications and experience of the internal audit staff assigned to perform the review. In line with the requirements under Rule 1204(10C) of the Catalist Rules, following the review of the internal audit plan and the IA's resources to conduct the internal audit plan, the IA's objectivity in the assessment of issues and taking into account that the IA have access to all the Company's documents, records, properties and personnel, including access to the AC and having the co-operation of Management, the AC is satisfied with the independence of the IA, and is of the view that the internal audit function is independent, effective, adequately resourced and has the appropriate standing within the Group. Catalist Rule 1204(10C)

The AC meets annually with the Group's external and internal auditors, in each case without the presence of Management, in order to have free and unfiltered access to information that it may require, to discuss the results of its examinations and the evaluation of the Group's system of risk management and internal controls, and to discuss any problems and concerns which they may have. Provision 10.5

External Auditors

Before confirming an external auditors' re-appointment, the AC will conduct an annual review of the independence of the Company's external auditors and the total fees for non-audit services compared with audit services, and satisfy itself that the nature and volume of any non-audit services will not prejudice the independence and objectivity of the auditors. During the financial year under review, the remuneration paid/payable to the Company's EA, Mazars LLP, is set out below: Catalist Rule 1204(6)

Fees Paid/Payable to External Auditors		
Service Category	**S$**	**% of total**
Audit Fees	178,500	97%
Non-Audit Fees	5,000	3%
Total	183,500	100%

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.

In respect of the financial year under review, the EA have confirmed that they are in compliance with the independence requirements set out in the Code of Professional Conduct and Ethics under the Accountants (Public Accountants) Rules of the Singapore Accountants Act and have affirmed their independence in this respect.

The AC had recommended the re-appointment of Mazars LLP as external auditors of the Company at the forthcoming AGM. The audit partner in charge of auditing the Company also has not been in charge of more than five (5) consecutive audits in respect of the Company.

In proposing to shareholders the re-appointment of Mazars LLP as the external auditors to the Company and in line with the requirements under Rule 712 of the Catalist Rules and after taking into consideration the Audit Quality Indicators (AQI) Disclosure Framework published by the Accounting and Corporate Regulatory Authority ("**ACRA**") in respect of Mazars LLP, the Board and the AC considered and are satisfied with the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit, the firm's other audit engagements, the size and complexity of our Group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit. Mazars LLP has confirmed that it is registered with ACRA. The Company is also in compliance with Rule 715 of the Catalist Rules in relation to the appointment of Mazars LLP as the auditors of the Company and its subsidiaries.

Catalist Rule 712

Catalist Rule 715

(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 provide Shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price.

Shareholders are informed of Shareholders' meetings through notices contained in annual reports or circulars sent to all Shareholders. These notices are also published in the newspaper and posted onto the SGXNet.

The Board reviews and approves the results as well as any announcements before its release. In presenting the periodic financial results announcements to Shareholders, including other price sensitive public reports and reports to regulators, if required, it is the aim of the Board to provide the Shareholders with a balanced assessment of the Group's performance, financial position and business prospects. The Board is committed to providing Shareholders and stakeholders with timely and accurate financial statements, and is accountable to them while the Management is accountable to the Board.

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

Pursuant to Rule 720(5) of the Catalist Rules, additional information on the Directors seeking election/re-election has been set out in the section titled "Additional Information on Directors Seeking Election/Re-Election". Please also refer to our disclosure in respect of Provision 4.5 above and the explanatory notes to the Notice of AGM, which sets out detailed information about these Directors, including the board and committee positions they are expected to hold upon election and their current directorships in other listed companies and other principal commitments held.

The Company requires all Directors to be in attendance at the general meetings to address Shareholders' queries. The EA are also required to be present to assist the Directors to address any queries raised by Shareholders about the conduct of the audit and the preparation and contents of the auditors' report. Provision 11.3

The Directors' attendance at the general meetings of the Company held in the financial year under review are set out in the table below:

Name of Director	Annual General Meeting		Extraordinary General Meeting	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Teh Wing Kwan	1	1	1	1
Tay Ching Yit, Wilson	1	1	1	1
Fong Heng Boo	1	1	1	1
Tan Jun Xiong Steven	1	1	1	1
Chan Yu Meng	1	1	1	1

The Company's Constitution currently does not allow for voting in absentia by mail, electronic mail or facsimile, which constitutes a variation from Provision 11.4 of the Code, as the authentication of shareholder identity and other related security and integrity issues still remain a concern. The Company is of the view that the intent of Principle 11 was met, as the existing arrangement whereby shareholders have the opportunity to vote by proxy is adequate in enabling shareholders to exercise their rights and have the opportunity to vote. The Company will consider implementing the relevant amendments to the Constitution if the Board is of the view that there is a demand for such alternative methods of voting, and after the Company has evaluated and put in place the necessary security processes to facilitate in absentia voting, and prevention measures against errors, fraud and other irregularities. Provision 11.4

Minutes of general meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting, and responses from the Board and Management was prepared by the Company, and made available to Shareholders upon their request in accordance with applicable laws and on the Company's website. Provision 11.5

The Company will publish the minutes of general meetings on the Company's website and on the SGXNet within one (1) month after the relevant general meeting of the Company.

Dividend policy 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 FY2023 as 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

The Company recognises the need to communicate with the Shareholders on all material matters affecting the Group. In line with the Group's disclosure obligations pursuant to the Catalist Rules, the Board's policy is that all Shareholders should be informed simultaneously in an accurate and comprehensive manner for all material developments that impact the Group through SGXNet and the Company's website at www.livingstonehealth.com.sg. Provision 12.1

Price-sensitive announcements including half year and full year results, as well as other financial information, corporate announcements, press releases and annual reports are released through SGXNet and also made available on the Company's website.

The Company does not practice selective disclosure of material information. Material information is excluded from briefings with investors or analysts, unless it has been publicly released via SGXNet before, or concurrently with, such meetings. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

The Directors are mindful of their obligation to provide Shareholders with timely disclosure of material information that is presented in a fair and objective manner. Shareholders and other investors are provided regularly with:

(a) an Annual Report (with easy-to-read "Results at a Glance" explaining the financial performance and position of the Group);

(b) periodic financial results and other financial announcements as required;

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

(d) other announcements on key developments of corporate strategies, including performance guidance and corporate updates; and

(e) updates through the Company's website at www.livingstonehealth.com.sg.

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 value of the Company's shares. As disclosed in the abovementioned, the Company will release financial statements, annual reports, notices of general meetings, press releases, major corporate and business developments and any other material announcements on a timely basis via SGXNet and on the Company's website.

The Management and a dedicated external investor relation firm, as guided by the policy to promote regular, effective and fair communication with the media and Shareholders, including potential investors, encourage regular dialogue with shareholders (including institutional and retail investors), to solicit and understand their views or gather inputs, and address shareholders' concerns.

Shareholders and investors may also communicate with the Company and, as the case may be, submit any request for information, notices of interests or questions, via the Company's investor relations email address at ir@livingstonehealth.com.sg, through which shareholders may contact the Company with questions and through which the Company may respond to such questions. The Management is of the view that keeping Shareholders informed regularly is extremely important.

Please refer to our disclosure in respect of Provisions 12.1 and 12.2 above. Provision 12.3

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 13: Engagement with Stakeholders

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Stakeholder engagement forms an integral part of the Company's sustainability approach. The Company's stakeholders have an interest in the Company's business and influences the Company's operations, products and services, business approach and strategies. The Company's stakeholders have been identified as its customers, regulators, shareholders and suppliers. Provision 13.1

The Company proactively engage with its stakeholders on a regular, continuing basis through various channels and means to gain insights to their expectations and concerns and use these learnings to make informed management decisions in shaping the Company's business policies and strategies so as to create sustainable business growth and value for all stakeholders.

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 in the section entitled "Sustainability Report" of this Annual Report. Provision 13.2

A copy of the Company's Sustainability Report will also be made available for download at the Company's website and feedback from all stakeholders are welcomed. All questions, comments, suggestions or feedback can be sent to the Company at ir@livingstonehealth.com.sg.

The Company has a current corporate website (www.livingstonehealth.com.sg) to inform Shareholders about the Company's developments. The new website is easy to read and is easily accessible from mobile devices as well. Provision 13.3

OTHER GOVERNANCE PRACTICES

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-sensitive information and during the "blackout period", which is defined as one (1) month before the announcement of the Group's half year and full year financial results. Directors and officers are also advised not to deal in the Company's securities on short-term considerations. The Directors and Officers are required to report to the Company and the Company Secretary whenever they deal in the Company's shares and the Company will ensure that the necessary announcements are made. In addition, the Company, Directors and officers are also expected to observe insider-trading laws at all times even when dealing in securities within the permitted trading period and they are not to deal in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has in place a policy in respect of any transactions with interested person and has established procedures for review and approval of IPTs entered into by the Group to ensure that all transactions with interested persons are reported in a timely manner to the AC. The Board confirms that there is no material interested person transaction entered into during the financial year under review which fall under Rule 907 of the Catalist Rules.

As disclosed in the Annual Report 2019, the then Executive Chairman and CEO, Mr Teh Wing Kwan had given a financial undertaking to support the Group and the Company's working capital needs. Mr Teh Wing Kwan has been providing financial assistance to the Company in the form of interest free loans since FY2018. Please refer to the disclosure under the section entitled "Material Contracts" below for further details.

For FY2023, 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:

(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 2023, the remaining Outstanding Balances due to Mr Teh Wing Kwan stand at S$630,000. The Company and Mr Teh Wing Kwan have reached an understanding for the Company to repay the remaining Outstanding Balances in monthly installments. 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

No fees relating to non-sponsorship activities or services were paid/payable to the Company's continuing sponsor, SAC Capital Private Limited, during FY2023.

CORPORATE GOVERNANCE REPORT

Additional Information on Directors Seeking Re-election

Details	**Name of Director**	
	Chan Yu Meng	**Lim Jun Xiong Steven**
Date of Appointment	20/07/2018	04/02/2021
Date of last re-appointment (if applicable)	30/07/2021	30/07/2021
Age	51	67
Country of principal residence	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 Mr Chan Yu Meng, is of the view that Mr Chan Yu Meng has the requisite experience and capability to assume the responsibility as the Independent and Non-Executive Director of the Company. Accordingly, the Board of Directors approved the appointment of Mr Chan Yu Meng as 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 Lim Jun Xiong Steven, is of the view that Mr Lim Jun Xiong Steven has the requisite experience and capability to assume the responsibility as the Independent and Non-Executive Director of the Company. Accordingly, the Board of Directors approved the appointment of Mr Lim Jun Xiong Steven as Independent and Non-Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent and Non-Executive Director, the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee.	Independent and Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee.
Professional qualifications	Bachelor of Laws (LLB)	FCPA of CPA Australia FCA Of the Institute of Singapore Chartered Accountants TEP of the Society of Trust & Estate Practitioners UK
Working experience and occupation(s) during the past 10 years	1. 2007 – 2022: Partner, Lee & Lee 2. 2022 – Present: Head of Legal, Risk and Compliance, Golden Energy and Resources Limited	2010 – 2014: CEO Societe Generale Private Banking SG Trust Asia Limited

Details	**Name of Director**	
	Chan Yu Meng	**Lim Jun Xiong Steven**
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	**Present** **Directorships** Director of: Avi-Tech Holdings Limited (SGX) **Principal Commitments** Head of Legal, Risk and Compliance, Golden Energy and Resources Limited (SGX) **Past (for the last 5 years)** **Directorships** Nil **Principal Commitments** Partner, Lee & Lee	**Present** **Directorships** Director of: – Bund Center Investment Limited (SGX) – Hong Fok Corporation Limited (SGX) – Riverstone Holdings Limited (SGX) – Sinarmas Land Limited (SGX) – Cosmosteel Holdings Limited (SGX) **Principal Commitments** Nil **Past (for the last 5 years)** **Directorships** Director of: – Emerging Towns & Cities Singapore Ltd (SGX) – Mirach Energy Limited (SGX) – Keong Hong Holdings Limited (SGX) **Principal Commitments** Nil

CORPORATE GOVERNANCE REPORT

Details		Name of Director	
		Chan Yu Meng	Lim Jun Xiong Steven
a.	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b.	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c.	Whether there is any unsatisfied judgment against him?	No	No
d.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

CORPORATE GOVERNANCE REPORT

Details		**Name of Director**	
		Chan Yu Meng	**Lim Jun Xiong Steven**
e.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
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

CORPORATE GOVERNANCE **REPORT**

Details		**Name of Director**	
		Chan Yu Meng	**Lim Jun Xiong Steven**
i.	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	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
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

Details		Name of Director	
		Chan Yu Meng	**Lim Jun Xiong Steven**
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. However in 2012, a complaint was lodged against Mr Chan Yu Meng with the Law Society of Singapore, which subsequently determined that a formal investigation was unnecessary and accordingly the complaint was dismissed with no adverse orders made against him.	No
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
If yes, please provide details of prior experience.		Not applicable	Not applicable
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		Not applicable	Not applicable

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Livingstone Health Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 March 2023 and the statement of financial position of the Company as at 31 March 2023.

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 2023, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Tay Ching Yit, Wilson
Teh Wing Kwan
Fong Heng Boo
Chan Yu Meng
Lim Jun Xiong Steven

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 below.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 (the "Act"), except as disclosed below:

Name of directors and company in which interest are held	Direct interest As at 1 April 2022	 As at 31 March 2023	Deemed interest As at 1 April 2022	 As at 31 March 2023
Livingstone Health Consolidated Pte. Ltd.				
(Ultimate holding company)				
(Ordinary shares)				
Tay Ching Yit, Wilson	696	**696**	–	**–**
The Company				
(Ordinary shares)				
Tay Ching Yit, Wilson	556,900	**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 2023.

5. Share options

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

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares under option in the Company or its subsidiaries as at the end of the financial year.

6. Audit and risk committee

The audit and risk committee of the Company comprises four members, all of whom are Independent Directors and at the date of this statement are:

Fong Heng Boo (Chairman)
Chan Yu Meng
Lim Jun Xiong Steven
Teh Wing Kwan

DIRECTORS' STATEMENT

6. Audit and risk committee (Continued)

The audit and risk 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.

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

- reviewed the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any announcements relating to the Group's financial performance;
- reviewed, at least annually, the adequacy and effectiveness of the Group's internal controls and risk management systems;
- reviewed the assurance from the CEO and the Group Financial Controller of the Group on the financial records and financial statements;
- made recommendations to the Board on the proposals to shareholders on (i) the appointment, re-appointment or removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;
- reviewed the adequacy, effectiveness, independence, scope and results of the external and internal audit;
- reviewed the audit plans of the external and internal auditors of the Group and the Company;
- reviewed the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be raised, independently investigated and appropriately followed up on;
- ensured that the Company publicly discloses, and clearly communicates to employees, the existence of its whistle-blowing policy and procedures for raising such concerns;
- reviewed whistle-blowing investigations within the Group and ensuring appropriate follow up action, if required;
- reviewed any interested person transactions in respect of Interested Person Transactions falling within the scope of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST");
- reviewed any potential conflicts of interest; and
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and which warrant for the audit and risk committee's attention.

DIRECTORS' STATEMENT

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

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

The audit and risk committee has recommended the nomination of Mazars LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

7. **Independent auditors**

The auditors, Mazars LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

Tay Ching Yit, Wilson
Director

Teh Wing Kwan
Director

Singapore
10 July 2023

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 2023, 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 significant accounting policies, as set out from pages 94 to 159.

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 2023 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (the "ACRA code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Overview

Audit Approach

We designed a risk-based audit approach in identifying and assessing the risks of material misstatement at both the financial statement and assertion levels.

Materiality

As in all our audits, we exercised our professional judgement in determining our materiality, which was also affected by our perception of the financial information needs of the users of the financial statements, being the magnitude of misstatement in the financial statements that makes it probable for a reasonably knowledgeable person to change or be influenced in his economic decision.

Scope of audit

For the audit of the current year's financial statements, we performed full scope audit of all 21 components as the appointed statutory auditors, and we identified 14 significant components, either because of their size or/and their risk characteristics.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Overview (Continued)

Areas of focus

We focused our resources and effort on areas which were assessed to have higher risks of material misstatement, including areas which involve significant judgements and estimates to be made by directors.

We will elaborate on the salient area of focus as follows:

- Impairment Assessment on Goodwill

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the current financial year. This matter includes the aforementioned salient area of focus in our audit and do not represent all the risks identified by our audit. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

<table>
<tr><td colspan="2">Impairment Assessment on Goodwill
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 2023, the Group reported goodwill arising from the acquisition of subsidiaries with carrying value approximately S$3.6 million.

Irrespective of whether there is any indication of impairment, the management is required to perform an impairment assessment of goodwill annually.

The recoverable amounts are determined based on estimates of forecasted revenues, growth rates and discount rates. These estimates require judgement, and the determination of the recoverable amounts is a key focus area in our audit.</td><td>Our audit procedures included, and were not limited to, the following:

• Discussed with management on their planned strategies around business expansion, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers, and obtained the list of secured and lost contracts;

• Assessed the achievability of the forecast based on actual results with comparison to the previous forecast;

• Evaluated the reasonableness of management's estimate of expected future cash flows and challenged management's estimates applied in the value-in-use ("VIU") models, with comparison to recent performance, trend analysis and market expectations; and

• Reviewed the sensitivity analysis to assess the impact on the recoverable amount of the cash-generating units ("CGU") subsequent to reasonably possible changes to the key assumptions for adequacy of disclosure in the financial statements.</td></tr>
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INDEPENDENT **AUDITORS' REPORT**

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and the independent auditors' report thereon, which we obtained prior to the date of this report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED

Report on the Audit of Financial Statements (Continued)

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matter. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LIVINGSTONE HEALTH HOLDINGS LIMITED

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Ooi Chee Keong.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore
10 July 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	Group 2023 S$	Group 2022 S$
Revenue	4	**32,917,888**	34,141,154
Other operating income	5	**665,899**	1,192,174
Consumables and medical supplies used		**(5,640,768)**	(6,816,973)
Employee benefits expenses		**(18,749,199)**	(17,502,637)
Depreciation expenses		**(1,925,492)**	(1,543,046)
Other operating expenses	6	**(5,163,509)**	(4,735,668)
Share of results from joint venture	18	**–**	(141,852)
Finance costs	7	**(308,217)**	(344,375)
Profit before tax	8	**1,796,602**	4,248,777
Income tax expense	9	**(511,068)**	(703,828)
Profit for the financial year		**1,285,534**	3,544,949
Other comprehensive income:			
Components of other comprehensive income that will be reclassified to profit or loss, net of taxation			
Exchange differences on translating foreign operations		**–**	782
Total comprehensive income for the financial year		**1,285,534**	3,545,731
Profit attributable to:			
Owners of the Company		**722,694**	3,024,801
Non-controlling interests		**562,840**	520,148
Profit for the financial year		**1,285,534**	3,544,949
Total comprehensive income for the financial year attributable to:			
Owners of the Company		**722,694**	3,025,583
Non-controlling interests		**562,840**	520,148
		1,285,534	3,545,731
Earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted	10	**0.17**	0.95

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 2023

	Note	Group 2023 S$	Group 2022 S$	Company 2023 S$	Company 2022 S$
ASSETS					
Current assets					
Cash and cash equivalents	11	**4,226,877**	5,353,090	**24,696**	24,201
Trade receivables	12	**6,857,689**	5,905,340	**–**	–
Other receivables	13	**1,226,226**	1,377,991	**22,319**	255,567
Inventories	14	**707,918**	658,276	**–**	–
Total current assets		**13,018,710**	13,294,697	**47,015**	279,768
Non-current assets					
Property, plant and equipment	15	**4,900,496**	3,368,951	**–**	–
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	**–**	–	**–**	–
Loan to a joint venture	19	**361,534**	374,500	**–**	–
Other receivables	13	**451,257**	–	**–**	–
Deferred tax assets	25	**429,006**	411,946	**–**	26,202
Total non-current assets		**9,777,944**	7,791,048	**73,000,000**	73,026,202
Total assets		**22,796,654**	21,085,745	**73,047,015**	73,305,970
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	20	**1,069,717**	660,390	**–**	–
Other payables	21	**6,069,457**	4,273,005	**3,560,579**	24,616,802
Borrowings	22	**2,504,027**	2,527,532	**630,000**	865,000
Lease liabilities	23	**1,300,906**	981,190	**–**	–
Deferred revenue	24	**842,236**	868,153	**–**	–
Income tax payable		**518,423**	695,959	**–**	–
Total current liabilities		**12,304,766**	10,006,229	**4,190,579**	25,481,802
Non-current liabilities					
Other payables	21	**–**	1,500,000	**–**	1,500,000
Borrowings	22	**2,541,288**	2,985,728	**–**	–
Lease liabilities	23	**1,563,464**	870,994	**–**	–
Deferred tax liabilities	25	**58,384**	33,408	**–**	–
Total non-current liabilities		**4,163,136**	5,390,130	**–**	1,500,000
Total liabilities		**16,467,902**	15,396,359	**4,190,579**	26,981,802
Equity					
Share capital	26	**22,764,264**	22,764,264	**69,091,200**	45,591,200
Merger reserve	27	**57,375**	57,375	**–**	–
Foreign currency translation reserve	27	**4,750**	4,750	**–**	–
Other reserves	27	**21,543**	21,543	**–**	–
Accumulated (losses)/profits		**(17,652,653)**	(17,851,679)	**(234,764)**	732,968
Equity attributable to owner of the Company		**5,195,279**	4,996,253	**68,856,436**	46,324,168
Non-controlling interests		**1,133,473**	693,133	**–**	–
Total equity		**6,328,752**	5,689,386	**68,856,436**	46,324,168
Total liabilities and equity		**22,796,654**	21,085,745	**73,047,015**	73,305,970

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 2023

Group	Share capital S$	Merger reserve S$	Foreign currency translation reserve S$	Other reserves S$	Accumulated (losses)/ profits S$	Non-controlling interests S$	Total S$
Balance at 1 April 2021	22,305,047	57,375	3,968	21,543	(20,876,480)	392,744	1,904,197
Profit for the year	–	–	–	–	3,024,801	520,148	3,544,949
Other comprehensive income:							
Exchange differences on translating foreign operations	–	–	782	–	–	–	782
Total comprehensive income for the year	–	–	782	–	3,024,801	520,148	3,545,731
Share subscribed by non-controlling interest	–	–	–	–	–	98	98
Transaction with owner recognised directly in equity							
Dividend paid to non-controlling interest (Note 28)	–	–	–	–	–	(219,857)	(219,857)
Issue of shares (Note 26)	459,217	–	–	–	–	–	459,217
Balance at 31 March 2022	22,764,264	57,375	4,750	21,543	(17,851,679)	693,133	5,689,386
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 28)	–	–	–	–	–	(122,500)	(122,500)
Dividend paid (Note 28)	–	–	–	–	(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**

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 2023

	Note	2023 S$	2022 S$
Operating activities			
Profit before tax		**1,796,602**	4,248,777
Adjustments for:			
– Depreciation expense	15	**1,925,492**	1,543,046
– Interest expense	7	**308,217**	344,375
– Bad debt written-off		**2,140**	1,133
– Loss allowance for receivables (trade), net	12	**79,982**	43,465
– Share of result of joint ventures, net of tax		**–**	141,852
– Unrealised exchange differences		**–**	(2,608)
– Plant and equipment written-off		**54,393**	41,030
– Prepayment written-off		**–**	32,145
– Gain on disposal of property, plant and equipment	5	**(284)**	(36,617)
Total operating cash flows before movements in working capital		**4,166,542**	6,356,598
Changes in working capital			
– Trade receivables		**(1,034,471)**	(1,536,068)
– Other receivables		**153,048**	88,215
– Inventories		**(49,642)**	(138,075)
– Trade payables		**409,327**	(582,528)
– Other payables		**164,959**	1,963,534
– Deferred revenue		**(25,917)**	(367,898)
Cash generated from operations		**3,783,846**	5,783,778
Interest paid		**(100,959)**	(141,180)
Tax paid		**(680,688)**	(991,631)
Net cash generated from operating activities		**3,002,199**	4,650,967
Investing activities			
Loan and advances to joint ventures		**(487,746)**	(832,450)
Investments in a joint venture, net	18	**–**	(25,500)
Purchase of plant and equipment	15	**(983,594)**	(982,572)
Proceeds from disposal of plant and equipment		**5,827**	69,105
Payment of deferred consideration		**–**	(1,532,432)
Net cash used in investing activities		**(1,465,513)**	(3,303,849)
Financing activities			
Repayment of lease liabilities		**(1,548,786)**	(1,260,359)
Proceeds from loans and borrowings		**1,500,000**	1,622,325
Repayment of borrowings		**(1,967,945)**	(2,911,282)
Proceeds from issue of shares to non-controlling interest		**–**	98
Dividends paid	28	**(523,668)**	–
Dividend paid to non-controlling interests		**(122,500)**	(219,857)
Net cash used in financing activities		**(2,662,899)**	(2,769,075)
Net decrease in cash and cash equivalents		**(1,126,213)**	(1,421,957)
Cash and cash equivalents at beginning of financial year		**5,353,090**	6,775,047
Cash and cash equivalents at end of financial year	11	**4,226,877**	5,353,090

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 2023

Reconciliation of liabilities arising from financing activities

				Non-cash movements		
	At 1 April 2022 S$	**Financing cash outflows S$**	**Financing cash inflows – loan drawn down S$**	**Purchase of property, plant and equipment S$**	**Interest expense S$**	**At 31 March 2023 S$**
Lease liabilities	1,852,184	(1,548,786)	–	2,402,146	158,826	**2,864,370**
Borrowings	5,513,260	(1,967,945)	1,500,000	–	–	**5,045,315**

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

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 2023

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. ("LVS"), 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 2023 were authorised for issue by the Board of Directors at the date of the Directors' Statement.

2. Summary of significant 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 2022. With the exception of the amendments made to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract, 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 adoption of SFRS(I) 1-37 from 1 April 2022 resulted in a change in accounting policy in the assessment of onerous contracts. Before the amendment, the Group only included incremental costs to fulfil a contract when determining whether a contract is onerous. With the amendment, the Group includes both the incremental costs and an allocation of other costs that relate directly to fulfilling contracts when determining whether a contract is onerous.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

The amendments are applied on a retrospective basis on contracts for which the Group has not yet fulfilled all its obligations on 1 April 2022. Based on the Group's assessment, there is no onerous contract identified with the revision of the accounting policy.

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) 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
SFRS(I) 1-8	Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
SFRS(I) 1-12, SFRS(I) 1	Amendments to SFRS(I) 1-12: *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*	1 January 2023
SFRS(I) 1-12	International Tax Reform – Pillar Two Model Rules	1 January 2023
SFRS(I) 16	Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*	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
Various	Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Various	Amendments to SFRS(I) 1-1: *Non-current Liabilities with Covenants*	1 January 2024

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

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.

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

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

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests are identified separately from the Group's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the amount by which the non-controlling interests are adjusted to reflect the changes in the relative interests subsidiary and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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

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

2.3 Revenue recognition

The Group recognises revenue from the following major sources:

- Aesthetics and wellness;
- Anaesthesiology and pain management;
- Family medicine;
- Internal medicine;
- Orthopaedic surgery;
- Managing healthcare solutions business and consultancy services; and
- Management fee income

SFRS(I) 15 *Revenue from Contracts with Customers* ("SFRS(I) 15") has a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

2. Summary of significant accounting policies (Continued)

2.3 Revenue recognition (Continued)

The Group is principally in the business of operation of medical clinics. Revenue from contracts with its customers is recognised when or as the Group satisfies a performance obligation by transferring a promised good or service generated in the ordinary course of the Group's activities to its customer, at a transaction price that reflects the consideration the Group expects to be entitled in exchange for the goods or service and that is allocated to that performance obligation. The goods or service is transferred when or as the customer obtains control of the goods or service.

Under SFRS(I) 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

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

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

Deferred revenue represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from customers for sale of treatment packages. The deferred revenue is non-refundable and is expected to be realised within the next financial year.

Revenue from provision of aesthetics and wellness services generally relate to performance obligations to provide treatment services. Considerations are generally received upfront and recognised as deferred revenue. Revenue from sale of medication and skincare products is recognised at the point in time when the patient has obtained the control of the medication and skincare products.

Revenue from provision of anaesthesiology and pain management services and family medicine relate to performance obligations to provide consultation and treatment services.

Revenue from provision of internal medicine and orthopaedic surgery relate to performance obligations to provide surgical and treatment services.

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

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

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

2. Summary of significant 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 countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant 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 difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at the end of each financial period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial period and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial 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. Summary of significant accounting policies (Continued)

2.8 Dividends

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

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 2023

2. Summary of significant 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 23.

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.

2. Summary of significant 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.12 Investment in joint venture (Continued)

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

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

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Group's net fair value of the joint venture's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the joint venture's profit or loss in the reporting period in which the investment is acquired.

The results and assets and liabilities of joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for under SFRS(I) 5, from the date on which the investees become held for sale. Under the equity method, investments in joint ventures are carried at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any accumulated losses of individual investments. The profit or loss reflects the share of results of the operations of the joint venture. Distributions received from the joint venture reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The Group's share of losses in a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures.

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

2. Summary of significant accounting policies (Continued)

2.13 Impairment of non-financial assets excluding goodwill

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

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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.

2.14 Financial instruments

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

Financial assets

Initial recognition and measurement

With the exception of trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient, all financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value. Such trade receivables that do not contain a significant financing component or for which the Group applies a practical expedient are measured at transaction price as defined in SFRS(I) 15 *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.

2. Summary of significant accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial assets (Continued)

The Group determines whether the asset's contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding to determine the classification of the financial assets.

Financial assets at amortised cost

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

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.

2. Summary of significant accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

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.

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 32.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a capitalised borrowing for the proceeds receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.14 Financial instruments (Continued)

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.

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 payable*s

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.

2. Summary of significant accounting policies (Continued)

2.14 Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities (Continued)

Other financial liabilities (Continued)

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*.

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.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with financial institutions which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.17 Leases

At inception of a contract, the Group assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where a contract contains more than one lease component, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component. Where the contract contains non-lease components, the Group applied the practical expedient to not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and lease liability at the lease commencement date for all lease arrangement for which the Group is the lessee, except for leases which have lease term of 12 months or less and leases of low value assets for which the Group applied the recognition exemption allowed under SFRS(I) 16 Leases. For these leases, the Group recognises the lease payment as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. When the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. The right-of-use asset is also reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, where applicable.

2. Summary of significant accounting policies (Continued)

2.17 Leases (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.17 Leases (Continued)

The Group as a lessee has elected, as a practical expedient, not to assess whether a rent concession which occurs as a direct consequence of the COVID-19 and which meets all of the following conditions, is a lease modification:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

(c) there is no substantive change to other terms and conditions of the lease.

Where the Group makes this election, any changes in lease payments resulting from the rent concession is accounted for in the profit or loss instead as lease modifications. The Group applied the practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of S$343 (2022: S$220,992) (Note 5) was recognised as other income in the profit or loss during the year.

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. Summary of significant accounting policies (Continued)

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, which is discounted using a pre-tax discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss as they arise.

Provision for reinstatement premises

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.

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.

2.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions. Additional disclosures on each of these segments are shown in Note 29, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

2. Summary of significant accounting policies (Continued)

2.20 Government grants

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

2.21 Contingencies

A contingent liability is:

(i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(ii) a present obligation that arises from past events but is not recognised because:

  (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (b) the amount of the obligation cannot be measured with sufficient reliability.

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

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

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

Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

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

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. No impairment loss was recognised during the financial year. The carrying amount of goodwill as at 31 March 2023 was S$3,635,651 (2022: S$3,635,651) (Note 16).

Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of Singapore and the growth rates of the major industries in which its customers operate. The Group adjusts, as necessary, the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The carrying amount of the Group's trade receivables as at 31 March 2023 was S$6,857,689 (2022: S$5,905,340). The expected loss allowance on the Group's trade receivables as at 31 March 2023 was S$138,693 (2022: S$58,711) (Note 12).

Measurement of ECL of loan and advances to joint venture

The Group use amongst other factors, the financial positions of the joint venture, the past financial performances, and cash flow trends, adjusted for the outlook of the industry and economy in which the joint venture operate in. Impairment on these balances has been measured on the 12-month expected loss basis which reflects low credit risk of the exposures. The carrying amount of the Group's loan and advances to joint venture as at 31 March 2023 was S$361,534 (2022: S$374,500) (Note 19) and S$910,490 (2022: S$457,950) (Note 13).

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

3.2 Key sources of estimation uncertainty (Continued)

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 2023 was S$4,900,496 (2022: S$3,368,951) (Note 15).

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 2023 was S$518,423 (2022: S$695,959).

Impairment of investments in subsidiaries and joint ventures

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 necessary, 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 2023 was S$73,000,000 (2022: S$73,000,000) (Note 17). The Group's carrying amount of investments in joint ventures are set out in Note 18.

4. Revenue

	2023 S$	2022 S$
Aesthetics and wellness		
– Treatment services	**2,233,426**	2,483,323
Anaesthesiology and pain management		
– Treatment services	**6,542,494**	6,342,006
Family medicine	**6,540,374**	9,519,511
Internal medicine	**2,264,739**	1,489,987
Orthopaedic surgery	**14,044,716**	13,920,556
Other revenue[#1]	**1,292,139**	385,771
	32,917,888	34,141,154
Timing of revenue recognition:		
At a point in time	**32,917,888**	34,141,154
	32,917,888	34,141,154

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

Transaction price allocated to the remaining unsatisfied or partially satisfied performance obligations as disclosed in deferred revenue (Note 24) and is expected to be realised within the next financial year.

5. Other operating income

	2023 S$	2022 S$
Interest income	**10,790**	13,028
Rental income	**43,802**	41,656
Rental rebate[#1]	**343**	220,992
Wage and other employment credit scheme	**549,726**	533,226
Gain on disposal of property, plant and equipment	**284**	36,617
Others	**60,954**	346,655
	665,899	1,192,174

[#1] Included are COVID-19 related rent concessions received from lessors of S$343 (2022: S$220,992) to which the Group applied the practical expedient as disclosed in Note 2.17.

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

5. Other operating income (Continued)

COVID-19 Government Assistance Schemes

Since previous financial years, to help businesses cope with the impact from COVID-19, the government introduced the JSS, JGI, and property tax rebates.

The JSS provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs. The JGI supports employers to expand local hiring and the support will vary depending on when local hire was hired and the characteristics of the local hire. Under the property tax rebates, the property owners of qualifying properties, depending on the property type, will be granted rebates of up to 100% on their property tax payable.

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

6. Other operating expenses

	2023 **S$**	**2022** **S$**
Marketing expenses	**2,554,316**	2,173,656
Bad debt written-off	**2,140**	1,133
Loss allowance for receivables (trade), net	**79,982**	43,465
Rental expenses	**228,680**	204,906
Hospital administrative charges	**490,250**	501,475
Professional fees	**408,321**	273,143
Bank and credit card charges	**224,015**	212,738
Repair and maintenance	**91,687**	137,139
Plant and equipment written-off	**54,393**	41,030
Prepayment written-off	**–**	32,145
Subscription fee	**66,373**	89,245
Printing and stationery	**55,022**	44,193
Transportation expenses	**46,609**	36,103
Listing expenses	**–**	281,360
Insurance	**165,813**	141,750
Service charges	**161,585**	87,849
Others	**534,323**	434,338
	5,163,509	4,735,668

The Group incurred more marketing expenses during the financial year in relation to the new clinics of the Group.

7. Finance costs

	2023 S$	2022 S$
Interest expense on lease liabilities	**158,826**	122,150
Interest expense on borrowings	**101,218**	141,180
Interest expense on acquisition related	**–**	81,045
Others	**48,173**	–
	308,217	344,375

8. Profit before tax

The following charges were included in the determination of profit before tax:

	2023 S$	2022 S$
Auditors' remuneration:		
– Audit fees		
– Auditors of the Company	**178,500**	170,000
– Non-audit fees		
– Auditors of the Company	**5,000**	10,000
– Other auditors	**–**	28,089
Directors' fees – directors of the Company	**172,877**	110,000
Employee benefits – director of the Company		
– Short term benefits	**1,400,004**	1,241,482
– Post-employment benefits	**17,340**	19,940
Key management remuneration other than directors		
– Short term benefits	**4,703,651**	4,658,866
– Post-employment benefits	**153,720**	150,550
Employee benefits expenses (including directors remuneration)		
– Salaries and other related costs	**17,958,212**	16,816,830
– Defined contribution plan	**790,987**	685,807

9. Income tax expense

	2023 S$	2022 S$
Current tax expense		
Current financial year	**487,881**	828,692
Underprovision in prior financial year	**15,271**	–
	503,152	828,692
Deferred tax expense (Note 25)		
Current financial year	**(129,158)**	(124,864)
Underprovision in prior financial year	**137,074**	–
Income tax expense	**511,068**	703,828

The income tax varied from the amount of taxation determined by applying the Singapore statutory income tax rate of 17% (2022: 17%) to profit before tax as a result of the following differences:

	2023 S$	2022 S$
Profit before tax	**1,796,602**	4,248,777
Share of results from equity-accounted for joint ventures	**–**	141,852
Profit before tax and share of losses from equity-accounted joint ventures	**1,796,602**	4,390,629
Tax expense at statutory rate of 17% (2022:17%)	**305,422**	746,407
Tax effects of:		
Effect of tax concessions and tax exemptions	**(164,207)**	(178,311)
Effects of non-deductible expenses	**113,810**	121,507
Underprovision of income tax for prior year	**152,345**	–
Effects of non-taxable income	**(44,392)**	(60,304)
Deferred tax not recognised	**131,071**	–
Others	**17,019**	74,529
	511,068	703,828

The following deductible temporary difference has not been recognised:

	2023 S$	2022 S$
Capital allowance	**7,375**	5,642
Tax losses	**1,368,753**	599,483
	1,376,128	605,125

The capital allowance 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.

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10. Earnings per share

Basic and diluted earnings per share are calculated by dividing the 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:

	2023 S$	2022 S$
Profit for the financial year attributable to the owners of the Company	**722,694**	3,024,801
Weighted average number of ordinary shares outstanding	**436,391,448**	318,891,448
Basic and diluted earnings per share (cents)	**0.17**	0.95

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

11. Cash and cash equivalents

	Group		Company	
	2023 S$	**2022 S$**	**2023 S$**	**2022 S$**
Cash at banks	**4,221,464**	5,341,673	**24,696**	24,201
Cash on hand	**5,413**	11,417	**–**	–
	4,226,877	5,353,090	**24,696**	24,201

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

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

	Group		Company	
	2023 S$	**2022 S$**	**2023 S$**	**2022 S$**
Singapore Dollar	**4,212,669**	5,337,827	**24,696**	24,201
United States Dollar	**14,208**	15,263	**–**	–
	4,226,877	5,353,090	**24,696**	24,201

12. Trade receivables

	Group		Company	
	2023	2022	2023	2022
	S$	S$	S$	S$
Third parties	**6,080,822**	5,964,051	**–**	–
Related party	**838,140**	–	**–**	–
Unbilled receivables	**77,420**	–	**–**	–
Less: Loss allowance (Note 32)	**(138,693)**	(58,711)	**–**	–
	6,857,689	5,905,340	**–**	–

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

	Group		Company	
	2023	2022	2023	2022
	S$	S$	S$	S$
At beginning of financial year	**58,711**	15,246	**–**	–
Loss allowance	**121,326**	43,465	**–**	–
Reversal	**(41,344)**	–	**–**	–
	138,693	58,711	**–**	–

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 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	
	2023	2022	2023	2022
	S$	S$	S$	S$
Amount due from a subsidiary	**–**	–	**–**	233,635
Deposits	**483,951**	459,361	**–**	33
Prepayments	**257,306**	358,414	**17,267**	17,200
GST receivables	**–**	–	**5,052**	4,699
Amount owing from a related party	**–**	6,416	**–**	–
Advances to joint ventures	**910,490**	457,950	**–**	–
Others	**25,736**	95,850	**–**	–
	1,677,483	1,377,991	**22,319**	255,567
Non-current	**451,257**	–	**–**	–
Current	**1,226,226**	1,377,991	**22,319**	255,567
	1,677,483	1,377,991	**22,319**	255,567

13. Other receivables (Continued)

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

Other receivables are denominated in Singapore Dollars.

Amount owing from a related party is non-interest bearing, unsecured and repayable on demand.

Advances to joint ventures is non-interest bearing, unsecured and repayable on demand.

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

14. Inventories

	Group 2023 S$	Group 2022 S$
Consumables and medical supplies	**707,918**	658,276

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$5,640,768 (2022: S$6,816,973).

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 2021	2,834,274	193,602	25,245	1,354,983	706,287	5,114,391
Additions	867,529	81,049	2,537	600,317	298,669	1,850,101
Disposal	–	(5,791)	(39)	(247,983)	–	(253,813)
Written-off	(836,781)	(3,936)	(111)	(7,500)	(74,631)	(922,959)
At 31 March 2022	2,865,022	264,924	27,632	1,699,817	930,325	5,787,720
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**
Accumulated depreciation						
At 1 April 2021	651,158	107,683	6,479	588,083	233,831	1,587,234
Depreciation	1,078,946	53,073	6,721	218,165	186,141	1,543,046
Disposal	–	(608)	(16)	(200,015)	–	(200,639)
Written-off	(465,724)	(2,459)	(46)	(3,672)	(38,971)	(510,872)
At 31 March 2022	1,264,380	157,689	13,138	602,561	381,001	2,418,769
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**
Carrying amount						
At 31 March 2023	**2,790,409**	**77,828**	**11,738**	**1,137,789**	**882,732**	**4,900,496**
At 31 March 2022	1,600,642	107,235	14,494	1,097,256	549,324	3,368,951

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15. Property, plant and equipment (Continued)

Property, plant and equipment includes right-of-use assets of S$2,886,466 (2022: S$1,861,299) 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 23(a).

During the financial year, the Group acquired property, plant and equipment for an aggregate of approximately S$3,516,973 (2022: S$1,850,101) of which S$2,402,146 (2022: S$867,529) was acquired by means of a lease and the capitalisation of provision of reinstatement costs of S$131,233 (2022: S$Nil) under leasehold properties pursuant to its legal obligation as stated in the lease agreements.

16. Goodwill arising on consolidation

	Group	
	2023	**2022**
	S$	**S$**
At cost		
At beginning and 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:

	2023	**2022**
	S$	**S$**
Family Medicine	**988,640**	988,640
Orthopaedic Surgery	**2,647,011**	2,647,011
	3,635,651	3,635,651

Impairment of goodwill

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

The recoverable amounts of the CGU are determined from value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by Board of Directors covering a five-year period. The key assumptions for these value-in-use calculations are those regarding the discount rates, growth rates, 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.

16. Goodwill arising on consolidation (Continued)

Impairment of goodwill (Continued)

Key assumptions on which management has based its cash flow projections for the respective periods of the significant CGU are as follows:

	Phoenix Medical Group of Companies ("PMG group")		Orthopaedic Surgery	
	2023	**2022**	**2023**	**2022**
Gross margins[i]	**78.5%**	69.2%	**79.9%**	79.8%
Growth rates[ii]	**8.0%**	-17.2% to 6.7%	**-30.0% to 5.0%**	1.6%
Discount rates[iii]	**12.2%**	8.6%	**12.2%**	8.6%
Terminal value growth rates[iv]	**3.4%**	2.7%	**3.4%**	2.7%

Key assumptions used in the value-in-use calculations

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

(ii) *Growth rates* – The forecasted growth rates are based on published industry research relevant to the CGUs, taking into account of the forecasted growth rates relevant to the environment where the CGUs operate in. With the improvement of the COVID-19 situation, one off revenue for PMG group that derived from COVID-19 vaccination and medical services were excluded in the value-in-use calculations resulting in the negative growth rates during the initial forecasted period.

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

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

Sensitivity to changes in assumptions

Management is of the view that any reasonable possible change in any of the above key assumptions are not likely to materially cause the CGU's carrying amount to exceed its recoverable amount.

Impairment loss recognised

There is no impairment for goodwill identified by the management for the current and previous financial year.

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17. Investments in subsidiaries

	Company 2023 S$	Company 2022 S$
Unquoted shares, at cost		
Investments in subsidiaries, at cost	**73,000,000**	73,000,000

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 Company 2023 %	Effective equity held by the Company 2022 %
Held directly by the Company				
Livingstone Health Ltd. ("LSH")	Investment holding company	Singapore	**100**	100
Held through Livingstone Health Ltd.				
Precision Medical Services Pte. Ltd.	Orthopaedic clinic	Singapore	**100**	100
Livingstone Endocrine Pte. Ltd.	Medical clinic	Singapore	**100**	100
The Bone and Joint Centre Pte. Ltd.	Orthopaedic clinic	Singapore	**100**	100
Alo Ambulance Services Pte. Ltd.	Medical clinic	Singapore	**100**	100
Al Tirah Anaesthesia Services Pte. Ltd. ("ATAS")	Medical clinic	Singapore	**51**	51
RL Aesthetics Pte. Ltd.	Medical clinic	Singapore	**100**	100
Apicare Pain Specialist Pte. Ltd.	Medical clinic	Singapore	**100**	100
Sebastian Chua MH Pte. Ltd.	Medical clinic	Singapore	**100**	100
Cove Sports & Reconstruction Pte. Ltd.	Orthopaedic clinic	Singapore	**100**	100
LSH SurgiSuites Pte. Ltd.	Medical clinic	Singapore	**100**	100
Livingstone Health International Pte. Ltd.	Investment holding company	Singapore	**100**	100
Phoenix Medical Group Pte. Ltd.	Medical clinic	Singapore	**51**	51
Livingstone Gastroenterology & Liver Pte. Ltd.	Medical clinic	Singapore	**100**	100
Prism Partnerships (SG) Pte. Ltd.	Management consultancy services	Singapore	**100**	100
Quantum Orthopaedics Pte. Ltd. ("QO")	Orthopaedic clinic	Singapore	**51**	51
Held through Phoenix Medical Group Pte. Ltd. ("PMG")				
PMG CACTIII Pte. Ltd.	Medical clinic	Singapore	**35.7**	35.7
PMG HV Pte. Ltd.	Medical clinic	Singapore	**51**	51
PMG PL Pte. Ltd.	Medical clinic	Singapore	**51**	51
Ardennes Healthcare Pte. Ltd.	Medical clinic	Singapore	**51**	51

All subsidiaries are audited by Mazars LLP as statutory auditors.

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		Profit allocated to NCI during the financial year		Accumulated NCI at the reporting date		Dividends paid to NCI	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
	%	**%**	**S$**	**S$**	**S$**	**S$**	**S$**	**S$**
Phoenix Medical Group Pte. Ltd. and its subsidiaries	**49**	49	**201,915**	438,530	**690,832**	611,417	**122,500**	219,857
ATAS	**49**	49	**179,678**	124,408	**304,135**	124,457	**–**	–
QO	**49**	49	**181,247**	(42,790)	**138,506**	(42,741)	**–**	–

Summarised financial information (before intercompany eliminations):

	Phoenix Medical Group Pte. Ltd. and its subsidiaries		ATAS		QO	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	S$	**S$**	**S$**	**S$**	**S$**	**S$**
Assets:						
Non-current assets	**2,036,375**	1,405,964	**3,078**	4,459	**85,360**	70,707
Current assets	**2,487,132**	2,677,942	**915,947**	445,946	**959,272**	535,823
Liabilities:						
Non-current liabilities	**805,291**	823,568	**–**	–	**8,958**	–
Current liabilities	**2,162,579**	1,961,808	**299,466**	197,537	**753,007**	704,054
Net assets/(liabilities)	**1,555,637**	1,298,530	**619,559**	252,868	**282,667**	(97,524)
Results:						
Revenue	**6,582,274**	6,693,901	**1,977,068**	1,502,562	**2,616,019**	761,614
Profit/(Loss) after taxation	**521,105**	928,028	**366,690**	253,894	**369,892**	(97,624)
Total comprehensive income/(loss)	**521,105**	928,028	**366,690**	253,894	**369,892**	(97,624)
Net cash flow generated from/(used in) operation	**1,460,151**	32,309	**83,274**	145,183	**143,123**	(48,238)

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

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17. Investments in subsidiaries (Continued)

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

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

(b) Strike-off of subsidiaries – S Chua Pte. Ltd. and Cove Wellness Pte. Ltd.

In previous financial year, the Company had applied to struck-off for S Chua Pte. Ltd. and Cove Wellness Pte. Ltd.. The applications were approved on 6 September 2021 and 4 October 2021 respectively.

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

In previous financial year, the Company disposed of its entire interest in the dormant subsidiary, Apicare Medical Pte. Ltd. ("AMPL") to Dr Wilson Tay Ching Yit for an aggregate cash consideration of S$7,225. No gain or loss on disposal was recognised as the cash consideration equal to the Net Tangible Asset of the subsidiary.

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

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

18. Investments in joint ventures

	Group 2023 S$	Group 2022 S$
Investments in joint ventures	**53,471**	488,546
Amount due to joint ventures	**(26,060)**	(26,060)
Share of post-acquisition results	**(27,411)**	(462,486)
	–	–

During the current financial year, the Group has written off its investments in joint venture and share of post-acquisition results of Livingstone Soriya Medical Specialists Co., Ltd ("LSMS") of S$435,075 (2022: $Nil) due to the deregistration of a dormant joint venture as disclosed in Note 18(a).

Details of the joint ventures are as follows:

Name of joint venture	Place of establishment and business	Principal activities	Effective equity held by the Group 2023 %	Effective equity held by the Group 2022 %
Held directly by the Company				
Atlas Podiatry Pte. Ltd. ("Atlas")[(1)(4)]	Singapore	Podiatry clinic	**70**	70
Held through Livingstone Health International Pte. Ltd.				
Livingstone Soriya Medical Specialists Co., Ltd ("LSMS")[(2)]	Cambodia	Medical clinic	**–**	57
Venture Investment Pte. Ltd.[(3)(4)]	Singapore	Investment holding	**60**	60
Atlas Physiotherapy Pte. Ltd.[(3)(4)]	Singapore	Physiotherapy	**60**	60

(1) Audited by Mazars LLP as statutory auditors.

(2) In previous financial year, the company was reviewed by Mazars LLP, Singapore, for the purpose of equity accounting. 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.

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

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

18. Investments in joint ventures (Continued)

(a) Deregistration of a dormant joint venture

Livingstone Soriya Medical Specialists Co., Ltd ("LSMS"), a joint venture incorporated in the Kingdom of Cambodia, was de-registered from the Commercial Registrar of the Ministry of Commerce on 8 March 2023, and thereupon dissolved.

(b) Incorporation of a joint venture

In previous financial year on 8 April 2021, the Company incorporated Atlas Podiatry Pte. Ltd. ("Atlas") together with its joint venture partners to hold the investment of Atlas for S$25,500.

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

	Group	
	2023	**2022**
	S$	**S$**
Loss from continuing operations	**381,466**	380,136
Loss from discontinued operations	**–**	191,457

19. Loan to a joint venture

	Group	
	2023	**2022**
	S$	**S$**
Non-current	**361,534**	374,500

The loan to a joint venture is unsecured, non-trade in nature and bears interest rate of 3.06% (2022: 2%) 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.

20. Trade payables

	Group		**Company**	
	2023	**2022**	**2023**	**2022**
	S$	**S$**	**S$**	**S$**
Third parties	**1,061,422**	660,390	**–**	–
Related parties	**7,650**	–	**–**	–
Joint venture	**645**	–	**–**	–
	1,069,717	660,390	**–**	–

The average credit period on purchases of goods generally ranges between 30 to 60 days (2022: 30 to 60 days). No interest is charged on the trade payables. Trade payables are denominated in Singapore Dollars.

21. Other payables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	S$	**S$**	**S$**	**S$**
Non-current				
Deferred consideration on reverse acquisition	**–**	1,500,000[#2]	**–**	1,500,000[#2]
Current				
Accruals	**1,995,923**	2,877,425[#3]	**74,521**	113,858
Customer deposits	**44,145**	26,829	**–**	–
GST payables	**478,652**	358,020	**–**	–
Amounts due to related companies	**–**	1,439	**–**	–
Amounts due to subsidiaries	**–**	–	**957,689**	–
Amounts due to ultimate holding company	**248,943**	–	**–**	–
Deferred consideration on reverse acquisition	**1,500,000**[#2]	–	**1,500,000**[#2]	23,500,000[#1]
Base consideration on reverse acquisition	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Provision for unutilised leave	**419,228**	–	**–**	–
Provision for reinstatement cost	**131,233**	–	**–**	–
Third parties	**251,333**	9,292	**28,369**	2,944
	6,069,457	4,273,005	**3,560,579**	24,616,802
	6,069,457	5,773,005	**3,560,579**	26,116,802

#1 This is in relation to the payment of the Deferred Consideration. In accordance with the Sales and Purchase agreement of the reverse acquisition, the Total Consideration payable to the Vendors (comprising Livingstone Health Consolidated Pte. Ltd. ("LVS"), ICH Capital Pte. Ltd., Dax Ng, and Dr. Chua Hshan Cher) includes a Deferred Consideration component of up to S$25,000,000. In the Company's announcement dated 20 May 2022, 94% of the Deferred Consideration (of up to S$23,500,000) is payable via the issuance and allotment of the Deferred Consideration Shares. As the profit milestone has been met, the Company shall issue and allot an aggregate of 117,500,000 Deferred Consideration Shares to the Vendors in proportion to the Vendor's Respective Shareholdings by 15 June 2022. On 1 June 2022, an aggregate of 117,500,000 Deferred Consideration Shares has been allotted and issued to the Vendors and Assignees of the Company.

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

#3 Included in accruals is performance related remuneration of approximately S$0.4 million (2022: S$1.2 million) for directors and key management personnel which is also included in compensation of directors and key management personnel in Note 31.

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

Accruals mainly consist of accrued operating expenses.

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

Other payables are denominated in Singapore Dollars.

22. Borrowings

	Group		Company	
	2023	**2022**	**2023**	**2022**
	S$	**S$**	**S$**	**S$**
Loan 1	**20,609**	282,556	**–**	–
Loan 2	**177,861**	335,379	**–**	–
Loan 3	**2,787,258**	3,942,495	**–**	–
Loan 4	**–**	32,049	**–**	–
Loan 5	**12,920**	34,256	**–**	–
Loan 6	**–**	21,525	**–**	–
Loan 7	**1,416,667**	–	**–**	–
Loans from related party	**630,000**	865,000	**630,000**	865,000
	5,045,315	5,513,260	**630,000**	865,000
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(2,504,027)**	(2,527,532)	**(630,000)**	(865,000)
Amount due for settlement after 12 months	**2,541,288**	2,985,728	**–**	–

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 4.86% (2022: 2.49%) per annum.

(b) Loan 2 of S$600,000 was raised on 10 March 2020. Repayments commenced on 26 May 2020 and will continue until 26 April 2024. The loan is secured by guarantee from the Company and its subsidiaries. The effective interest rate of the loan is at 4.28% (2022: 2.80%) per annum.

(c) Loan 3 of S$4,700,000 was raised on 27 April 2020. Repayments commenced on 24 August 2020 and will continue until 24 July 2025. The loan is secured by guarantee from the Company and its subsidiaries. The effective interest rate of the loan is at 2.00% per annum.

(d) Loan 4 of S$120,000 was raised on 16 December 2019 and is arising from the acquisition of PMG Group in 2019. Repayments commenced on 21 January 2020 and will continue until 21 December 2022. The loan is secured by a joint personal guarantee from certain directors of the Group. The effective interest rate of the loan is at 6.00% per annum. The loan has been fully repaid during the financial year.

(e) Loan 5 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 4.73% per annum.

22. Borrowings (Continued)

(f) Loan 6 of S$120,000 was raised on 13 September 2019 and is arising from the acquisition of PMG Group in 2019. Repayments commenced on 1 October 2019 and will continue until 1 September 2022. The loan is secured by a joint personal guarantee from certain directors of the Group. The loan carries effective interest rate at 6.00% per annum. The loan has been fully repaid during the financial year.

(g) Loan 7 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 5.64% per annum.

(h) Loans from related party are financial assistance provided by a director to the Company in the form of an unsecured and interest-free loan. The repayment is due on 31 December 2023.

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.

23. Lease liabilities

The Group leased certain medical equipment and leasehold properties under leases. The lease term is one to three years. Interest rates are fixed at inception of the lease contract dates at 3.08% to 5.65% (2022: 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 clinic and office 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	
	2023	**2022**
	S$	**S$**
Leasehold properties		
At beginning of financial year	**1,600,642**	2,183,116
Additions	**2,402,146**	867,529
Depreciation	**(1,312,636)**	(1,078,946)
Written-off	**–**	(371,057)
At end of financial year	**2,690,152**	1,600,642
Machines and equipment		
At beginning of financial year	**260,657**	327,479
Depreciation	**(64,343)**	(66,822)
At end of financial year	**196,314**	260,657

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23. Lease liabilities (Continued)

(b) Lease liabilities

	Group	
	2023	**2022**
	S$	**S$**
Lease liabilities – current	**1,300,906**	981,190
Lease liabilities – non-current	**1,563,464**	870,994
At end of financial year	**2,864,370**	1,852,184

The maturity analysis of lease liabilities is disclosed in Note 32.

(c) Amounts recognised in profit or loss

	Group	
	2023	**2022**
	S$	**S$**
Interest expense on lease liabilities	**158,826**	122,150
Expense relating to short-term leases	**225,009**	197,636
Expense relating to low-value assets	**3,671**	7,270

24. Deferred revenue

	Group	
	2023	**2022**
	S$	**S$**
Group		
At beginning of financial year	**868,153**	1,236,051
Receipt from customers	**2,065,262**	2,492,758
Revenue recognised during the financial year	**(2,091,179)**	(2,860,656)
At end of financial year	**842,236**	868,153

There were no significant changes in the nature of deferred revenue balances during the reporting period, the deferred revenue is expected to be realised within the next financial year.

25. Deferred tax

	Group 2023 S$	Group 2022 S$
Deferred tax assets	**429,006**	411,946
Deferred tax liabilities	**58,384**	33,408

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 2021	253,608	2,210	255,818
Credit to profit or loss	135,197	20,931	156,128
At 31 March 2022	388,805	23,141	411,946
Credit to profit or loss	43,697	(26,637)	17,060
At 31 March 2023	**432,502**	**(3,496)**	**429,006**

Deferred tax liabilities

	Provision and accelerated tax depreciation S$	Total S$
Group		
At 1 April 2021	2,144	2,144
Charge to profit or loss	31,264	31,264
At 31 March 2022	33,408	33,408
Charge to profit or loss	24,976	24,976
At 31 March 2023	**58,384**	**58,384**

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26. Share capital

Group	2023 Number of shares	2022 Number of shares	2023 S$	2022 S$
Issued and fully paid, with no par value:				
Ordinary shares				
At beginning of financial year	**318,891,448**	315,947,748	**22,764,264**	22,305,047
Issue of new ordinary shares	**117,500,000**#2	2,943,700	**–**	459,217#1
At end of financial year	**436,391,448**	318,891,448	**22,764,264**	22,764,264

Company	2023 Number of shares ('000)	2022 Number of shares ('000)	2023 S$	2022 S$
Issued and fully paid, with no par value:				
Ordinary shares				
At beginning of financial year	**318,892**	315,948	**45,591,200**	256,244,089
Issue of new ordinary shares	**117,500**#2	2,944#1	**23,500,000**#2	459,217#1
	436,392	318,892	**69,091,200**	256,703,306
Effect of share consolidation	**–**	–	**–**	(211,112,106)
At end of financial year	**436,392**	318,892	**69,091,200**	45,591,200

#1 This represents the purchase consideration paid on behalf for the LSH Group's acquisition of PMG Group which was satisfied by the allotment of issuance of 2,943,700 ordinary shares at S$0.155 per share, amounting to S$459,217.

#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 21#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.

The cash received for the share capital are as follows:

	2023 S$	2022 S$
Group		
Issued share capital	**–**	459,217
Less: Shares converted from other payables	**–**	(459,217)
Cash receipts from issued of share capital	**–**	–

27. 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.

28. Dividends

	2023 S$	2022 S$
The Group and the Company		
Final tax-exempt (one-tier) dividend in respect of the previous financial year of S$0.0012 (2022: S$ Nil) per ordinary share	**523,668**	–

During the financial year ended 31 March 2023, 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 2023, a subsidiary of the Group, Phoenix Medical Group Pte. Ltd. declared interim tax-exempt dividend of S$1.6667 (2022: S$2.9912) per ordinary share totalling S$250,000 (2022: S$448,688) in respect of the financial year ended 31 March 2023, of which S$122,500 (2022: S$219,857) are allocated to non-controlling interests.

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29. Segment information

For management purposes and resource allocation, the Group is organised into business operating units based on reports reviewed by management team that are used to make strategic decisions. This forms the basis of identifying the segments of the Group under SFRS(I) 8 *Operating segments* as follows:

(i) Aesthetics and wellness

Provision of a range of services including laser and resurfacing therapies, radiofrequency, light and ultrasound-based treatments botulinum toxin and filler injections, chemical peels and various facial and body wellness treatments.

(ii) Anaesthesiology and pain management

Provision of comprehensive anaesthetic services and perioperative care for a wide range of surgeries and procedures, assisting to manage high risk and unstable patients who have undergone high risk surgeries, and who may need high dependency or intensive care monitoring in the intensive care unit. The Group also specialises in the management of chronic and acute pain conditions in the neck, back, nerve, abdominal, pelvic regions as well as cancer pain and fibromyalgia. Apart from medication and physical therapy, the Group also provides interventional pain procedures and ultrasound-guided chronic pain interventions.

(iii) Family medicine

Provision of vaccination and general medicine services that include, amongst others, the management of general acute conditions such as simple respiratory/gastrointestinal infections, musculoskeletal complaints, headaches and dermatological conditions as well as chronic conditions such as diabetes, hypertension, dyslipidemia and asthma.

(iv) Internal medicine

Provision of cardiology and endocrinology services. Cardiac services range from screening to interventional treatment procedures, while adopting reliable and accurate technology to provide the highest quality of care for all patients. Endocrinology includes the provision of specialised expertise in both type 1 and 2 diabetes (including gestational diabetes), treatment of thyroid, pituitary and adrenal problems, holistic care for osteoporosis, obesity and metabolic issues, and the diagnosis and management of hormone-related infertility.

(v) Orthopaedic surgery

Provision of specialised care for patients with orthopaedic problems, the Group offers treatment techniques such as computer-guided, robotic, percutaneous and minimally invasive surgery/keyhole surgery. These help to potentially reduce complications and allows faster and more functional recovery for the patients. Other than general orthopaedics in areas such as neck and back pain, the Group also provides a range of services for a variety of orthopaedic problems, including without limitation, upper and lower limb conditions, trauma, sports surgery, and arthritis (conservative and surgical management).

29. Segment information (Continued)

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.

Segment revenue and results

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

	Aesthetics and Wellness	Anaesthesiology and Pain Management	Family Medicine	Internal Medicine	Orthopaedic Surgery	Others	Total
	S$	S$	S$	S$	S$	S$	S$
31 March 2023							
Segment revenue	**2,233,426**	**6,542,494**	**6,540,374**	**2,264,739**	**14,044,716**	**1,292,139**[#1]	**32,917,888**
Segment profit/(loss)	**88,805**	**1,419,838**	**354,001**	**(182,601)**	**1,754,505**	**681,280**	**4,115,828**
Unallocated loss							**(2,830,294)**
Profit for the year							**1,285,534**
Depreciation	**378,661**	**84,249**	**680,543**	**86,496**	**144,155**	**2,625**	**1,376,729**
Unallocated depreciation							**548,763**
							1,925,492
Finance costs	**26,295**	**4,529**	**66,139**	**1,518**	**9,888**	**–**	**108,369**
Unallocated finance costs							**199,848**
							308,217
Income tax expense	**17,787**	**86,054**	**159,432**	**53,861**	**143,255**	**81,206**	**541,595**
Unallocated income tax credit							**(30,527)**
							511,068
Segment assets	**1,437,139**	**2,719,851**	**4,285,969**	**1,079,304**	**5,317,302**	**1,100,064**	**15,939,629**
Unallocated assets							**6,857,025**
							22,796,654
Segment liabilities	**1,653,913**	**1,015,090**	**1,962,787**	**244,340**	**2,083,651**	**524,083**	**7,483,864**
Unallocated liabilities							**8,984,038**
							16,467,902

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

29. Segment information (Continued)

Segment revenue and results (Continued)

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

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

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

30. Contingent liabilities

As at 31 March 2023, the Company and certain subsidiaries have given a corporate guarantee to a bank for bank borrowings, Loan 1, Loan 2, Loan 3 and Loan 7 in respect to the banking facilities granted to a subsidiary (Note 22).

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.

31. 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;

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31. Significant related party transactions (Continued)

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

(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.

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:

	2023 S$	2022 S$
Company related to a director of the Company		
Sales of services	**958,938**	424,893
Purchase of services	**51,402**	102,556
Professional fees	**2,910**	13,643
Rental paid	**79,920**	82,600

Compensation of directors and key management personnel

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

	2023 S$	2022 S$
Short-term benefits	**6,103,655**	5,900,348
Post-employment benefits	**171,060**	170,490
	6,274,715	6,070,838

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

32. 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 risks, the Group categorises the aforementioned financial assets and according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, default of interest due for more than 30 days, but not later than when the financial asset is more than 180 days past due as per SFRS(I) 9's presumption.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

32. 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.

32. Financial instruments and financial risks (Continued)

Credit risk (Continued)

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 30 days past due) and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contract payments are >30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract, such as a default or being more than 90 days past due;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

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

32. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Note 4. Write off (Continued)

With reference to Note 30, the Company and certain subsidiaries provide financial guarantee to a bank in respect of bank facilities granted to a subsidiary. The date when the Company and certain subsidiaries become a committed party to the guarantee are considered to be the date of initial recognition for the purpose of assessing the financial asset for impairment. In determining whether there has been a significant risk of a default occurring on the drawn-down facilities, the Company and certain subsidiaries considered the change in the risk that the specified debtor (i.e. the applicable subsidiaries) will default on the contract. The Company assessed that the credit risk relating to the financial guarantee is insignificant to the Company.

As at the end of the financial year, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

Trade receivables (Note 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 customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries (e.g. Singapore) and the growth rates of the major industries which its customers operate in.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

Trade receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there is no reasonable expectations for recovering the outstanding balances.

32. Financial instruments and financial risks (Continued)

Credit risk (Continued)

Trade receivables (Note 12) (Continued)

The loss allowance for trade receivables are determined as follows:

	Current	Past due more than 1 to 30 days	Past due more than 31 to 60 days	Past due more than 61 to 90 days	Past due more than 91 to 180 days	Past due more than 180 days	Total
Group							
31 March 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)**
31 March 2022							
Expected credit loss rates	0%	0%	0%	0%	0%	4.8%	
Trade receivables (gross) (S$)	532,146	1,741,962	1,105,574	598,522	767,266	1,218,581	5,964,051
Loss allowance (S$)	–	–	–	–	–	(58,711)	(58,711)

Other receivables (Note 13) and loan to a joint venture (Note 19)

As of 31 March 2023, the Group recorded deposits paid of S$483,951 (2022: S$459,361), amount due from a related party of S$Nil (2022: S$6,416), advances to joint ventures of S$910,490 (2022: S$457,950), other receivables of S$25,736 (2022: S$95,850) and loan to a joint venture of S$361,534 (2022: S$374,500), respectively. As of 31 March 2023, the Company recorded amount due from a subsidiary of S$Nil (2022: S$233,635). The Group and the Company assessed the latest performance and financial position of the respective debtors, related party and joint ventures, adjusted for the future outlook of the industry which the debtors operate in, by referring to expert publications on the industry, and for any market talks on the debtors' credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial asset. Accordingly, the Group and the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

32. Financial instruments and financial risks (Continued)

Market risks

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Group's exposure to foreign currency risk is minimal.

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 risks arise primarily from the floating rate borrowings with financial institutions.

	Principal S$	Interest rate range
Group		
2023		
Borrowings from financial institutions	**1,615,137**	**4.28% – 5.64%**
2022		
Borrowings from financial institutions	617,935	2.49% – 2.80%

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 (2022: 100) basis points higher or lower and all other variables were held constant, the profit after tax for the financial year ended 31 March 2023 of the Group would decrease/increase by S$26,811 (2022: S$5,129) respectively.

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

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

Non-derivative financial liabilities

The Group's IBOR exposures to non-derivative financial liabilities as at 31 March 2023 included two (2022: two) secured bank borrowings with total carrying amount of S$198,470 (2022: S$617,935) that are indexed to SIBOR, maturing in 2023 and 2024. The Group is still in the process of communication with the counterparties for all SIBOR indexed exposures and specific changes have yet to be agreed.

Financial instruments prior to transition	**Financial instrument maturity year**	**Carrying amount/ Notional amount S$**	**Fair value S$**	**Transition progress to new benchmark rates**
Group				
Non-derivative financial instrument				
Bank borrowings	2023	20,609	Not applicable	Not transited
Bank borrowings	2024	177,861	Not applicable	Not transited

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.

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.

32. 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.

	Effective interest rate %	On demand or less than 1 year S$	2 to 5 years S$	Total S$
Group				
Undiscounted financial assets				
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**
Cash and cash equivalents	–	5,353,090	–	5,353,090
Trade receivables	–	5,905,340	–	5,905,340
Other receivables excluding prepayments	–	1,019,577	–	1,019,577
Loan to a joint venture	2.00%	–	411,950	411,950
As at 31 March 2022		12,278,007	411,950	12,689,957
Undiscounted financial liabilities				
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**
Trade payables	–	660,390	–	660,390
Other payables*	–	3,914,985	1,500,000	5,414,985
Lease liabilities	3.08% – 5.65%	1,056,728	913,328	1,970,056
Borrowings	2.00% – 6.00%	2,609,885	3,056,780	5,666,665
As at 31 March 2022		8,241,988	5,470,108	13,712,096
Total undiscounted net financial assets/(liabilities)				
– At 31 March 2023		1,899,625	(3,360,076)	(1,460,451)
– At 31 March 2022		4,036,019	(5,058,158)	(1,022,139)

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

32. Financial instruments and financial risks (Continued)

Liquidity risk (Continued)

	Effective interest rate %	On demand or less than 1 year S$	2 to 5 years S$	Total S$
Company				
Undiscounted financial assets				
Cash and cash equivalents	–	24,696	–	24,696
As at 31 March 2023		**24,696**	**–**	**24,696**
Cash and cash equivalents	–	24,201	–	24,201
Other receivables excluding prepayments and GST receivables	–	233,668	–	233,668
As at 31 March 2022		257,869	–	257,869
Undiscounted financial liabilities				
Other payables	–	3,560,579	–	3,560,579
Borrowings	–	630,000	–	630,000
As at 31 March 2023		**4,190,579**	**–**	**4,190,579**
Other payables	–	1,116,802	1,500,000	2,616,802
Borrowings	–	865,000	–	865,000
As at 31 March 2022		1,981,802	1,500,000	3,481,802
Total undiscounted net financial liabilities				
– At 31 March 2023		**(4,165,883)**	**–**	**(4,165,883)**
– At 31 March 2022		(1,723,933)	(1,500,000)	(3,223,933)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

32. 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:

	2023 S$	2022 S$
Group		
Financial assets at amortised cost		
Cash and cash equivalents	**4,226,877**	5,353,090
Trade receivables	**6,857,689**	5,905,340
Other receivables excluding prepayments	**1,420,177**	1,019,577
Loan to a joint venture	**361,534**	374,500
	12,866,277	12,652,507
Financial liabilities at amortised cost		
Trade payables	**1,069,717**	660,390
Other payables*	**5,040,344**	5,414,985
Lease liabilities	**2,864,370**	1,852,184
Borrowings	**5,045,315**	5,513,260
	14,019,746	13,440,819

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

	2023 S$	2022 S$
Company		
Financial assets at amortised cost		
Cash and cash equivalents	**24,696**	24,201
Other receivables excluding prepayments and GST receivables	**–**	233,668
	24,696	257,869
Financial liabilities at amortised cost		
Other payables	**3,560,579**	2,616,802
Borrowings	**630,000**	865,000
	4,190,579	3,481,802

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

33. Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables approximate their respective fair values due to the relative short-term maturity of these financial instruments other than those disclosed in Note 32 with maturity analysis.

34. 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 22 and 23 and equity attributable to owners of the Company, comprising issued capital and reserves as disclosed in Note 26 and 27.

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 2022.

Management monitors capital based on a gearing ratio and the gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus lease liabilities less cash and cash equivalents.

	Group	
	2023	**2022**
	S$	**S$**
Net debt	**3,682,808**	2,012,354
Total equity	**6,328,752**	5,689,386
Gearing ratio	**58%**	35%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

35. Operating lease commitments

Lessor

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.

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	
	2023	**2022**
	S$	**S$**
Future minimum lease receivables:		
Within one year	**17,066**	36,534
After one year but within five years	**–**	17,066
	17,066	53,600

36. Capital commitments

	Group	
	2023	**2022**
	S$	**S$**
Capital expenditure contracted but not provided for		
– Commitments for the acquisition of plant and equipment	**–**	41,364

37. Subsequent event after reporting date

Incorporation of a subsidiary

On 3 April 2023, the Company through Livingstone Health Ltd, a wholly-owned subsidiary of the Company, incorporated a subsidiary in Singapore known as Virtuemed Pte. Ltd. ("VMPL") and holds 51% equity interest in VMPL.

The issued and paid-up capital of VMPL is S$100, comprising 100 ordinary shares. The remaining 49% shareholding which consists of 49 ordinary shares are held by an individual, a party not related to the Company. The principal activities of VMPL is the provision of other health services and managing healthcare solutions business.

The investment of S$51 is funded through the Company's internal resources.

STATISTICS OF SHAREHOLDINGS

AS AT 15 JUNE 2023

Number of Issued Shares	436,391,448
Class of Shares	Ordinary
Voting Rights	One vote per ordinary share
Number of Treasury Shares	Nil
Number of Subsidiary Holdings	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1,815	36.51	54,153	0.01
100 – 1,000	1,919	38.61	786,178	0.18
1,001 – 10,000	954	19.19	3,148,445	0.72
10,001 – 1,000,000	262	5.27	20,704,761	4.75
1,000,001 AND ABOVE	21	0.42	411,697,911	94.34
TOTAL	**4,971**	**100.00**	**436,391,448**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	LIVINGSTONE HEALTH CONSOLIDATED PTE. LTD.	215,311,056	49.34
2	TAY CHING YIT WILSON	40,388,500	9.26
3	CHUA MENG HUI SEBASTIAN	24,183,900	5.54
4	TAN TZE SHENG EDWIN (CHEN ZHISHENG EDWIN)	24,118,400	5.53
5	TEH WING KWAN	23,743,922	5.44
6	LIM PANG YEN RACHEL	19,508,400	4.47
7	DAX NG YUNG SERN (DAX HUANG YONGSHENG)	8,741,314	2.00
8	MAYBANK SECURITIES PTE. LTD.	8,457,868	1.94
9	PHILLIP SECURITIES PTE LTD	6,505,064	1.49
10	DBS NOMINEES PTE LTD	5,701,734	1.31
11	APZENITH CAPITAL PTE LTD	5,508,100	1.26
12	KGI SECURITIES (SINGAPORE) PTE. LTD	5,347,580	1.23
13	WENG HUA YU @SIMON ENG	4,990,540	1.14
14	ICH CAPITAL PTE LTD	4,946,300	1.13
15	CHUA HSHAN CHER	4,008,272	0.92
16	LEE KAI LUN	2,500,000	0.57
17	LIM LIANG MENG	2,000,006	0.46
18	OCBC SECURITIES PRIVATE LTD	1,924,697	0.44
19	FORT CANNING (ASIA) PTE LTD	1,702,690	0.39
20	ANTHONY TAN @ TAN AH SENG	1,087,500	0.25
		410,675,843	**94.11**

STATISTICS OF SHAREHOLDINGS

AS AT 15 JUNE 2023

SUBSTANTIAL SHAREHOLDINGS AS AT 15 JUNE 2023

	Direct Interest		Deemed interest		Total interest	
	Number of Shares	**%**	**Number of Shares**	**%**	**Number of Shares**	**%**
Teh Wing Kwan	23,743,922	5.44%	–	–	23,743,922	5.44%
Tay Ching Yit, Wilson	40,388,500	9.26%	215,311,056	49.34%	255,699,556	58.60%
Fong Heng Boo	–	–	–	–	–	–
Chan Yu Meng	–	–	–	–	–	–
Steven Lim	–	–	–	–	–	–
Substantial Shareholders (Other than Directors)						
Livingstone Health Consolidated Pte. Ltd.	215,311,056	49.34%	–	–	215,311,056	49.34%
Edwin Tan	24,118,400	5.53%	215,311,056	49.34%	239,429,456	54.87%
Sebastian Chua	24,183,900	5.54%	215,311,056	49.34%	239,494,956	54.88%

Notes:

1 Based on 436,391,448 Shares in the issued and paid-up share capital of the Company (excluding nil treasury shares and nil subsidiary holdings) as at the Latest Practicable Date.

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

3 Dr Edwin Tan 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.

4 Dr Sebastian Chua 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

13.44% 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.

LIVINGSTONE

HEALTH

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