



**SINGAPORE
PAINCARE
HOLDINGS**

Bringing pain relief closer to you



NAVIGATING GROWTH OPPORTUNITIES

ANNUAL REPORT 2023

NAVIGATING GROWTH OPPORTUNITIES

COVER CONCEPT

With the COVID-19 pandemic behind us, Singapore Paincare Holdings Limited has moved into expansion mode with network growth on our minds. Locally, we added two more specialist practices and two more clinics for primary healthcare in FY2023, which took us closer to our goal of creating a comprehensive paincare ecosystem with multi-disciplinary capabilities to serve a broad patient base.

Having also set our sights on overseas expansion, we made our first foray abroad in the form of an investment in a China healthcare group and a subsequent joint venture that aims to introduce our pain care expertise to the Chinese market. We believe these first steps will pave the way for us to navigate growth opportunities both locally and regionally so as to bring affordable pain care beyond our shores.

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This annual report has been prepared by Singapore Paincare Holdings Limited (the "Company") and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "Sponsor"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This annual report has not been examined or approved by 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. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.





CORPORATE PROFILE



11

GP CLINICS

5

SPECIALIST CLINICS

2

PHYSIOTHERAPY CENTRES

1

TRADITIONAL CHINESE
MEDICINE CENTRE

2

HEALTH SCREENING
FACILITIES

Incorporated in 2018, Singapore Paincare Holdings Limited (“Singapore Paincare” or together with its subsidiaries, the “Group”) is a medical services group with a focus on treating and managing chronic and acute pain.

Singapore Paincare has established a holistic pain care ecosystem that can cater to patients at different stages of their journey from treatment to recovery to ongoing wellness. Its comprehensive range of pain care services provides opportunities for cross referrals of patients within the Group and brings into fruition its vision to be a leading one-stop integrated pain management centre in Asia.

The Group’s medical team includes specialist doctors, primary care doctors as well as other pain care professionals trained in traditional Chinese medicine (“TCM”), physiotherapy and rehabilitation. As of 30 June 2023, the Group’s Singapore network stands at 21 clinics and centres.

Singapore Paincare runs its own Singapore Paincare Academy, which oversees the training needs and continuous skills upgrading of the medical professionals within the Group.

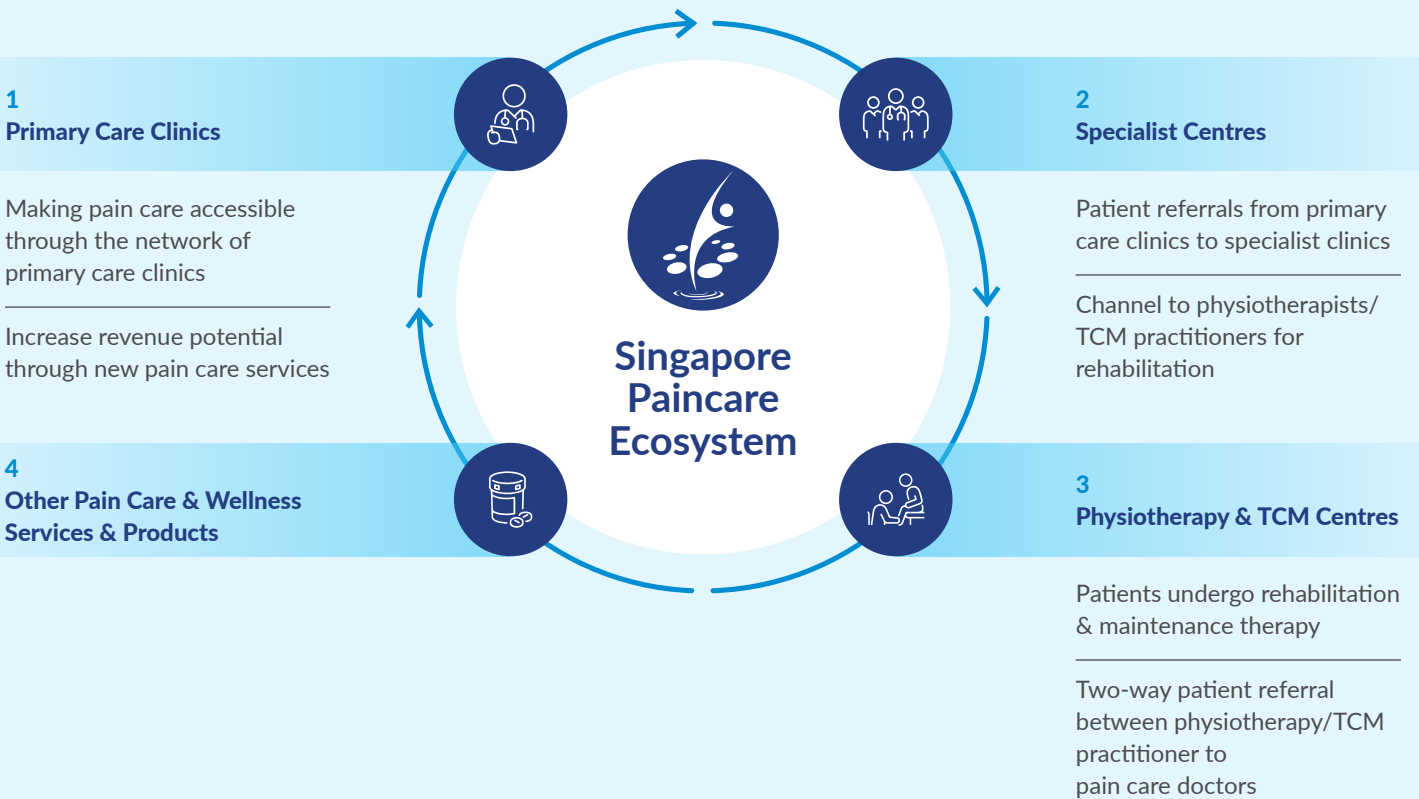
In FY2023, Singapore Paincare via its 51%-owned joint venture, Singapore Paincare Capital Pte. Ltd., made its first overseas foray through a share subscription in China’s PuXiang Healthcare Holding Limited (“PUXH”). The parties have since established a company to introduce pain care services in PUXH’s group of 15 community hospitals in the cities of Beijing, Hebei and Tianjin.

Singapore Paincare (stock code: FRQ) has been listed on the Catalist board of the Singapore Exchange since 30 July 2020.



OUR BRANDS & SERVICES

Singapore Paincare Holdings Limited has won the Healthcare accolade at the SBR National Business Awards 2023 and the Business Eminence Awards 2023 Singapore. Both accolades recognise the Group's commitment to providing effective and quality pain care services to patients.



AWARDS & ACCOLADES



Awarded to both Singapore Paincare and DR+ for maintaining high standards of patient care and pushing the boundaries of helping patients at every stage of their recovery



In recognition of Singapore Paincare's ongoing dedication to delivering quality pain management solutions



Awarded to Singapore Paincare for launching of DR+ clinics to provide effective pain relief at primary care level

OUR BRANDS & SERVICES



Singapore Paincare Center

SPECIALISED PAINOSTIC METHODOLOGY

Singapore Paincare Center is the brand for our specialist pain care services. We take pride in helping patients to resolve chronic pain conditions where others have failed. Our proprietary understanding of pain and the interplay of different pain pathways allows us to accurately diagnose and relieve difficult and complicated pain conditions.

Our proprietary Minimally Invasive Procedures performed by our specialist doctors deliver results without the need for open surgery or use of painkillers. They include Myospan injections, which are used to treat a wide variety of common pain conditions including muscle pain, muscle spasm, joint pain and nerve pain and Neurospan injections, which are used to treat pain conditions caused by spinal issues. These treatments are usually one-off procedures without significant downtime or risks to patients. These treatments have proven to be effective in providing sustained pain relief, thus earning the trust of both local and overseas patients.

DR+ Medical & Paincare Clinics

PRIMARY CARE CLINICS WITH PAIN TREATMENT AS A FOCUS

Our network of primary care clinics operate under our Group's "DR+" brand, which distinguishes our general practitioner ("GP") doctors from others as they are trained to alleviate common pain conditions and to perform minimally invasive pain procedures. DR+ clinics form the frontline of our Group's vision to build a comprehensive paincare eco-system bringing affordable pain management services to the neighbourhood.

Besides DR+ clinics, we currently have two other GP clinics under our Group.

Centre for Screening and Surgery

GENERAL SURGERY WITH A SPECIALISATION IN EARLY STAGE CANCER TREATMENTS

The Centre for Screening and Surgery specialises in the screening and detection of cancer in its early stages when the cure rate is at 90% or more for most cancers when detected early.

We perform breast screening with a high-resolution ultrasound that can detect both benign breast lumps and breast cancers. The ultrasound is also used to guide biopsy of any suspicious lesions, diagnose thyroid nodules, gallstones, or hernias. In the case of colon and other gastrointestinal cancers, we perform gastroscopy and colonoscopy to diagnose cancers or remove polyps.

We also offer blood tests for tumour markers and where surgery is needed, we specialise in the minimally invasive approach leading to less pain, a shorter recovery, and better cosmetic results for patients.

OUR BRANDS & SERVICES



PTL Spine & Orthopaedics

SPECIALISED CARE FOR ORTHOPAEDIC CONDITIONS

PTL Spine & Orthopaedics specialises in orthopaedic conditions, focusing on pain management and functional improvement. Our clinic offers orthopaedic solutions that aim to alleviate pain and enhance overall mobility. Through a combination of surgical interventions and personalised treatment plans, we strive to address the underlying causes of pain and help our patients regain optimal function and improve their quality of life.

MSMC Musculoskeletal & Sports Medicine Clinic

SPECIALISTS IN MUSCULOSKELETAL CONDITIONS AND SPORTS INJURY

MSMC Musculoskeletal & Sports Medicine Clinic, a brand of Singapore Paincare Center, provides a full suite of clinical services for the assessment and treatment of musculoskeletal conditions ranging from sports injuries to chronic degenerative conditions. We focus on the use of non-surgical approach to pain management, for sustained long-lasting pain relief. As part of our wellness services, we offer holistic executive health screening for early detection of diseases and risk factors, consultation and advice on healthy ageing and weight management.

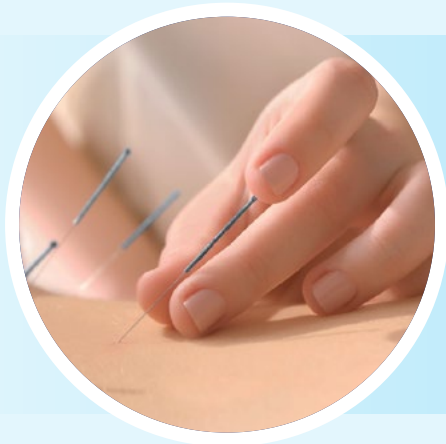
Epi Dermatology & Laser Specialist Clinic

SPECIALISTS IN ADULT AND PAEDIATRIC DERMATOLOGY

Epi Dermatology & Laser Specialist Clinic is dedicated to skin health and well-being. Our results-oriented approach is suitable for a wide range of hair, skin and nail conditions for adults and children that are both medical and cosmetic in nature.

In addition, this clinic forms part of our Group's longer term strategy to develop our expertise in slowing down degeneration so as to delay the onset of pain that is related to the ageing process.

OUR BRANDS & SERVICES



Singapore Paincare TCM Wellness

THE YIN-YANG HARMONY OF PAIN MANAGEMENT

Singapore Paincare TCM Wellness is our Traditional Chinese Medicine (“TCM”) brand and the only TCM brand in Singapore to focus solely on pain management. The brand embodies the Yin-Yang harmony by combining the TCM focus on internal qi regulation (Yin) with the western medical emphasis on external physical movement (Yang) to treat pain and promote healing.

Our signature treatments include:

- **Qi’Nergy Flex Integrated Care** – a comprehensive pain management treatment that combines our proprietary TCM services and physiotherapy services to achieve optimal and long-term pain resolution
- **Qi’Nergy Tuina** – a combination of TCM and Western Medicine principles to achieve accelerated healing effect
- **Wellness Herb Ionto** – a herbal foot soak treatment that combines eastern herb concoctions and western Iontophoresis which passes a gentle electric current through the water to promote effective herb absorption
- **Signature Paediatric Tuina** – an adaptation of our signature Qi’Nergy Tuina for children and infants to treat and/or prevent paediatric diseases

Ready Fit Physiotherapy

AN EVIDENCE-BASED APPROACH TO PAIN TREATMENT

Ready Fit Physiotherapy is our physiotherapy and rehabilitation brand that offers tailored programmes dedicated to each aspect of the recovery process and to promote ongoing wellness. Our evidence-based treatments are effective in relieving pain and improving our patients’ strength and mobility.

Our centres are well-equipped with industry-leading medical technology, treatment rooms as well as a fully furnished gym. We embrace advanced methodologies such as the Winback Tecartherapy – a revolutionary non-invasive technology that utilises a high frequency current to stimulate the body’s natural repair mechanism. It is typically used to treat deep tissues and helps to reduce pain and inflammation to restore movement.

To help patients with injuries or recent surgeries and postpartum women who are suffering from Diastasis Recti-related conditions, we offer High-Intensity Electromagnetic Therapy – a non-invasive treatment that helps stimulate muscle contraction, strengthen one’s core and abdominal walls.

Singapore Paincare Academy

RIGOROUS TRAINING AND CERTIFICATION

Singapore Paincare Academy is our brand promise to patients to uphold the highest clinical and operational standards. The academy ensures our healthcare professionals are trained in service standards and standard operating procedures. Our paincare specialist doctors and GPs are trained and certified in our proprietary pain diagnosis and treatment know-how. The academy also provides yearly continuous education to our specialist doctors and GPs to enable them to stay at the forefront of the industry. This includes annual refresher courses on the latest medical technologies and improved treatment methodologies.

Similarly, Singapore Paincare Academy ensures that our TCM practitioners, therapists and physiotherapists are trained and certified to deliver a holistic treatment by combining the best of TCM and Western medicine. The academy enables them to provide better pain assessment and diagnosis in line with our proprietary Painostic methodology. The academy also equips them with our unique set of medical knowledge and principles in providing ongoing care and rehabilitation to patients.



LETTER TO SHAREHOLDERS



Ms Lai Chin Yee
Non-Executive Chairman and Independent Director

DEAR SHAREHOLDERS

The 12 months that ended 30 June 2023 (“FY2023”) marked our first full financial year sans Covid-19 restrictions. If there was a word to sum up FY2023 for our Group, it would be “expansion”.

During the financial year under review, Singapore Paincare’s network expanded to 21 clinics and centres, with the addition of two new specialist clinics – PTL Spine & Orthopaedics (“PTL”) and Epi Dermatology & Laser Specialist Clinic (“Derm”); and, two new primary care clinics – DR+ Medical & Paincare GP clinics (“DR+ Clinics”) in East Coast and Hougang.

The addition of PTL and Derm extended our specialist capabilities from pain care and general surgery to also include orthopaedics and dermatology. This paves the way for our Group to care for patients at all stages of their recovery journey, providing one-stop pain relief services within our ecosystem using both surgical and non-surgical methods. The foray into dermatology is a headstart to develop our expertise in slowing degeneration and delaying the onset of pain associated with the ageing process.

We also pressed on with ongoing expansion of our GP network to support our vision to bring affordable pain care to the masses. Depending on suitable opportunities, we hope to have DR+ clinics in all the major neighbourhoods in Singapore.

Beyond our shores, our long-time dream to expand overseas took flight when China reopened its borders in January 2023 and we were able to complete the execution of a share subscription through a joint venture in China’s PuXiang Healthcare Holding Limited (“PUXH”) in 2023. It was a significant milestone for the Group as it was our first overseas foray and it also ticked off one of the key plans that we had disclosed at our initial public offering in 2020.

Following the share subscription, we established a company in China to introduce pain care services in PUXH’s group of 15 community hospitals in the cities of Beijing, Hebei and Tianjin in the coming months. We are very excited about this development as we envisage that it will pave the way for us to replicate our pain care ecosystem in China including training our partner’s doctors in our unique pain care approach at our Singapore Paincare Academy.

Dovetailing an eventful FY2023, we kicked off the current financial year ending 30 June 2024 (“FY2024”) with more additions to the Singapore Paincare family. In July 2023, we broadened our specialist services with the introduction of our sports medicine brand called MSMC Musculoskeletal & Sports Medicine Clinic, which is co-located with Singapore Paincare Center. This enables us to break into the specialised field of sports medicine, which is highly synergistic with our core pain care expertise as many sport injuries are accompanied by pain that can become chronic if not properly treated.

We will ensure the smooth integration of all our new additions and will work closely with them to uphold the healthcare ethos of the Group.

FY2023 Performance review

On the back of our expansion efforts, Singapore Paincare achieved a strong 17.2% year-on-year (“yoy”) growth in revenue to \$22.1 million in FY2023.

In line with the enlarged network, our operating expenses such as employee benefits rose 34.9% yoy to \$9.8 million in FY2023 mainly due to an increase in headcount and additional hours worked.

LETTER TO SHAREHOLDERS



Dr Lee Mun Kam, Bernard
Executive Director and Chief Executive Officer

Other expenses rose to \$4.9 million in FY2023 from \$2.3 million in FY2022 mainly due to fair value loss of \$2.0 million on derivative financial instruments, which arose mainly from the expiration of options in one of our associates. We also recognised an impairment loss in an associate of \$0.7 million due to the below-expectation performance versus the projected value-in-use of the said associate.

As a result of the foregoing, Singapore Paincare recorded a net attributable loss to shareholders of \$0.5 million in FY2023.

If not for the net fair value loss on derivative financial instruments and the impairment loss on associate, the Group would have posted a net profit after tax of \$2.9 million in FY2023.

We are optimistic that the new revenue contributions from our expanded operations will have a positive impact on our performance in FY2024.

Prospects

The essential nature of the services we provide gives us confidence in the outlook for our business.

Looking ahead, we expect our China operations to start contributing to our topline as we gradually roll out our services across PUXH's 15 community hospitals. We also hope that this partnership will be a stepping stone for the Group to explore similar collaborations with partners in other parts of China and tap into its vast domestic healthcare market.

We remain interested in penetrating other regional markets including the Philippines, Malaysia and Vietnam, which have been key source markets for medical tourists for our Group. We continue to engage in talks with potential partners and are hopeful that suitable opportunities may arise from these discussions.

Locally, we remain keen to grow our network of GP clinics and to expand into complementary specialist fields but we will do so at a measured pace and with financial prudence.

With our specialist practices, primary healthcare and rehabilitative services, we are well-positioned to support national programmes such as Healthier SG and the Action Plan for Successful Aging because our Group is able to journey with patients in various life stages.

Appreciation and acknowledgement

In closing, we want to thank our shareholders for your unwavering support as we continue to navigate both local and regional expansion to drive sustained growth for the Group. As a reflection of business optimism, the Board of Directors has proposed a final dividend of 0.35 Singapore cents per share subject to shareholders' approval at the upcoming Annual General Meeting.

We also want to thank our management team, our medical team and all our staff for their dedication and commitment to provide our patients with the best possible healthcare experience when they step into any one of our clinics and centres.

Lastly, we are appreciative of our fellow Directors of the Board for their guidance and counsel while we continue to work on delivering excellence and maximising value for all our stakeholders.

MS LAI CHIN YEE
Non-Executive Chairman and
Independent Director

DR LEE MUN KAM, BERNARD
Executive Director and
Chief Executive Officer



OPERATIONS AND FINANCIAL REVIEW

REVIEW OF PERFORMANCE OF THE GROUP

Revenue

The Group's revenue increased 17.2% to \$22.1 million in FY2023 from \$18.8 million in FY2022 mainly due to the increase in revenue from general practitioners ("GP") clinics, specialist clinics and the newly acquired and newly incorporated clinics. The increase in revenue was mainly due to an increase in consultations arising from a wider community awareness of our clinics. During the financial year, the Group acquired and incorporated Dermatology & Laser Specialist Clinic Pte. Ltd. ("Derm"), East Coast Medical and Paincare Clinic Pte. Ltd. ("East Coast"), Hougang Medical and Paincare Clinic Pte. Ltd., and PTL Spine & Orthopaedics Private Limited ("PTL").

Other Income

The decrease in other income by approximately \$0.7 million to \$0.3 million in FY2023 from \$1.0 million in FY2022 was mainly due to a decrease in (i) fair value gain on derivative financial instruments of \$0.6 million, (ii) rental rebates of \$50,000 and (iii) government grant and sponsorship income of \$50,000, which was partially offset by an increase in rental income of \$20,000.

Inventories and Consumables

Changes in inventories as well as inventories and consumables used, increased approximately \$0.6 million to \$3.8 million in FY2023 from \$3.2 million in FY2022, in line with the higher revenue recorded.

Employee Benefit Expenses

Employee benefits expenses increased approximately \$2.5 million to \$9.8 million in FY2023 from \$7.2 million in FY2022 mainly due to (i) an increase in headcount owing to the acquisition and incorporation of the new clinics in FY2023 and (ii) an increase in remuneration given to the practitioners and staff for the additional hours worked.

Depreciation and Amortisation Expenses

Depreciation and amortisation expenses increased by approximately \$0.6 million to \$1.7 million in FY2023 from \$1.1 million in FY2022 mainly due to the increase in amortisation of right-of-use ("ROU") assets and depreciation of plant and equipment with the acquisition and incorporation of the new clinics.

Other Expenses

Other expenses increased approximately \$2.6 million to \$4.9 million in FY2023 from \$2.3 million in FY2022. The increase was mainly due to the increase in (i) fair value loss on derivative financial instruments of \$2.0 million, (ii) administrative charges of \$0.2 million, (iii) professional fees of \$0.1 million and (iv) other operating expenses of \$0.3 million.

Impairment Loss

Impairment loss on investments in associate decreased approximately \$0.4 million to \$0.7 million in FY2023 from \$1.1 million in FY2022. The impairment loss in associate was mainly due to the lower-than-expected financial performance of Sen Med Holdings Pte Ltd ("SMH"). In addition to stiffer competition from local players, this has inevitably resulted in a negative impact on the projected value-in-use of SMH. Hence, the Group has carried out a review on the recoverable amount of its investments in SMH as at 30 June 2023, resulting in the recognition of an impairment loss on associate of \$0.7 million.

Finance Costs

Finance costs increased by approximately \$0.1 million to \$0.2 million in FY2023 from \$0.1 million in FY2022 mainly due to the increase of new leases during the financial year.

Share of Results of Associates

Share of results of associates decreased to \$0.1 million in FY2023 from \$0.4 million in FY2022 due to a decline in SMH's profit during the financial year.

Income Tax Expense

Income tax expense increased approximately \$0.1 million to \$1.0 million in FY2023 from \$0.9 million in FY2022 in tandem with the increase in net operating profit generated during the financial year.

Profit after Tax

As a result of the above, the Group reported a net profit after income tax of \$0.2 million in FY2023 as compared to \$4.3 million in FY2022. The net loss attributable to owners of the Company was \$0.5 million in FY2023 as compared to net profit attributable to owners of the Company of \$3.9 million in FY2022. Net profit attributable to non-controlling interests increased to \$0.7 million in FY2023 as compared to \$0.4 million in the corresponding period.

Excluding the net fair value loss on derivative financial instruments of \$2.0 million, impairment loss on associate of \$0.7 million, the Group would have posted a net profit after tax of \$2.9 million in FY2023.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-Current Assets

The increase in plant and equipment of \$2.2 million was mainly due to the recognition of additional ROU assets of \$2.6 million and plant and equipment of \$1.3 million, which was partially offset by the depreciation of ROU assets and plant and equipment of \$1.7 million for FY2023.

The increase in intangible assets of \$3.1 million was mainly due to the goodwill arising from the acquisition of PTL of \$3.1 million, which was partially offset by the amortisation of trademark of \$40,000 during FY2023.

OPERATIONS AND FINANCIAL REVIEW

Investments in associates decreased \$0.8 million mainly due to an increase in allowance for impairment loss of \$0.7 million, coupled with a decrease in share of post-acquisition results, net of dividends and tax of \$0.1 million during the year.

The decrease in derivative financial instruments of \$2.0 million was due to the expiration of the call and put options for KCS Anaesthesia Services Pte. Ltd ("KCS") of \$2.2 million, which was partially offset by a fair value gain on derivative financial instruments in GM Medical Painscare Pte. Ltd. ("GMMP") of \$0.4 million.

Current Assets

Inventories increased mainly due to higher purchases during FY2023.

Trade and other receivables comprised trade receivables of \$2.2 million and other receivables of \$0.5 million. The increase in trade receivables of \$0.4 million to \$2.2 million in FY2023 from \$1.8 million in FY2022 was mainly due to the increase in revenue. The decrease in other receivables of \$0.4 million to \$0.5 million in FY2023 from \$0.9 million in FY2022 was mainly a result of (i) a refund of deposit for new equipment of \$0.3 million, (ii) an absence of grants receivable of \$0.1 million and (iii) dividend payment received from associate of \$0.2 million, which was partially offset by dividend payable of \$0.1 million in FY2023.

Prepayments increased by \$0.4 million to \$0.5 million as at 30 June 2023 from \$0.1 million as at 30 June 2022 mainly due to prepayment of medical equipment of \$0.1 million for the setting up of the Derm clinic as well as the prepayment of other expenses of \$0.3 million incurred during FY2023.

Cash and cash equivalents of \$9.6 million as at 30 June 2023 mainly comprised cash at bank.

Equity

Equity decreased to \$22.0 million as at 30 June 2023 from \$26.5 million as at 30 June 2022 mainly due to dividend paid to owners of the Company and non-controlling interest of \$2.2 million and \$0.8

million respectively, purchase of shares to be held as treasury shares of \$1.7 million, offset by net profit after income tax of \$0.3 million during the year.

Non-Current Liabilities

The decrease in bank borrowings of \$1.4 million to \$0.8 million as at 30 June 2023 from \$2.2 million as of 30 June 2022 was due to a reclassification of borrowings to current period from non-current period of \$2.0 million, which was partially offset by a new loan of \$0.6 million.

Lease liabilities increased to \$4.6 million as at 30 June 2023 from \$3.8 million as at 30 June 2022 due to acquisition of PTL, the addition of two GP clinics and the setting up of the Derm clinic.

Other payables increased to \$0.2 million as at 30 June 2023 from \$0.04 million as at 30 June 2022 mainly due to advances from non-controlling interests.

Provision increased to \$0.1 million as at 30 June 2023 from \$0.1 million as at 30 June 2022. The higher provision was mainly attributable to provision for reinstatement cost for the new clinics at East Coast, Hougang, PTL and Derm and HQ office.

Current Liabilities

Trade and other payables increased by \$1.1 million to \$4.1 million as at 30 June 2023 from \$3.0 million as at 30 June 2022, mainly due to an increase in trade payables, provision of staff bonus and annual wage supplement, amount due to doctors for share of profit and audit fee payables, which was partially offset by the provision for the same expenses during the financial period.

The increase in bank borrowings of \$4.7 million to \$5.4 million as at 30 June 2023 from \$0.7 million as at 30 June 2022 was mainly due to additional loans for the investment in joint venture, which was offset by the repayment of loan during the year. In addition, there was a reclassification of \$2.0 million of bank borrowings from non-current liabilities to current liabilities.

The increase in lease liabilities to \$1.6 million as at 30 June 2023 from \$1.2 million as at 30 June 2022 was due to the acquisition of PTL and the establishment of two GP clinics and Derm.

Income tax payables increased by \$0.1 million to \$1.3 million as at 30 June 2023 from \$1.2 million as at 30 June 2022 mainly due to higher chargeable income during the financial year.

REVIEW OF STATEMENT OF CASH FLOWS

Net cash from operating activities of \$4.5 million was mainly derived from operating cash flows before working capital changes of \$6.0 million and adjusted for net working capital outflow of \$0.7 million and income tax paid of approximately \$0.9 million.

Net cash used in investing activities of approximately \$7.5 million was mainly due to (i) purchase of plant and equipment of \$0.8 million, (ii) acquisition of business of \$3.0 million, and (iii) advances to joint venture of \$4.1 million, which was offset by dividend received from an associate of \$0.3 million.

Net cash used in financing activities of \$2.5 million was mainly due to (i) dividends paid to the shareholders of the Company of \$2.2 million, (ii) purchase of treasury shares of \$1.7 million, (iii) repayment of lease liabilities (principal and interest portion) of \$1.5 million, (iv) repayment of bank borrowings of \$0.8 million, (v) interest paid of \$0.05 million and (vi) repayment and dividend paid to non-controlling interests of \$0.7 million, which was partially offset by proceeds from bank borrowings of \$4.0 million and advances from non-controlling interests of \$0.4 million.

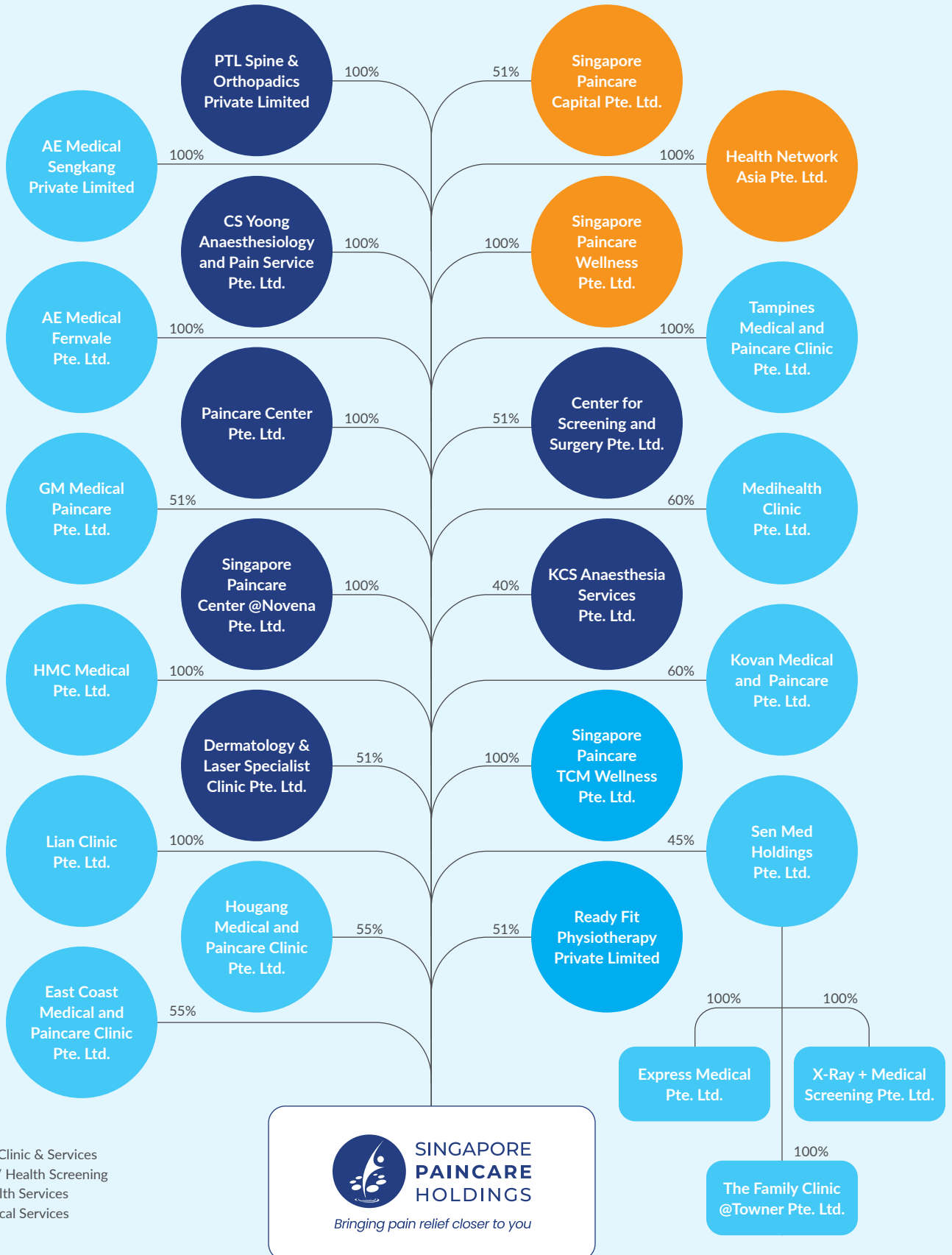
Overall, the Group recorded a net decrease in cash and cash equivalents of approximately \$5.5 million during FY2023, resulting in cash and cash equivalents of \$9.6 million as at 30 June 2023.

Note: All figures in this section were rounded.



GROUP STRUCTURE

As at 30 June 2023

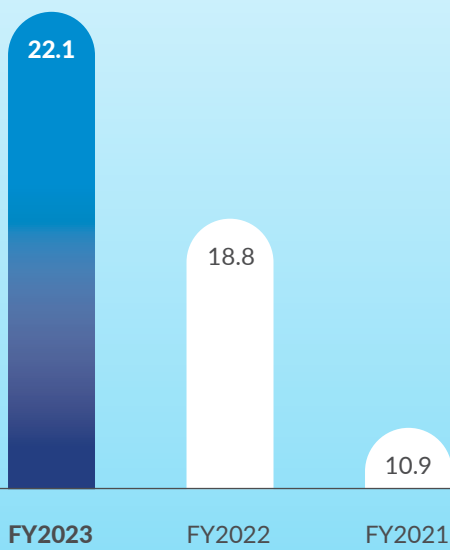




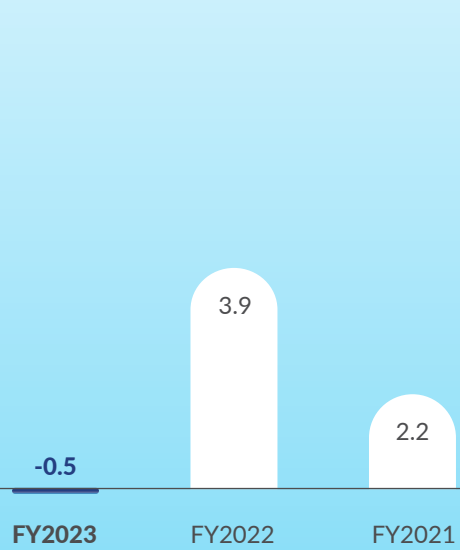
FINANCIAL HIGHLIGHTS

(Financial year ended 30 June)

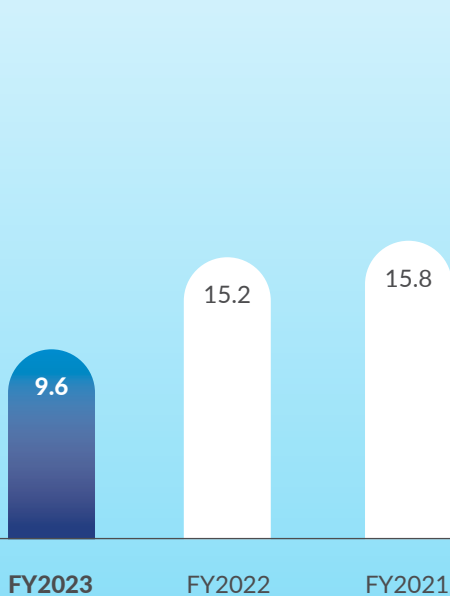
REVENUE (\$' million)



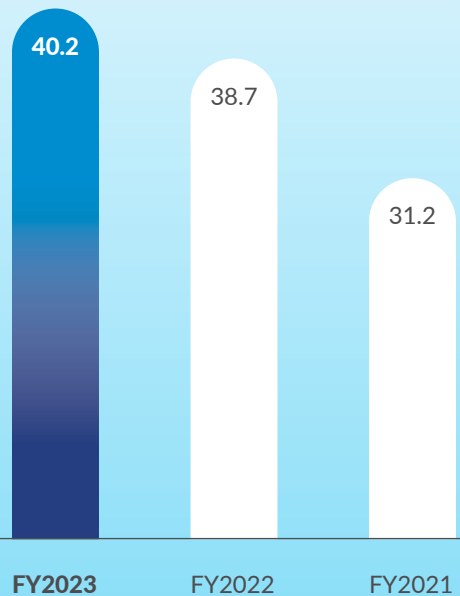
PROFIT/LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY (\$' million)



CASH AND BANK BALANCES (\$' million)



TOTAL ASSETS (\$' million)





BOARD OF DIRECTORS

MS. LAI CHIN YEE
Non-Executive Chairman
and Independent Director



Date of appointment: 17 June 2020
Date of last re-appointment: 27 October 2022
Length of service: 3 years (since 17 June 2020)

Present directorships in other listed companies and other major appointments:

- Independent Director, SGX-listed Micro-Mechanics (Holdings) Ltd
- Board Member, Accounting and Corporate Regulatory Authority (ACRA)
- Council Member, Institute of Singapore Chartered Accountants (ISCA)
- Chairperson, ISCA – CFO Committee
- Chairperson, ISCA – Singapore Chartered Accountant Qualification (SCAQ) Advisory Panel
- Member, ISCA – Membership Committee

Past directorships in other listed companies and other major commitments held over the preceding three years:

- Executive Director, Qian Hu Corporation Limited (retired on 30 March 2022)
- Member, ISCA – Corporate Governance and Risk Management Committee from 2018 to 2020
- Chairperson/Member, ISCA – Continuing Professional Education Committee from 2018 to 2023

Background and experience, professional qualifications and accolades:

- Currently serves as the Finance Director of SGX-listed Qian Hu Corporation Limited, has more than 35 years of experience in auditing, finance & accounting, taxation, treasury and corporate governance matters
- Bachelor of Accountancy from the National University of Singapore
- Fellow Chartered Accountant of Singapore of ISCA
- Member of the Singapore Institute of Directors
- Named Chief Financial Officer of the Year (for companies listed on the SGX-ST with less than \$300 million in market capitalisation) at the Singapore Corporate Awards held in April 2009

DR. LEE MUN KAM, BERNARD
Executive Director and
Chief Executive Officer



Date of appointment: 31 December 2018
Date of last re-appointment: 16 October 2020
Length of service: 5 years (since 31 December 2018)

Present directorships in other listed companies and other major appointments:

- Founder of Singapore Paincare Center and its leading specialist doctor since 2007

Past directorships in other listed companies:

- Nil

Background and experience, professional qualifications and accolades:

- Bachelor in Medicine and Surgery and Master of Medicine (Anaesthesiology) from the National University of Singapore
- Pioneer of interventional pain procedures in Singapore, revolutionised paincare treatment by taking the practice beyond the confines of hospitals and specialist clinics to primary care clinics via a structured, rigorous training programme for medical general practitioners
- Pain director at Tan Tock Seng Hospital's Pain Management Unit between 2002 and 2006, where he played a key role in establishing the hospital's Pain Clinic
- Established the Woman's Pain Centre at KK Women's and Children's Hospital in 2009 and served as pain director of the hospital's Women's Pain Centre until 2018
- Clinical lecturer at the National University of Singapore Faculty of Medicine from 2011 to 2017
- Adjunct associate professor at the Faculty of Medicine and Surgery at the University of Santo Tomas, Philippines from 2011 to 2018
- Fellow of the Faculty of Pain Medicine of the Australian and New Zealand College of Anaesthetists
- Member of the Singapore Society of Anaesthesiologists and the Pain Association of Singapore

BOARD OF DIRECTORS

**DR. LOH FOO
KEONG, JEFFREY**
Executive Director and
Chief Operating Officer



Date of appointment: 5 July 2019
Date of last re-appointment: 15 October 2021
Length of service: 4 years (since 5 July 2019)

Present directorships in other listed companies and other major appointments:

- Designated Workplace Doctor by the Ministry of Manpower
- Family Physician at DR+ Medical & Paincare Marsiling since 2006

Past directorships in other listed companies:

- Nil

Background and experience, professional qualifications and accolades:

- More than 20 years of experience in the medical field
- Bachelor in Medicine and Surgery from the National University of Singapore in 2001
- Graduate Diploma in Occupational Medicine from the National University of Singapore in 2012
- House officer and medical officer in various hospital departments within the National Healthcare Group, namely the departments of respiratory medicine, obstetrics and gynaecology, orthopaedics, Accident & Emergency, and neurosurgery between 2001 and 2007
- Ran the SARS Intensive Care Unit at Tan Tock Seng Hospital during the SARS outbreak in Singapore in 2003
- Accredited as a Family Physician by the Singapore Medical Council in 2012

**MR. YAP BENG TAT,
RICHARD
(YE MINGDA,
RICHARD)**
Independent Non-
Executive Director



Date of appointment: 17 June 2020
Date of last re-appointment: 27 October 2022
Length of service: 3 years (since 17 June 2020)

Present directorships in other listed companies and other major appointments:

- Founder and CEO of Navi Corporation Advisory Pte Ltd since 2022

Past directorships in other listed companies:

- Nil

Background and experience, professional qualifications and accolades:

- Bachelor of Accountancy from Nanyang Technological University in 2005
- Chartered Financial Analyst in 2011
- Chartered Accountant of Singapore in 2012
- Chartered Valuer and Appraiser in 2017
- Senior Director at Cushman and Wakefield VHS Pte Ltd from 2017 to 2022
- Director at Censere Singapore Pte Ltd from 2011 to 2017

BOARD OF DIRECTORS



DR. LIM KAH MENG
Independent Non-
Executive Director

Date of appointment: 5 March 2021

Date of last re-appointment: 15 October 2021

Length of service: 2 years (since 5 March 2021)

Present directorships in other listed companies and other major appointments:

- Founder of Gene Oasis Pte. Ltd. since 2001
- Director at Betalife Pte Ltd since 2019
- Director at CanniOasis since 2021
- Director at GO Dx Corp since 2019
- Director at Go Biosciences Group Pte. Ltd since 2012
- CEO and Director of Compass Venture Inc. (Canadian Public Listed Company)

Past directorships in other listed companies:

- Nil

Background and experience, professional qualifications and accolades:

- More than 20 years of experience in life science research with specialisation in stem cells and cancerous diseases
- Obtained a Ph.D. in Biomedicine from the National University of Singapore in 2002



KEY EXECUTIVES & MEDICAL PROFESSIONALS

MR. LEOW YONG KIN

Chief Financial Officer (Up till 31 August 2023)

Mr. Leow joined the Group as Financial Controller on 20 September 2021 and was promoted to Chief Financial Officer in July 2022. Prior to his departure on 31 August 2023, he was responsible for the Group's accounting, finance and tax functions. He is a Chartered Accountant registered with ISCA and the Association of Chartered Certified Accountants. He has more than two decades of experience in the field of finance and accounting, including working experience with the US and Japanese multinational corporations. He was previously the Chief Financial Officer of China Great Land Holdings Limited from July 2014 to March 2017.

MS. LIM MONG AI, KAREN

Financial Controller

Ms. Lim joined the Group as Financial Controller on 1 July 2023 and is responsible for the Group's accounting, finance and tax functions. She graduated from the Royal Melbourne Institute of Technology University in 2004 with a Bachelor's Degree in Business (Accountancy). She has more than two decades of experience in the field of finance and accounting, including working experience with PwC, KPMG and SGX-listed companies, Golden Agri Resources Ltd and Global Palm Resources Holdings Limited.

DR. CHEE HSING, GARY ANDREW

MBBS (NUS Singapore)

Dr. Chee graduated from the University of Nottingham in 1989 with a Bachelor in Medical Sciences. In 1992, he obtained his Bachelor in Medicine and Surgery from the National University of Singapore. He has over 28 years of experience in the medical field. Between 1992 and 2000, Dr. Chee trained in family medicine and was involved in various rotations in the paediatrics, otolaryngology, psychiatry, dermatology, and general medicine departments of various hospitals. He had also practiced in the Singapore Government Polyclinics. Dr. Chee sub-specialises in visco-supplementation of the knee for osteoarthritis and intra-articular steroid injections for various conditions such as rotator cuff tendinitis and tennis elbow. Dr. Chee co-runs DR+ Medical & Paincare Upper Thomson (formerly Horizon Medical Centre).

DR. CHIA WAI TUCK, XAVIER

MBBS (NUS Singapore), GDMH (Singapore)

Dr. Chia graduated from the National University of Singapore in 2013 with a Bachelor in Medicine and Surgery. During his service in the public sector from 2013 to 2018, Dr. Chia worked in various government restructured hospitals, including clinical postings in orthopaedic surgery, general medicine, general surgery, and anaesthesia. Dr. Chia gained a wealth of experience in intensive care and pain management while enrolled in the Anaesthesiology Residency program under the National University Health System before joining the private sector. In 2023, Dr. Chia obtained his Graduate Diploma in Mental Health with the Institute of Mental Health, Singapore. He is currently pursuing his Graduate Diploma in Family Medicine with the College of Family Physicians, Singapore. Dr. Chia runs DR+ Medical & Paincare Bishan (formerly Medihealth Bichan Clinic & Surgery).

DR. HUANG GUOLIANG, EUGENE

MBBS (NUS Singapore), Dip (Family Medicine) (NUS, Singapore)

Dr. Huang graduated from the National University of Singapore in 2007 with a Bachelor in Medicine and Surgery. He has over 12 years of experience in the medical field and practiced in various hospitals between 2007 and 2021, including the Singapore General Hospital, National University Hospital and Changi General Hospital where he rotated across the departments of General Medicine, General Surgery, Orthopaedics, Obstetrics & Gynaecology as well as the Accident and Emergency Department. Dr. Huang also served as a Medical Officer in the Singapore Armed Forces between 2009 and 2011. He went on to complete a Diploma in Family Medicine from the National University of Singapore in 2015. He co-founded AE Medical Clinic in 2016 and serves as its primary care physician with a sub-specialty in chronic pain management. Dr. Huang co-runs DR+ Medical & Paincare Fernvale (formerly AE Medical Clinic).

DR. KONG CHEE SENG

MBBS (London), FRCA (Anaesthesia, United Kingdom)

Dr. Kong graduated from the University of London in 1985 with a Bachelor in Medicine and Surgery. He is an anaesthesiologist and has been in private practice since 2004. Prior to that, he was the Senior Consultant at the Department of Anaesthesia and Intensive Care at Singapore General Hospital from 1996 to 2004. Dr. Kong became a Fellow of the Faculty of the Royal College of Anaesthetists (United Kingdom) in 1991 and is a member of the Association of Anaesthetists (United Kingdom), the Singapore Society of Anaesthesiologists, and the Asian Society of Paediatric Anaesthetists. He was a visiting assistant professor at the University of Maryland Medical Center from 1992 to 1993 and obtained the Merit Award for Undergraduate Teaching in Singapore General Hospital from 2001 to 2002.

KEY EXECUTIVES & MEDICAL PROFESSIONALS

DR. KUM CHENG KIONG

MBBS (NUS Singapore), FRCS (Edinburgh), FAMS, FICS

Dr. Kum graduated from the National University of Singapore with a Bachelor in Medicine and Surgery. He is the former President of the Singapore chapter of the Endoscopic and Laparoscopic Surgeons of Asia (ELSA) and one of the founding members of the Endoscopic and Laparoscopic Surgeons of Asia. He was also the Leader of the Laparoscopic Surgery Team of the Singapore International Foundation in Vietnam from 1997 to 2011. Dr. Kum has performed thousands of laparoscopic surgery operations since 1990. In 1994, he was awarded the Health Manpower Development Plan Scholarship to Cologne, Germany, to train in Advanced Laparoscopic Surgery. In 1996, he trained in Colon and Rectum Surgery at the Cleveland Clinic, USA. In 2004, Dr. Kum undertook Robotic Surgery Training in the US. He is also trained in N.O.T.E.S. or Natural Orifice Transluminal Surgery and SILS or Single Incision Laparoscopic Surgery. Dr. Kum runs the Centre for Screening and Surgery.

DR. KWONG SEH MENG

MBBS (NUS Singapore), MRCS (Edinburgh), Dip Occ Health (Singapore), Cert Practical Andrology (Singapore)

Dr. Kwong graduated from the National University of Singapore in 2005 with a Bachelor in Medicine and Surgery. He trained at various hospital departments, including General Surgery, Urology, Orthopaedics and Hand Surgery and subsequently attained his Membership to the Royal College of Surgeons (Edinburgh) in 2009. In 2013, he completed his Graduate Diploma in Occupational Health and went on to serve as the Designated Workplace Doctor and Advisor for various companies in Transport, Oil and Gas, and Manufacturing. In 2019, he attained his Post Graduate Diploma in Paediatrics from the Royal College of Physicians (Ireland) in 2019. Dr. Kwong runs DR+ Medical & Paincare East Coast.

DR. LAM, MOSES

MBBS (NUS Singapore), MRCP (UK), MMed (Int Med NUS), GDFM (NUS Singapore)

Dr. Lam graduated from the National University Singapore in 2012 with a Bachelor in Medicine and Surgery before enrolling in the Internal Medicine Residency program run by SingHealth. He has a Master of Medicine (Internal Medicine) and obtained postgraduate accreditations with the Royal College of Physicians (United Kingdom). He also has a Graduate Diploma in Family Medicine (GDFM) with the National University Singapore (NUS) and is an accredited Family Physician. Dr. Lam runs DR+ Medical & Paincare Hougang.

DR. LEE HWEE CHYEN

MBBS (NUS Singapore), MRCP (UK), FAMS (Dermatology)

Dr. Lee is an accredited dermatologist in Singapore. She graduated from the National University Singapore in 2009 with a Bachelor in Medicine and Surgery. She underwent specialist training in Dermatology under the national seamless training program at National Skin Centre (NSC), Singapore. Before venturing into private practice, Dr. Lee served as an Associate Consultant and an integral member of the inpatient dermatology service at NSC. During this time, she was also a Visiting Consultant in the Department of Dermatology at Khoo Teck Puat Hospital before becoming a Consultant Dermatologist in KK Women's and Children's Hospital where she pursued her subspecialty interests in Paediatric Dermatology, Women's Dermatology and Procedural Dermatology. Dr. Lee is the medical director of Epi Dermatology & Laser Specialist Clinic.

DR. LEE KOK YEW, JAMES

MBBS (UM, Malaysia), MRCP (United Kingdom), GDFM (Singapore)

Dr. Lee graduated from the University of Malaya, Malaysia in 2014 with a Bachelor in Medicine and Surgery. He went on to obtain his post-graduate accreditation with the Royal Colleges of Physicians of the United Kingdom (MRCP UK) and became a fellow of the Royal College of Physicians of Edinburgh in 2018. Under the supervision of veteran consultants in Singapore General Hospital between 2014 and 2018 and Tan Tock Seng Hospital between 2018 and 2020, Dr. Lee is well-trained and experienced as an Internalist across various specialties, namely neurology, rheumatology, infectious disease, gastroenterology, nephrology, internal medicine and general surgery. In 2023, Dr. Lee obtained his Graduate Diploma in Family Medicine with the College of Family Physicians, Singapore and is an accredited Family Physician. Dr. Lee runs DR+ Medical Paincare Clinic (Kovan).

DR. LEE PENG KHOW

MBBS (NUS Singapore), MMed (Family Medicine)

Dr. Lee graduated from the National University of Singapore in 1992 with a Bachelor in Medicine and Surgery. He has over 28 years of experience in the medical field. After graduation, he completed his year-long houseman program and went on to serve as a medical officer at various hospitals in Singapore for another year. Between 1994 and 1996, Dr. Lee served as a medical officer in the Singapore Armed Forces and subsequently trained in family medicine. He obtained his Master of Medicine (Family Medicine) from the National University of Singapore in 1999 and went on to practice medicine for a year at the Ang Mo Kio Polyclinic. In 2000, he jointly set up a private medical practice, Horizon Medical Centre with Dr. Chee Hsing Gary Andrew. He was registered as a Family Physician in 2011. Dr. Lee co-runs DR+ Medical & Paincare Upper Thomson (formerly Horizon Medical Centre).

KEY EXECUTIVES & MEDICAL PROFESSIONALS

MR. LI KUNXI, DARYL

Physiotherapist

Mr. Li graduated with a degree in physiotherapy from the Auckland University of Technology, New Zealand in 2009. In 2012, he received advanced training in Transferencia Electrica Capacitiva Ressistiva (TECAR) therapy and is one of the few physiotherapists in Singapore to be a certified TECAR practitioner. Mr. Li is also a certified Advanced Practitioner in Dry Needling and he serves as one of the instructors in the Global Education of Manual Therapists. Between 2011 and 2019, Mr. Li worked in private clinics focusing on musculoskeletal and pain management; he was also part of National University Health System's multi-disciplinary team for acute and musculoskeletal management between 2010 and 2011. Currently Mr. Li runs the Group's Ready Fit Physiotherapy centres.

DR. LIEW WENJIAN, MARK

MBBS (Hons) RCSI, GDFM, GDGRM (NUS Singapore), GDSM (NTU Singapore)

Dr. Liew graduated from the Royal College of Surgeons Ireland in 2011 with a Bachelor in Medicine and Surgery (2nd class Honours). Upon completing his housemanship in Singapore between 2011 and 2012, he went on to serve in the public sector for three years, working mostly in Emergency Medicine and Polyclinics before moving to the private sector in 2014 where he amassed broad medical experience and knowledge serving as a resident doctor in prisons, nursing homes, and in general practice over the course of eight years.

A firm believer in lifelong learning, Dr. Liew has obtained multiple Post-Graduate Diplomas over the span of his practicing career in order to better serve his patients. He holds the following graduate diplomas: Family Medicine (2016), Geriatrics (2020), Sports Medicine (2021) and Mental Health (2022). At present, he is enrolled in a dermatology post graduate training course. He is an accredited Family Physician by the College of Family Physicians, Singapore. Dr. Liew runs DR+ Medical & Paincare Binjai (formerly Binjai Medical & Paincare Clinic).

DR. THNG LEONG KENG, PAUL

MBBS (NUS Singapore), FRCS (Edinburgh), FRCS (Glasgow), USLME

Dr. Thng graduated from the National University Singapore in 1988 with a Bachelor in Medicine and Surgery (MBBS). He subsequently passed his fellowship examinations from both the Royal Colleges of Surgeons of Edinburgh and Glasgow in 1995. Thereafter, he completed his Orthopaedic Surgery training in Singapore in 1999. He was sent for spine fellowship training, first at the University of Calgary in 2000 and then to Harvard University in 2009. He was involved in an orthopaedic practice and set up the spine service in Changi General Hospital (CGH) from 2001.

Dr. Thng was elected by fellow surgeons in the region as East Asia Chairman of AOSpine from 2007 to 2010 and as Asia-Pacific Chairman from 2013 to 2016. He was appointed a visiting consultant to the Guikang National People's Hospital in Guikang China from 2008 to 2013. An educator at heart, Dr Thng was appointed as associate adjunct professor by the National University hospital, was the spine fellowship director in CGH from 2004 to 2013, responsible for training spine fellows from countries around the region, including China, India and SE Asia. Dr. Thng runs PTL Spine & Orthopaedics.

DR. WONG SHING YIP

MBBS (NUS Singapore), MCRP (United Kingdom), GDIP Dermatology (United Kingdom)

Dr. Wong graduated from the National University of Singapore in 2007 with a Bachelor in Medicine and Surgery. He has over 12 years of experience in the medical field. Between 2007 and 2013, he trained at various hospitals including the Singapore General Hospital. Dr. Wong was admitted into the Royal College of Physicians, United Kingdom in 2013, before going on to complete a Postgraduate Diploma with distinction in Clinical Dermatology at Queen Mary University of London, United Kingdom in 2015. Dr. Wong joined New City Skin Clinic as its resident physician in 2015 and co-founded AE Medical Clinic in 2016. In 2019, Dr. Wong was appointed the Contract Resident Physician at the Ling Kwang Home for Senior Citizens. He also sits on the Executive Committee of Singhealth DOT Primary Care Network. This network is part of an initiative by the Ministry of Health, introduced to encourage private general practitioner clinics to organise themselves into networks that support holistic and team-based care in the community. Dr Wong runs New City Skin Clinic and co-runs DR+ Medical & Paincare Fernvale (formerly AE Medical Clinic).

DR. YOONG CHEE SENG

MBBS (NUS Singapore), MMed Anaesthesia (Singapore), FAMS

Dr. Yoong is a Consultant Pain Specialist with Singapore Paincare Center with over 20 years of experience treating a wide range of pain conditions. Prior to entering private practice, he was with Changi General Hospital (CGH) where he started the Acute Pain Service and the Chronic Pain Service in CGH in 1998. He subsequently became CGH's Director of Chronic Pain Service between 2015 and 2020 and the Chief of the Department of Anaesthesia and Surgical Intensive Care between 2006 and 2012. Dr. Yoong was conferred the Clinical Associate Professorship by the Yong Loo Lin School of Medicine, National University Singapore in 2015, and by Singhealth Duke-NUS in 2020. He was a member of the MOH Opioids Committee between 2018 and 2021.

Dr. Yoong was trained in Pain Management in Australia at the Sir Charles Gairdner Hospital and Royal Perth Hospital in 1998 and in 2008 respectively. He obtained his Master of Medicine (Anaesthesia) from the National University of Singapore (NUS) in 1994. He was the first local graduate of the Fellow of the Interventional Pain Practice (FIPP) in 2005 and has significant interest and experience in performing pain management interventional procedures.



Clinics	Services	Locations
1 DR+ Medical & Paincare Binjai	Medical clinic (primary care and pain care services)	23 Binjai Park Singapore 589828 Tel: +65 6469 3737
2 DR+ Medical & Paincare Bishan	Medical clinic (primary care and pain care services)	121 Bishan Street 12, #01-95 Singapore 570121 Tel: +65 6258 3212
3 DR+ Medical & Paincare East Coast	Medical clinic (primary care and pain care services)	146 East Coast Road, Singapore 428835 Tel: +65 6320 0116
4 DR+ Medical & Paincare Fernvale	Medical clinic (primary care and pain care services)	Blk 467B Fernvale Link, #01-529, Singapore 792467 Tel: +65 6816 2900
5 DR+ Medical & Paincare Hougang	Medical clinic (primary care and pain care services)	1187 Upper Serangoon Road #01-54 The Midtown, Singapore 533971 Tel: +65 6320 0118
6 DR+ Medical & Paincare Marsiling	Medical clinic (primary care and pain care services)	Blk 18 Marsiling Lane, #01-269, Singapore 730018 Tel: +65 6269 7435
7 DR+ Medical & Paincare Tampines	Medical clinic (primary care and pain care services)	844 Tampines Street 82 #01-135, Singapore 520844 Tel: +65 6223 3722
8 DR+ Medical & Paincare Upper Thomson	Medical clinic (primary care and pain care services)	200 Upper Thomson Road, #01-11, Thomson Imperial Court, Singapore 574424 Tel: +65 6250 2692
9 DR+ Medical Paincare Clinic	Medical clinic (primary care and pain care services)	988 Upper Serangoon Road, #01-07 Stars of Kovan, Singapore 534733 Tel: +65 6908 6570
10 New City Skin Clinic	Medical clinic (dermatology services)	35 Selegie Road, #03-02, Parklane Shopping Mall, Singapore 188307 Tel: +65 6338 3491
11 The Family Clinic @Towner	Medical clinic	34 Whampoa West #01-55, Singapore 330034 Tel: +65 6908 1180
12 Centre for Screening & Surgery	General Surgery (including Cancer treatment and screening)	38 Irrawaddy Road Mount Elizabeth Novena Specialist Centre Suites #05-32, Singapore 329563 Tel: +65 6475 7133
13 Epi Dermatology & Laser Specialist Clinic	Dermatology	101 Irrawaddy Road #16-09 Royal Square at Novena, Singapore 329565 Tel: +65 6320 0152
14 Express Medical Clinic	Health screening & medical clinic	Blk 640 Rowell Road, #01-56, Singapore 200640 Tel: +65 6295 5333
15 Paincare Center @ Novena	Specialist clinic (pain care services)	Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, #07-33, Singapore 329563 Tel: +65 6734 4500
16 PTL Spine & Orthopaedics	Spine and orthopaedics	Mount Elizabeth Novena Specialist Centre 38 Irrawaddy Road, #07-34 Singapore 329563 Tel: +65 6734 7005
17 & 18 Ready Fit Physiotherapy	Physiotherapy	23 Binjai Park Singapore 589828 Tel: 8800 2351 6 Raffles Blvd, #03-137 Marina Square, Singapore 039594 Tel: +65 8800 2351
19 Singapore Paincare Center	Specialist clinic (pain care services)	Paragon Medical Centre 290 Orchard Road, #18-03, Singapore 238859 Tel: +65 6235 6697
20 Singapore Paincare TCM Wellness	Traditional Chinese Medicine	6 Raffles Blvd, #03-134-136 Marina Square, Singapore 039594 Tel: +65 6266 2168
21 X-Ray + Medical Screening Clinic	Health screening	34 Whampoa West #01-55, Singapore 330034 Tel: +65 6908 1180



SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors (the “Board”) of Singapore Paincare Holdings Limited (“Singapore Paincare” or the “Company” and together with its subsidiaries, the “Group”), is pleased to present the sustainability report (“Report”) of Singapore Paincare for the financial year ended 30 June 2023 (“FY2023”).

The Board and management of Singapore Paincare oversee and monitor the economic, environmental, social and governance (“EESG”) factors of the Group, and take them into consideration in the determination of the Group’s strategic direction and policies. The Board has oversight of the EESG material factors which are reviewed annually and ensures that these factors are relevant and current for the business. The Board is also involved in the management and monitoring of these EESG factors through the Group’s Sustainability Committee, which is chaired by the Group’s Chief Executive Officer. The Sustainability Committee comprises key executives and representatives from various business functions in the Group. The Board and management of Singapore Paincare were involved in the preparation and review of this Report before it was approved and published.

This Report provides us with a valuable opportunity to engage our stakeholders and respond to issues that matter most to them and to our business, while at the same time, enhances the Company’s assessment in risk management, strategy development, and stakeholder engagement activities as we work to further focus on and prioritise our sustainability and corporate social responsibility initiatives.

This Report focuses on the Group’s sustainability performance for FY2023 and covers entities under the Group where we hold more than 50% shareholding. This Report has been prepared with reference to the 2021 Global Reporting Initiative (“GRI”) Standards and in compliance with Rules 711A, 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”) as well as the SGX-ST’s Sustainability Reporting Guide. We have chosen the GRI framework as it is a well-known and globally recognised sustainability reporting standard. In relation to the Task Force on Climate-related Financial Disclosures (“TCFD”) the Company does not currently intend to adopt the recommendations of the TCFD on climate-related financial information, as it is not mandatory for companies in the healthcare sector, and the climate reporting is not significant as the Company is in the service line where such emissions are immaterial. Nonetheless, the Company will continue to monitor any changes in this aspect and consider if there would be any meaningful disclosure for the Company to make in future, as its sustainability reporting processes mature.

The Board will continue to oversee the Sustainability Committee and monitor the key factors in our sustainability practices with the Sustainability Committee, improving on our disclosures as well as progressively updating targets that are material to the sustainability of our business.

Pursuant to Rule 711B(3) of the Catalist Rules, the Company’s sustainability reporting process has been subjected to internal review in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. While this Report was reviewed by the internal auditor, no external assurance was sought for this sustainability report. We welcome feedback on our sustainability report at sustainability@sgpaincare.com.

DR. LEE MUN KAM BERNARD
Executive Director and Chief Executive Officer

DR. LOH FOO KEONG JEFFREY
Executive Director and Chief Operating Officer

SUSTAINABILITY REPORT

ABOUT SINGAPORE PAINCARE HOLDINGS

Singapore Paincare Holdings Limited ("**Singapore Paincare**" or the "**Company**" and together with its subsidiaries, the "**Group**") is one of a few medical services groups in Singapore specialising in the treatment of persistent pain conditions including acute and chronic pain due to injury, age-related pain conditions, functional pain disorders, post-surgical pain, and cancer pain. Singapore Paincare provides the entire spectrum of effective pain care treatment solutions that employ minimally invasive procedures and specialised injections, pharmacotherapy and cognitive behavioural therapy. The suite of services seeks to bridge the treatment gap between conservative physical therapies which may not be immediately effective, and open surgery which may entail higher risks and longer recovery periods. In line with the Group's value proposition of providing holistic pain care and general medical, Traditional Chinese Medicine ("**TCM**") and physiotherapy services are also offered as part of post-treatment rehabilitation.

In the preparation of this Report, we have classified the clinics into (i) Specialist Clinic & Services, (ii) GP Clinics and Health Screening, (iii) Allied Health Services, and (iv) Non-Medical Services segments.



SUSTAINABILITY GOVERNANCE

The sustainability focus for Singapore Paincare is to deliver long-term value to all our stakeholders: customers, employees, investors and the communities in which we operate. We are committed to ensuring that strong EESG criteria are integrated in the Company's strategy and business model and in our internal policies and processes.

Our Board has oversight of the EESG issues and is supported by the Group's Sustainability Committee, which is chaired by the Group's Chief Executive Officer. The Sustainability Committee comprises key executives and representatives from various business functions.

RESPONSIBILITIES

Set priority areas for sustainability improvements. Overall governance.

Set targets and priorities for sustainability initiatives and take corrective action as required. Ensure that the Group develops its capabilities and capacity around sustainability.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT






We have identified six key stakeholder groups, namely, government and regulators, patients, suppliers, employees, shareholders and investors, and the community. The channels we use to maintain dialogue with them are shown in the table below. For each group, the engagement method varies and includes formal and informal channels of communication. We are continuously improving the adequacy and effectiveness of our processes in response to changing business and operation environment.

Stakeholders	Our Engagement Approach	Areas of Concern
Government and Regulators	<ul style="list-style-type: none"> • Periodic reports of various performance and clinical indicators, quarterly and half yearly updates with the relevant ministries and regulatory bodies • SGXNet announcements • Annual reports 	<ul style="list-style-type: none"> • Governance • Compliance
Patients	<ul style="list-style-type: none"> • Patients' engagements / meetings • Feedback through surveys • Customer Relationship Management processes 	<ul style="list-style-type: none"> • Patient safety • Patient data privacy • Patient satisfaction
Suppliers	<ul style="list-style-type: none"> • Annual supplier performance reviews 	<ul style="list-style-type: none"> • Timely payments • Service and product quality
Employees	<ul style="list-style-type: none"> • Townhall meetings with senior management • Staff meetings • Performance appraisals • Employee surveys 	<ul style="list-style-type: none"> • Workplace health & safety • Work life balance • Training and development of employees on critical skillsets to sustain competitiveness • Competitive compensation scheme • Non-discrimination • Diversity and equality
Shareholders and Investors	<ul style="list-style-type: none"> • SGXNet announcements • Shareholders' meetings • Annual reports • Company website • Investor relations • Electronic communications 	<ul style="list-style-type: none"> • Sustainable business growth • Fair and equitable treatment to all shareholders and the investing public
Community	<ul style="list-style-type: none"> • Corporate social responsibility ("CSR") programs 	<ul style="list-style-type: none"> • Social and financial contributions to the community at large

SUSTAINABILITY REPORT

MATERIALITY

The criteria for Singapore Paincare material analysis were explored and selected based on industry standards, peer benchmarking based on companies with similar operations and management awareness. The material issues identified are listed in the table below and their level of importance was determined based on their influence on stakeholders and impact on its business risks and opportunities. These material topics were also presented to the Board for review and approval before their inclusion in this Report. In FY2023, an internal review was carried out on the relevance and currency of the material topics. The table below summarises our material issues and the relevant GRI Standards which we have referenced in this Report.

Focus Areas	Material Topics	GRI Topic Specific Disclosure Referenced
Our Business	 Economic <ul style="list-style-type: none"> Economic Performance 	GRI 201-1
	 Environmental <ul style="list-style-type: none"> Resource Efficiency 	GRI 302-1, GRI 305-2, GRI 303-3 ²
	 Governance <ul style="list-style-type: none"> Compliance¹ Data Privacy 	GRI 2-27 GRI 418-1
	 Social <ul style="list-style-type: none"> Patient Experience Patient Health and Safety 	- GRI 416-2 ³
Our Employees	 Social <ul style="list-style-type: none"> Employee Relations Training and Development Occupational Health & Safety 	GRI 401-1, 405-1 GRI 404-1 GRI 403-9

OUR BUSINESS ECONOMIC

Economic Performance (GRI 201-1)

As the world moves towards the endemic phase, the Group has also made progress in broadening its medical capabilities in providing primary and specialist healthcare services including wellness and health maintenance.

In tandem with the Group's expansion, the Group registered a 17.2% year-on-year increase in revenue from \$18.8 million in FY2022 to \$22.1 million in FY2023. The increase in revenue

was driven by an increase in consultations arising from increased community awareness of our clinics, as well as contributions from new acquisitions and incorporations. The expansion also led to higher operating expenses arising from an increase in staff strength and additional working hours. The Group recorded a net loss attributable to shareholders of \$0.5 million in FY2023, a reversal from a net profit of \$3.9 million in FY2022. The loss was mainly due to a net fair value loss on derivative financial instruments of \$2.0 million from the expiration of options in one of its associates, as well as an impairment loss in an associate of \$0.7 million which did not meet the projected performance level. This has resulted in a negative net economic value retained of \$0.54 million.

1 Environmental compliance (previously GRI 307-1) and socioeconomic compliance (previously GRI 419-1), have been consolidated and reported under Disclosure 2-27 Compliance with laws and regulations in GRI 2: General Disclosures 2021. With the release of the Universal Standards 2021, GRI 307 and GRI 419 have been withdrawn

2 This was previously reported as GRI 303-1 and has been amended to reflect the correct topic specific disclosure GRI 303-3

3 This was previously reported as GRI 416-1 and has been amended to reflect the correct topic specific disclosure GRI 416-2

SUSTAINABILITY REPORT

Nevertheless, the Group expects positive impact from the government’s Healthier SG programme for preventive care, which includes the mobilisation of the local network of family doctors, or general practitioners (“GPs”), to provide more holistic care focused on prevention and improved chronic care as well as the development of family health plans. In addition, the government has updated its national blueprint, the “2023 Action Plan for Successful Aging”, to ensure that Singapore’s greying population ages well. The blueprint includes plans to expand the existing network of active ageing centres that will also evolve into centres for preventive care. Singapore Paincare is well-positioned not only to support, but also to benefit from these government initiatives because of its established holistic pain care eco-system.

During FY2023, the Group expanded its network of clinics and centres to 21. The additions include two specialist clinics – PTL Spine & Orthopaedics and Epi Dermatology & Laser Specialist Clinic and two primary care clinics – DR+ Medical & Paincare GP Clinics. The Group has also made its maiden overseas foray through a share subscription in Puxiang Healthcare Holding Limited (“PUXH”) in China, where a company is established to introduce pain care services in PUXH’s group of 15 community hospitals located in the cities including Beijing, Hebei and Tianjin. This was a significant milestone for the Group in its overseas expansion strategy, as well as a potential boost to its revenue for the financial year ending 30 June 2024 (“FY2024”).

The chart below provides a breakdown of our economic value distributed to various stakeholders, and the economic value retained.

	FY2022 ⁴	FY2023
Economic value generated	\$18.84 million	\$22.08 million
Economic value distributed		
Operating costs	\$6.30 million	\$9.70 million
Employee wages and benefits	\$7.23 million	\$9.75 million
Payments to providers of capital	\$1.35 million	\$2.16 million
Payments to government by country (taxes)	\$0.88 million	\$1.01 million
Economic value retained	\$3.08 million	(\$0.54 million)

For more details on our operations and financial information, please refer to the following sections of our annual report for FY2023:

- Operations & Financial Review on pages 8 to 9
- Financial Statements and Notes to Financial Statements on pages 71 to 136

The Group will continue to strive towards making paincare services more accessible and affordable to the masses, which in turn, propel long-term sustainable growth.

ECONOMIC PERFORMANCES (in million)

- Operating costs
- Employee wages and benefits
- Capital Providers
- Government
- Economic Value Retain



4 The following figures for FY2022 have been restated due to changes in the computation methodology: Operating costs from \$6.36 million to \$6.30 million; economic value retained from \$2.98 million to \$3.08 million.

SUSTAINABILITY REPORT

ENVIRONMENTAL

Resource Efficiency

(GRI 302-1, GRI 305-2, GRI 303-1, GRI 303-2, GRI 303-3)

As a responsible corporation, we are committed to govern and minimise our environmental footprint to contribute to the climate change cause. Within the office operations, we have implemented two-sided printing and the use of recycled paper for printing as part of our environmental conservation efforts. In FY2022, we have started to monitor and measure our environmental footprint from our energy and water consumption. Over time, we aim to improve the quality and consistency of our data and deliver savings through resource efficiency. The energy consumed largely relates to the electricity usage in the offices and clinics used for lighting, cooling and operation of equipment. The water consumed is primarily for sanitation, cleaning and direct water use.

Total energy consumed by the Group was 381,630 megajoules ("MJ") in FY2023, compared to 333,262 MJ in the previous year. Energy consumed in FY2023 includes energy consumption by 17 of our entities⁵, except Singapore Paincare Wellness Pte. Ltd. and Health Network Asia Pte. Ltd. which are dormant companies; and HMC Medical Pte. Ltd. and Tampines Medical and Paincare Clinic Pte. Ltd.⁶. The segment, GP Clinics and Health Screening, contributed to approximately 52% of the total energy consumed

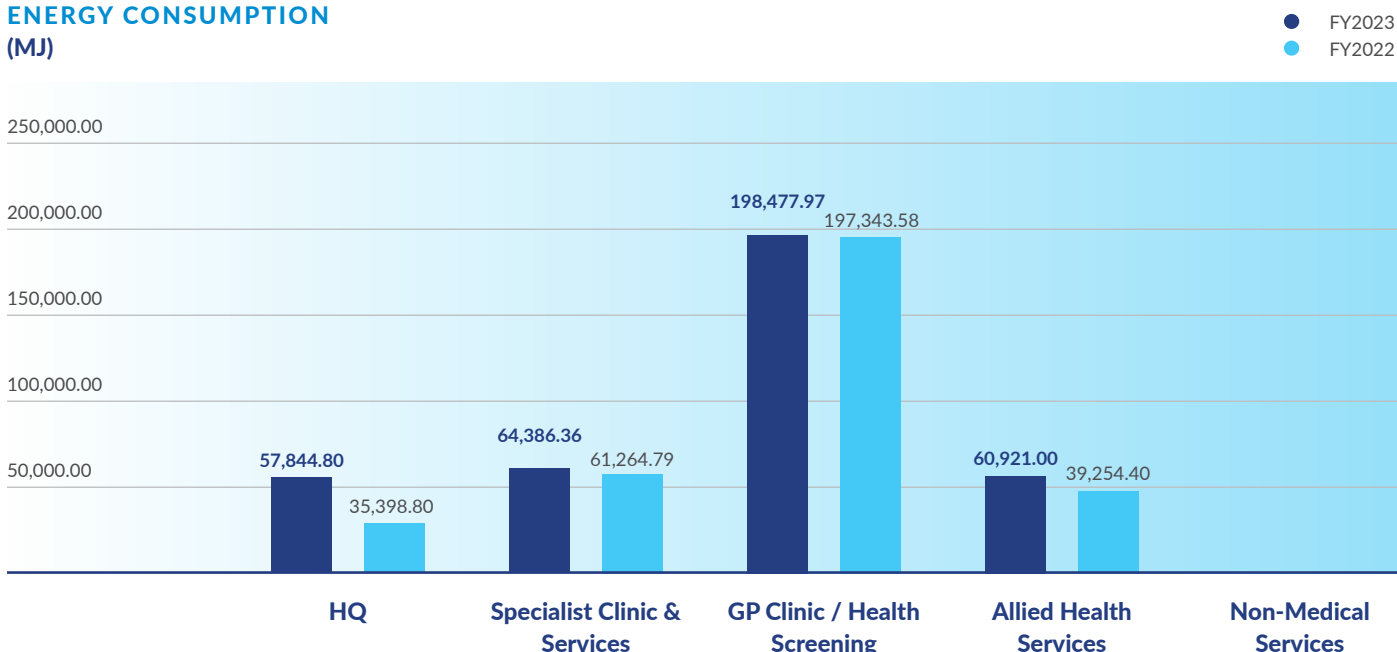
this year. The electricity consumed by this segment saw a slight increase of 0.6% compared to FY2022. The Allied Health Services segment and HQ showed the largest increase in energy consumed, at 55% and 63% respectively, compared to FY2022. This is mainly due to the additions of fully operational clinics in FY2023. HQ's energy consumption has also increased in FY2023 compared to FY2022 as we have since moved into bigger premises.

The Group's overall greenhouse gas ("GHG") emissions were 43 tonnes carbon dioxide ("tCO₂"), an increase of 13.7% from 37.82 tCO₂ in FY2022⁷. The GHG emissions reported covers our Scope 2 emissions arising from electricity use in our operations. We plan to expand on our GHG emissions in the future to also include Scope 1 and Scope 3 emissions.

The total volume of water consumed in FY2023 by the Group was 0.44 megaliters ("MI"), a 13% increase compared to 0.38 MI the year before. All the water consumed was provided by the local municipal water supply; any wastewater or effluents from our operations is treated and discharged in accordance with local laws and regulations.

As we drive resource efficient measures in our operations, we shall continue to monitor our performance so as to be able to set targets once we have a better understanding of our baseline of energy, emissions and water consumption.

ENERGY CONSUMPTION (MJ)



⁵ Entities which were fully operational for the whole of FY2023.

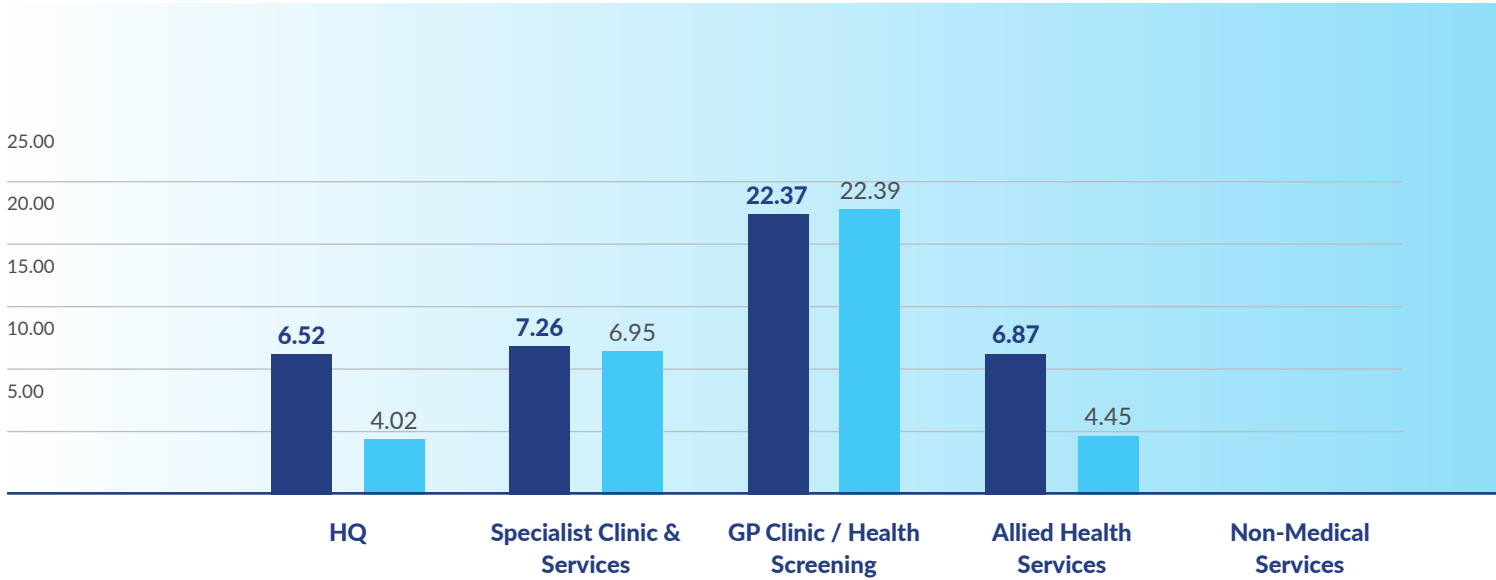
⁶ The electricity consumption for HMC Medical Pte. Ltd. and Tampines Medical and Paincare Clinic Pte. Ltd. includes use by tenants and as the tenants' usage cannot be separated from the overall bill, the electricity consumption has been excluded for these two clinics.

⁷ Our GHG emissions reported in FY2022 was 47.97 tCO₂e. This has been restated as 37.82 tCO₂ to exclude HMC Medical Pte. Ltd. (for reasons stated in footnote 6 above) and tCO₂e has been corrected to tCO₂ as there was no other greenhouse gases included in the computation.

SUSTAINABILITY REPORT

SCOPE 2 EMISSION (tCO₂)

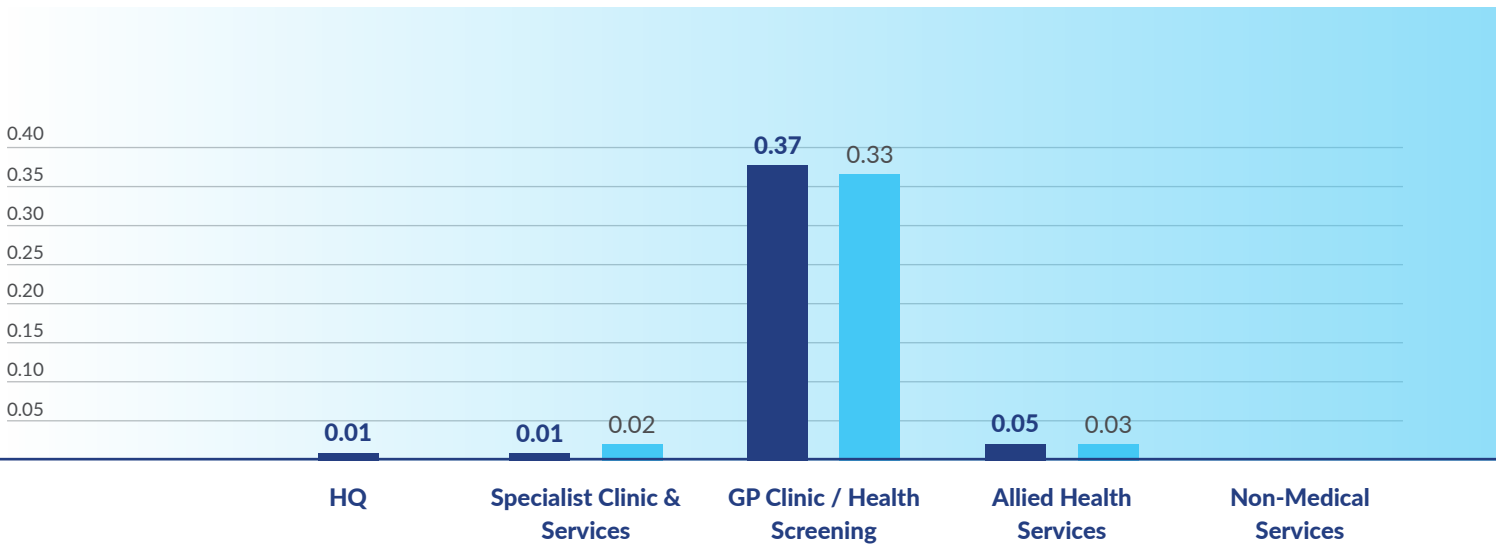
● FY2023
● FY2022



* Grid Emission Factors for Singapore are sourced from Singapore Energy Market Authority (EMA).

WATER CONSUMPTION (Mega Liter)

● FY2023
● FY2022



All water withdrawals for Singapore Paincare are from Singapore. Based on the WRI Aqueduct Water Risk Atlas (Aqueduct 4.0), Singapore shows a low baseline for water stress.

FY2022 water consumption figure for GP Clinic/Health Screening has been restated from a total of 0.59 ML to 0.38 ML to exclude a clinic (HMC Medical) where water consumption includes tenants' and cannot be separated. FY2023 water consumption data covers only water consumed by Singapore Paincare operations.

SUSTAINABILITY REPORT

GOVERNANCE

Compliance

(GRI 2-27)

At Singapore Paincare, we understand that responsible business practices are essential to fulfilling our mission of improving pain management for our patients. We demonstrate this advocacy by maintaining ethical and responsible policies and practices and embedding these throughout all levels of the organisation.

We hold ourselves accountable for high standards of honesty, fairness, and integrity, and aim to develop a compliance-led quality culture throughout all levels of the organisation led from the top.

Singapore Paincare has in place healthcare compliance and anti-corruption policies designed to ensure interactions with healthcare professionals and organizations will benefit patients and enhance the practice of medicine. Every Singapore Paincare employee is responsible for adhering to these policies as well as complying with all laws and regulations. Our anti-corruption policies are further explained in the Annual Report on page 53.

Our clinic managers are responsible for ensuring compliance at their respective clinics, from drugs dispensing to procurement of goods. In the event of updates from the regulators such as the Ministry of Health, the corporate office will issue a notice to each clinic to ensure that all staff are updated with the latest requirements. All doctors are also required to attend a quarterly meeting where updates are shared and areas of concern are discussed.

We also recognise the role that we play in the management of our operations and their impact on the environment. Our disposal of wastes, in particular biohazardous waste, from our general practitioner ("GP") and specialist clinics, is guided by the National Environment Agency for proper and safe disposal so to prevent cross-contamination risks and to safeguard public health. Our employees are trained to segregate and dispose biohazardous waste safely in accordance with local regulations.

We are pleased to disclose that there were no violation of laws and regulations from the socioeconomic or environmental aspect in FY2023. We aim to maintain zero cases of non-compliances in both socioeconomic and environmental aspects for FY2024.

Data Privacy

(GRI 418-1)

Singapore Paincare respects the privacy of every individual and is committed to protecting the confidentiality, integrity and availability of personal data it collects in accordance with the principles set out in our Security Policy, Information Technology ("IT") Security Management Policy and related guidelines. As part of our approach to risk management, various mitigation measures have been implemented to protect against IT system failure and malicious attacks. These include (but are not limited to) network firewalls and antiviral software.

A Data Protection Officer has been appointed for Singapore Paincare and are working closely with the managers and doctors from the various clinics to ensure that our policies and practices are in compliance with the Personal Data Protection Act.

As targeted, there were no breaches of customer privacy and/or identified leaks, thefts, or losses of customer data in FY2023. We aim to continue to maintain zero cases of customer or data privacy breach in FY2024.

Patient Experience

We measure patient experience rather than satisfaction among both in-patients and out-patients through our Customer Relationship Management processes to understand what we can do better. Patients at our specialist clinics are also contacted 72 hours after their visit to obtain feedback on their experience, which helps us to facilitate continuous service improvements.

Patient Health & Safety

(GRI 416-2)

Several of our activities are subject to regulations, either directly or through our clients or regulators. We also adhere to product promotional regulations and healthcare provider compliance codes. We take our responsibilities extremely seriously and fully recognise that failure to comply with laws and regulations could result in financial penalties and the potential for significant liability. In a dynamic healthcare sector, demand for modern, responsive services continues to rise. As we emerged from the pandemic, we continue to broaden our medical capabilities in providing primary and specialist healthcare services including wellness and health maintenance. An important part of high-quality standards in care is ensuring that our doctors and physiotherapists have appropriate credentials and are operating within their allowed scope of work.

We have in place processes for adverse event reporting for patient safety, healthcare provider compliance and client satisfaction measures.

As targeted, there were no incidents of non-compliance with regulations or voluntary codes concerning our healthcare services in FY2023. We aim to continue to maintain zero cases of non-compliances in FY2024.

Corporate Governance

The Board and the management of Singapore Paincare are committed to the best practices in corporate governance to ensure the sustainability of the Group's operations. We believe that our constant drive for corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Company and its value to our shareholders and potential investors.

Please refer to our annual report for FY2023 from pages 33 to 58, for more details on the Group's corporate governance practices, precautionary measures, and risk management structure.

SUSTAINABILITY REPORT

OUR EMPLOYEES SOCIAL

Employee Relations (GRI 401-1)

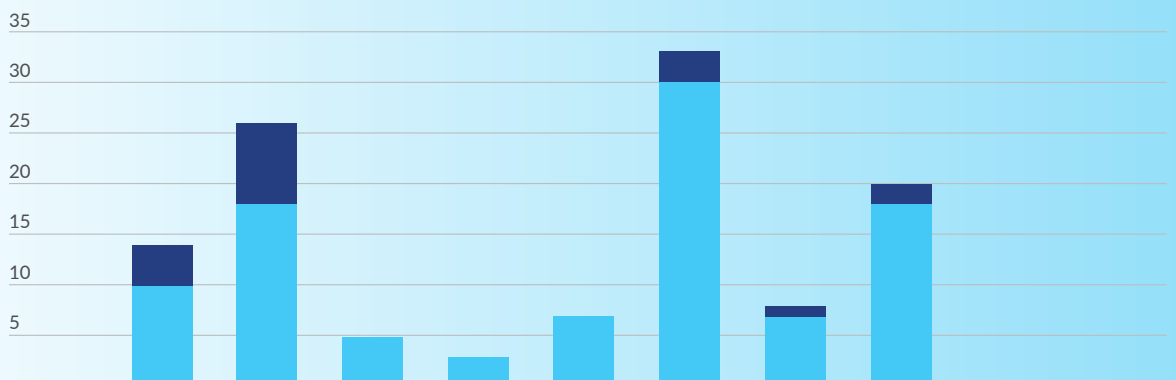
Our people are what make Singapore Paincare a success. We want to foster a caring and inclusive culture, along with a high level of engagement and support in areas including leadership development, training, safety, and employee well-being. As the organisation continues to grow, we are gradually integrating and aligning the various policies from the clinics with the aim of having a common approach for human resource management.

The ongoing staff shortages within the healthcare industry have brought forth significant challenges. Even before the COVID-19 pandemic, there were consistent staffing shortages of clinical staff across the healthcare industry. The pandemic has further exacerbated staffing shortages while also creating a work environment where workers may not feel safe. Over the coming years, with an increasing ageing population, the need for doctors, nurses, and assistants is also expected to steadily increase.

At Singapore Paincare, staff retention is a key focus and we continue to offer a supportive culture, flexible conditions, and competitive packages. As at 30 June 2023, Singapore Paincare had a total headcount of 70 full-time and 13 part-time employees. Our overall headcount remained the same, and we had an overall hiring rate⁸ of 41%, a decrease from 102.5% previously. The ratio of females to males in our new hires is 5:1, and more than half of our new hires are aged between 30-50 years old.

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

No. of New Hires by Gender



	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	HQ		Specialist Clinic & Services		GP Clinic / Health Screening		Allied Health Services		Non-Medical Services	
● Male	4	8	0	0	0	3	1	2	0	0
● Female	10	18	5	3	7	30	7	18	0	0

8 Hiring rate is measured by taking overall number of new hires in FY2023 / Total number of employees as at end of FY2023

9 Turnover rate is measured by taking overall number of employees who left in FY2023 / Total number of employees as at end of FY2023



CULTURE AND ENGAGEMENT

We strive to foster a caring, empowered and productive culture to deliver high-quality patient outcomes and experience.



SAFETY

The safety of our employees is of utmost importance and we are committed to a high performing safety culture.



REWARD AND RECOGNITION

We recognise the value of our people. We are committed to paying our employees fairly and competitively, having a supportive and rewarding workplace, celebrating our people and the positive impact they make.



DEVELOPMENT AND TRAINING

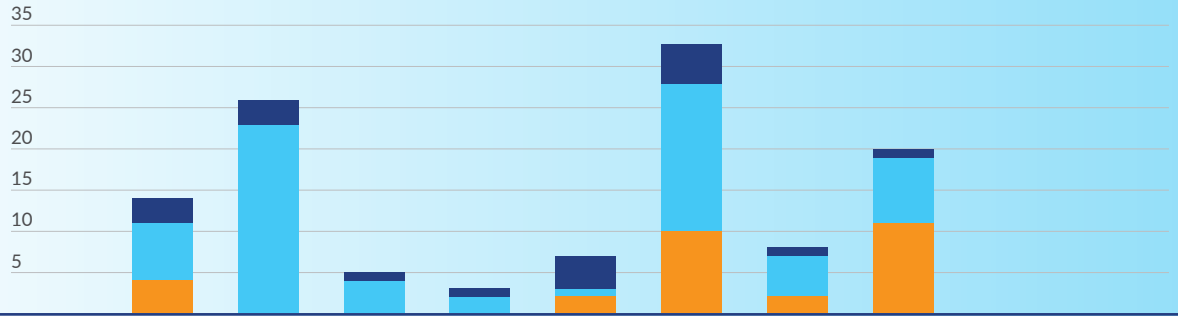
We are focused on delivering career development, professional training and experience that supports the career and progression of all of our people.

Our turnover rate⁹ in FY2023 was 43.4%, a decline from the previous 75% in FY2022. The high turnover rate of nursing staff is a challenge faced globally by the healthcare industry due to the shortage of trained healthcare professionals and a departure of skilled workers. This is due to the increasing demands of the job, which is a similar situation that we are facing in Singapore. Nevertheless, Singapore Paincare will continue with efforts to recruit and retain frontline workers, such as through competitive compensation and benefits packages, and to improve outreach to staff to ensure their well-being and provide support measures. As targeted in FY2022, we have achieved a turnover rate of <50% in FY2023. We will continue with our efforts in achieving a turnover rate of <50% in FY2024.

SUSTAINABILITY REPORT

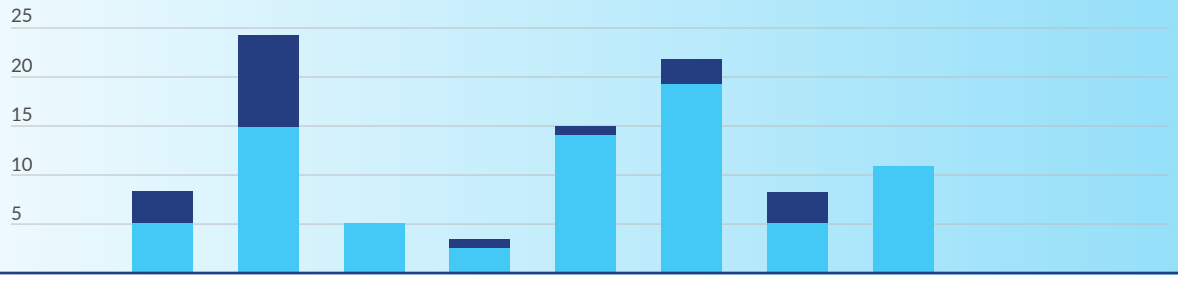
NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

No. of New Hires by Age Group



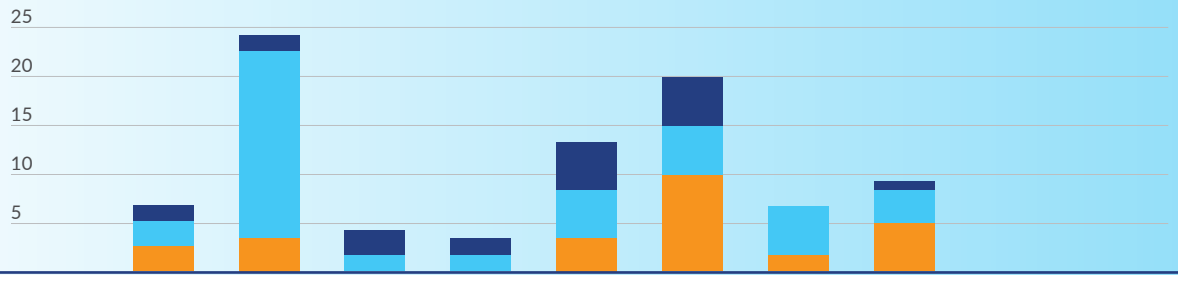
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	HQ		Specialist Clinic & Services		GP Clinic / Health Screening		Allied Health Services		Non-Medical Services	
● Under 30 years old	3	3	1	1	4	5	1	1	0	0
● 30-50 years old	7	23	4	2	1	18	5	8	0	0
● Over 50 years old	4	0	0	0	2	10	2	11	0	0

Employee Turnover by Gender¹⁰



	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	HQ		Specialist Clinic & Services		GP Clinic / Health Screening		Allied Health Services		Non-Medical Services	
● Male	3	9	0	1	1	3	3	0	0	0
● Female	5	15	5	3	14	18	5	11	0	0

Employee Turnover by Age Group

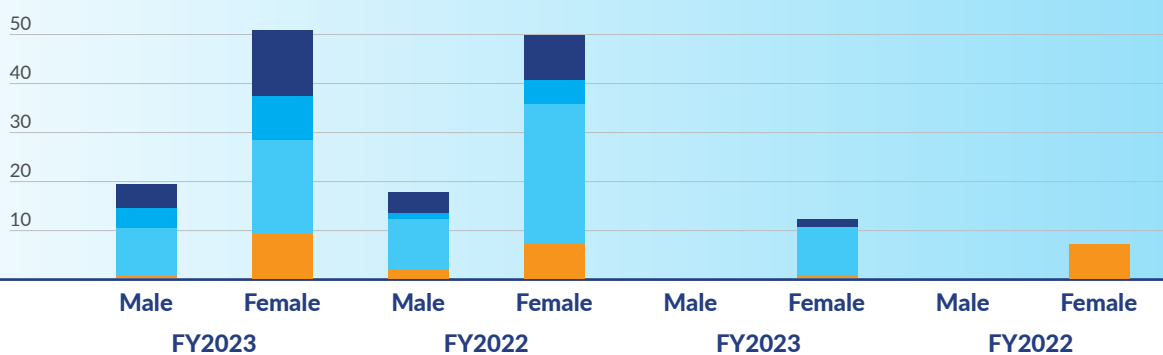


	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
	HQ		Specialist Clinic & Services		GP Clinic / Health Screening		Allied Health Services		Non-Medical Services	
● Under 30 years old	2	2	3	2	5	6	0	1	0	0
● 30-50 years old	3	18	2	2	6	5	6	4	0	0
● Over 50 years old	3	4	0	0	4	10	2	6	0	0

¹⁰ FY2022 data for males turnover rate was reported as 19.4% and has been corrected to 16.3%

SUSTAINABILITY REPORT

Full-time and Part-time Employees by Gender



Category	Full-time Employees				Part-time Employees			
	FY2023 Male	FY2023 Female	FY2022 Male	FY2022 Female	FY2023 Male	FY2023 Female	FY2022 Male	FY2022 Female
● HQ	5	13	4	10	0	2	0	0
● Specialist Clinic & Services	4	9	2	6	0	0	0	0
● GP Clinic / Health Screening	10	19	11	28	0	10	0	8
● Allied Health Services	1	9	3	8	0	1	0	0
● Non-Medical Services	0	0	0	0	0	0	0	0

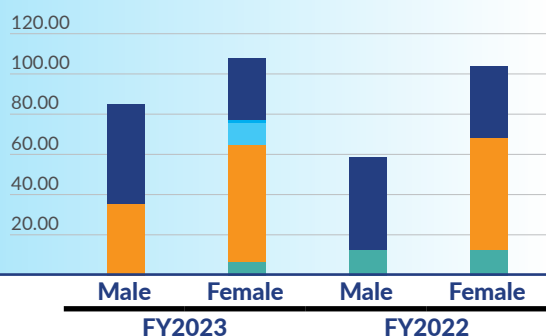
Training and Development (GRI 404-1)

At Singapore Paincare, we recognise the importance for our employees to have inspiring, fulfilling and productive careers, with opportunities to grow and learn. Singapore Paincare continued to support staff through a combination of online training sessions and focused on the importance of mental health and wellbeing. An average of 14.3 hours of training was attended per employee in FY2023, an increase from the 11.4 hours per employee in FY2022¹¹. We aim to allow our employees to continue to achieve an average of at least 14 hours of training in FY2024.

Occupational Health and Safety (GRI 403-9)

Health and safety at the clinics is overseen by the respective doctors and clinic managers. A common set of standard operating procedures is implemented and followed by all clinics and a buddy program is in place to ensure that new employees receive the necessary support from the doctors and clinic managers to familiarise themselves with the processes and procedures. We require our employees to report all work-related incidents so that we can gather the right information for future interventions and accident-improvement initiatives.

Average training hours in FY2023 based on employee category and gender



Category	FY2023 Male	FY2023 Female	FY2022 Male	FY2022 Female
Clinical				
● Doctors	35.08	33.00	44.00	37.00
● Clinic Managers	0.00	2.21	0.00	0.00
● Clinic Staff	0.00	11.86	0.00	0.00
Non-clinical				
● Management	49.73	58.25	0.00	56.00
● Executive	0.00	6.85	12.00	12.57
● Non-Executive	0.00	0.00	0.00	0.00

During daily meetings, all staff receive detailed safety reports and observations from our frontline team members. We emphasise the importance of near-miss reporting and observations of unsafe conditions in all our clinics so as to be able to take necessary preventive action. In addition to empowering our people to care for themselves and their colleagues, Singapore Paincare constantly encourages staff to approach their immediate supervisors for help should they face any difficulties in carrying out their duties.

As targeted, there were no cases of reportable incidents in FY2023. We aim to maintain zero cases of reportable incidents in FY2024.

¹¹ Average training hours per employee for FY2022 was not reported and has been included in this year's report to reflect the updated methodology used, which is training hours divided by number of employees in the category.

SUSTAINABILITY REPORT

SUPPORTING OUR COMMUNITY

As part of Singapore Paincare's corporate social responsibility initiative, we regularly undertake various community projects, including health events, public talks on health and pain management, charity fundraising and healthcare support for the needy and elderly.

In October 2022, Singapore Paincare co-organised a Charity Draw with Sian Chay Medical Institution, a Social Service Agency registered with the Ministry of Health, to raise funds for the operating costs of the Institution. A total of \$300,000 was raised. The funds will be used to provide free Traditional Chinese Medicine consultation, low-cost medicine and treatment for the community regardless of race or religion.

On 24 November 2022, a team of doctors and staff volunteers from Singapore Paincare offered both influenza and pneumococcal injections to 24 residents from two of the elderly homes under Foo Hai Buddhist Cultural and Welfare Association.



SUSTAINABILITY REPORT

GRI CONTENT INDEX

Statement of use Singapore Paincare Holdings Limited has reported the information cited in this GRI content index for the period 1 July 2022 to 30 June 2023 with reference to the GRI Standards

GRI 1 used GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2 General Disclosures (2021)	2-27: Compliance with laws and regulations	GOVERNANCE (page 26)
GRI 201 Economic Performance (2016)	201-1: Direct economic value generated and distributed	ECONOMIC (page 22)
GRI 302 Energy (2016)	302-1: Energy consumption within the organization	ENVIROMENTAL (page 24)
GRI 303 Water & Effluents (2018)	303-1 : Interactions with water as a shared resource	ENVIROMENTAL (page 24)
	303-2: Management of water discharge-related impacts	ENVIROMENTAL (page 24)
	303-3: Water Withdrawal	ENVIROMENTAL (page 24)
GRI 305 Emissions (2016)	305-2: Energy indirect (Scope 2) emissions	ENVIROMENTAL (page 24)
GRI 401 Employment (2016)	401-1: New employee hires and employee turnover	OUR EMPLOYEES (page 27)
GRI 403 Occupational Health and Safety (2018)	403-9: Work-related injuries	OUR EMPLOYEES (page 29)
GRI 404 Training and Education (2016)	404-1: Average hours of training per year per employee	OUR EMPLOYEES (page 29)
GRI 405 Diversity and Equal Opportunity (2016)	405-1: Diversity of governance bodies and employees	OUR EMPLOYEES (pages 27 to 29)
GRI 416: Customer Health and Safety (2016)	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	GOVERNANCE (page 26)
GRI 418: Customer Privacy (2016)	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	GOVERNANCE (page 26)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Lai Chin Yee
*Non-Executive Chairman
and Independent Director*

Dr. Lee Mun Kam, Bernard
*Executive Director
and Chief Executive Officer*

Dr. Loh Foo Keong, Jeffrey
*Executive Director
and Chief Operating Officer*

Mr. Chong Weng Hoe
Independent Non-Executive Director
* Retired at the conclusion of the AGM held on
27 October 2022.

**Mr. Yap Beng Tat, Richard
(Ye Mingda, Richard)**
Independent Non-Executive Director

Dr. Lim Kah Meng
Independent Non-Executive Director

AUDIT COMMITTEE

Ms. Lai Chin Yee
(Chairman)
Dr. Lim Kah Meng
Mr. Yap Beng Tat, Richard

REMUNERATION COMMITTEE

Dr. Lim Kah Meng
(Chairman)
Ms. Lai Chin Yee
Mr. Yap Beng Tat, Richard

NOMINATING COMMITTEE

Mr. Yap Beng Tat, Richard
(Chairman)
Ms. Lai Chin Yee
Dr. Lim Kah Meng

COMPANY SECRETARY

Wong Yoen Har
*(Associate of The Chartered Secretaries
Institute of Singapore)*

REGISTERED OFFICE

601 Macpherson Road
#06-20/21 Grantral Mall
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Tel: +65 6972 2256
Fax: +65 6972 2258
Email: enquiries@sgpaincare.com

CONTINUING SPONSOR

Novus Corporate Finance Pte. Ltd.
7 Temasek Boulevard
#18-03B Suntec Tower 1
Singapore 038987

INDEPENDENT AUDITORS

BDO LLP
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Partner-in-charge: Leong Hon Mun Peter
(appointed since financial year ended 30 June 2020)

SHARE REGISTRAR

**Boardroom Corporate & Advisory
Services Pte. Ltd.**
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

INVESTOR RELATIONS

August Consulting
101 Thomson Road
#29-05 United Square
Singapore 307591



Singapore Paincare Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”), views corporate accountability, transparency and sustainability as strategic tools for enhancing long-term shareholders’ value and are committed to observing high standards of corporate governance.

The Company adopts practices based on the Code of Corporate Governance (the “2018 Code”) issued on 6 August 2018.

This report describes the Company’s corporate governance practices that were in place for the financial year from 1 July 2022 to 30 June 2023 (“FY2023”), with reference to both the principles and provisions set out in the 2018 Code and Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of the Catalist (the “Catalist Rules”), where appropriate. Where the Company’s practices vary from any provisions of the 2018 Code, appropriate explanations for the deviations and how the practices adopted are consistent with the intent of the relevant principle.

BOARD MATTERS

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

**Principle 1:
THE BOARD’S
CONDUCT OF AFFAIRS**

As at the date of this report, the Board of Directors (the “Board” or the “Director”) is made up of the following members:

Provision 1.1 of the 2018 Code:

Ms. Lai Chin Yee (Non-executive Chairman and Independent Director)
Dr. Lee Mun Kam Bernard (Executive Director and Chief Executive Officer)
Dr. Loh Foo Keong Jeffrey (Executive Director and Chief Operating Officer)
Mr. Yap Beng Tat, Richard (Ye Mingda, Richard) (Independent Non-executive Director)
Dr. Lim Kah Meng (Independent Non-executive Director)

Directors are fiduciaries who act objectively in the best interests of the Company

The Board sets the tone for the Group in respect of ethics, values and desired organisational structure, and ensures proper accountability within the Group.

The primary functions of the Board, apart from its statutory duties, include:

- Overseeing the overall management and business affairs of the Group;
- Formulating the Group’s strategies, focusing on value creation and innovation and considering sustainability issues;
- Ensuring that the necessary resources are in place for the Group to meet its strategic objectives;
- Setting financial objectives and monitoring the Group’s financial performance and Management’s performance;
- Overseeing the evaluation of the adequacy and effectiveness of financial reporting, internal controls and risk management frameworks;
- Setting the Group’s approach to corporate governance, including the establishment of ethical values and standards; and
- Balancing the demands of the business with those of the Company’s stakeholders and ensuring obligations to material stakeholder groups (including shareholders) are met.



CORPORATE GOVERNANCE

The Board adopted a Code of Business Conduct and Ethics for Directors which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. When an actual, potential and perceived conflict of interest arises, the concerned Director must recuse himself or herself from discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter.

All Directors are aware of their fiduciary duties and are committed to exercising due care and diligence in making their decisions and to objectively discharging their duties and responsibilities in the best interests of the Company. Aside from their statutory duties, the key roles of different classes of Directors are set out below:

- Executive Directors are members of the management of the Company (the “**Management**”) who are involved in the day-to-day operations of the Group’s business. They work closely with the Independent Directors on the long-term sustainability and success of the Group. They provide insights and recommendations on the Group’s operations at the Board and Board Committee meetings.
- Independent Directors do not participate in the day-to-day operations of the Group’s business and are deemed independent by the Board. They are familiar with the Group’s business and are kept informed of the activities of the Group. They provide independent and objective advice and insights to the Board and the Management. They constructively challenge the Management on its decisions and contribute to the development of the Group’s strategic goals and policies. They participate in the review of the Management’s performance in achieving the strategic goals as well as the appointment, assessment and remuneration of the Executive Directors and key personnel.

The Executive Directors are appointed by way of service agreements while the Independent Directors are appointed by way of letters of appointment. The duties and responsibilities of Directors are clearly set out in these service agreements and letters of appointment.

New Directors would be briefed on the Group’s industry, business, organisation structure, and strategic plans and objectives. Relevant policies and procedural guidelines would also be provided. Orientation for new Directors includes visits to the Group’s key premises to familiarise themselves with the operation.

It is a requirement under Rule 406(3)(a) of the Catalist Rules for first-time appointees on boards of public listed companies in Singapore to attend the Listed Entity Director (“**LED**”) programme organised by the Singapore Institute of Directors (“**SID**”) as prescribed under Practice Note 4D of the Catalist Rules.

Dr. Lim Kah Meng has completed the prescribed trainings, being LED 1, LED 2, LED 7, LED 8 and LED – Environmental, Social and Governance Essentials.

During FY2023, the Directors were provided with updates on changes in laws and regulations, including amendments to Catalist Rules and the 2018 Code, which are relevant to the Group. The external auditors regularly update the Audit Committee and the Board on the developments and implementation of the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.

Provision 1.2 of the 2018 Code:

Directors’ duties, induction, training and development



CORPORATE GOVERNANCE

The Nominating Committee evaluates the individual Directors' competencies and recommends to the Board on training and development programmes for each Director. The Directors are also encouraged to attend relevant seminar and training programmes to enhance their skills and knowledge, the expenses of which will be borne by the Company.

Although the day-to-day management of the Company is delegated to the Executive Directors, there are matters which are required to be decided by the Board as a whole.

Matters specifically reserved for the Board's decision are formally documented in a schedule, incorporated in the Group's Accounting Policies and Procedural Manual and clearly communicated to the Management. These matters include:

- Changes to the Group's capital structure and corporate structure;
- Material investments, acquisitions and disposals of assets;
- Material capital expenditure;
- Material Group policies;
- Recommendation/declaration of dividend;
- Financial statements (half-year and full year), annual reports, circulars to shareholders and announcements to be submitted to the SGX-ST; and
- Appointment or removal of Directors, company secretary and Executive Officers of the Company.

Certain important matters could be subject to the recommendation by the respective Board Committees. Matters which the Board considers suitable for delegation to a Board Committee are contained in the terms of reference of the respective Board Committees.

Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC") have been established to assist the Board. Each Board Committee has its own terms of reference, setting out the composition, authorities and duties, which are approved by the Board. All Board Committees are chaired by an Independent Director. While these Board Committees are delegated with certain responsibilities, the responsibility for decisions relating to matters under the purview of the Board Committees ultimately lies with the entire Board.

The composition of the Board Committees as at the date of this Report is as follows:-

Board Committees/ Designation	AC	NC	RC
Chairman	Lai Chin Yee	Yap Beng Tat, Richard	Lim Kah Meng
Member	Lim Kah Meng	Lai Chin Yee	Yap Beng Tat, Richard
Member	Yap Beng Tat, Richard	Lim Kah Meng	Lai Chin Yee

The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis, as well as other relevant information on the Board Committees can be found in the subsequent sections of this report.

Provision 1.3 of the 2018 Code:

Matters requiring Board's approval

Provision 1.4 of the 2018 Code:

Board Committees



CORPORATE GOVERNANCE

Board and Board Committee meetings are held regularly, with Board and AC meetings to be held at least twice a year and RC and NC meetings to be held at least once a year. Board and Board Committee meetings and annual general meetings are scheduled in advance to facilitate the Directors' attendance. Ad-hoc meetings will be convened when the Board's guidance or approval is required, outside of the scheduled Board meetings.

The Directors' attendance at the Board and the Board committees' meetings of the Company held in FY2023 are as below:

	Board	Audit	Nominating	Remuneration
Number of Meetings held in FY2023	2	2	2	1
Name of Directors	Number of Meetings attended			
Ms. Lai Chin Yee	2	2	2	1
Dr. Lee Mun Kam Bernard	2	2 [#]	1 [#]	1 [#]
Dr. Loh Foo Keong Jeffrey	2	2 [#]	1 [#]	1 [#]
Mr. Chong Weng Hoe*	1	1	1	1
Mr. Yap Beng Tat, Richard	2	2	2	1
Dr. Lim Kah Meng	1	1	1	0

Invited to sit in the meetings

* Retired at the conclusion of the AGM held on 27 October 2022.

In accordance with the Company's Constitution, a Director who is unable to attend a Board meeting can still participate in the meeting via telephone conference, video conference, audio visual or by means of a similar communication equipment or similar communication means whereby all persons participating can hear each other. Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.

The NC has conducted an annual performance evaluation of the AC, RC and NC in terms of their roles and responsibilities and the conduct of their affairs as a whole for FY2023. The results are collated and the findings are analysed and discussed by the NC and reported to the Board. It is of the view that the performances of such Board Committees have been satisfactory.

Individual Director assessment is also conducted whereby each Director is evaluated on his/her contributions to the proper guidance, diligent oversight and leadership, and the support his/her lends to the Management in steering the Group.

The results of the Board, Board Committees and Individual Director evaluations are compiled by the Company Secretary and furnished to the NC. In discussing the results of the performance evaluations for FY2023, the Board and the Board Committee members are able to identify areas for improving their effectiveness.

The NC is of the view that the primary objective of the assessment exercise is to create a platform for the Board members to exchange feedback on the strengths and shortcomings of the Board with a view to strengthening its effectiveness. The assessment exercise also assists the Directors to focus on their key responsibilities and helps the NC in determining whether to re-nominate Directors who are due for retirement at the next annual general meeting including determining whether Directors with multiple Board representatives are able to and have adequately discharged their duties as Directors of the Company.

Provision 1.5 of the 2018 Code:

Attendance and participation in Board and Board Committee meetings



CORPORATE GOVERNANCE

The NC and the Board are generally satisfied with the Board and Board Committees' performance evaluation results with no significant problems identified in FY2023.

When a Director has multiple board representations, the NC also considers whether such Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company, board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved.

The Board and the NC have established a guideline on the maximum number of listed company directorships and other principal commitments that each Director is allowed to hold which can be found under Principle 4 of this report.

The Management recognises that relevant, complete and accurate information needs to be provided to the Directors prior to meetings and on an on-going basis to enable the Directors to make informed decisions and discharge their duties and responsibilities effectively and efficiently.

The Management provides members of the Board with half yearly management accounts, as well as relevant background information relating to the matters that are discussed at the Board and Board Committee meetings. Such reports keep the Board informed of the Group's performance, financial position and prospects, and consist of the consolidated financial statements, major operational updates, background or updates on matters before the Board for decision or information. The Board is also provided with minutes of the previous Board meeting, and minutes of meetings of all Board Committees held. Detailed board papers are sent out to the Directors at least five working days before the scheduled meetings so that the Directors may better understand the issues beforehand, allowing for more time at such meetings for questions that Directors may have.

Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentation and answer any queries that the Directors may have.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on major transactions to facilitate a robust discussion before the transactions are entered into.

The Board has, at all times, separate and independent access to the Management, the Company Secretary and external professionals, at the Company's expenses, including the sponsor, external auditors and internal auditors through electronic mail, telephone and face-to-face meetings.

The role of the Company Secretary is clearly defined and includes:

- Attending all Board and Board Committee meetings and ensuring that meeting procedures are followed;
- Together with the Management, ensuring that the Company complies with all relevant requirements of the Companies Act 1967 and the Catalist Rules;
- Advising the Board on all corporate governance matters; and
- Ensuring adequate and timely flow of information within the Board and Board Committees and between the Management and the Board.

The appointment and removal of the company secretary are subject to the approval of the Board as a whole.

Provision 1.6 of the 2018 Code:

Complete, adequate and timely information to make informed decisions

Provision 1.7 of the 2018 Code:

Separately independent access to Management, company secretary and external advisers; Appointment and removal of the company secretary



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.

Board Independence

Currently, the majority of the Board is made up of Independent Directors. In addition, the Non-Executive Chairman is also an Independent Director, hence, there is a strong independent element on the Board. As at the date of this report, the Board consists of five Directors of whom three are independent and non-executive.

The independence of each Director is reviewed annually by the NC. Each Independent Director is required to complete a checklist to confirm his independence annually. The checklist is drawn up based on the guidelines provided in the 2018 Code and the Catalist Rules. The NC review of each Director's independence is based on the definition of independence set out in the 2018 Code and also takes into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules.

An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. Taking into account the considerations on independence as set out in provision 2.1 of the 2018 Code, read together with Practice Guidance 2 of the 2018 Code, and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules, the NC and the Board ascertained that all Independent Directors, namely Ms. Lai Chin Yee, Mr. Yap Beng Tat, Richard and Dr. Lim Kah Meng, are independent and none of the Independent Directors has any relationship with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgement. No Independent Director has served on the Board for more than nine years.

Board Diversity

The Company has in place the Board Diversity Policy with a view to achieving a sustainable and balanced development as the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition and selection of new Board members, the Board strive to ensure that:

- (a) All candidates are included for consideration during the search for new appointments to the Board regardless of gender, age, nationalities or ethnicity;
- (b) There is an appropriate mix of gender representation on the Board, taking into account the skills and experience the candidates can contribute; and
- (c) External search consultants when looking for suitable candidates for appointment to the Board will be specifically directed to include diverse candidates and women candidates in particular.

In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board remains committed to implementing the Board Diversity Policy and continuing searching for member who has technology expertise and experiences that can assist the Group on new business segments and requirements.

Principle 2: BOARD COMPOSITION AND GUIDANCE

Provision 2.1 of the 2018 Code: Director independence

Provision 2.2 of the 2018 Code: Independent directors make up a majority of the Board

Provision 2.3 of the 2018 Code: Non-executive directors make up a majority of the Board

Provision 2.4 of the 2018 Code:

Size and composition of the Board and Board Committee; Board diversity policy



CORPORATE GOVERNANCE

The NC will strive to ensure that:

- Female candidates are fielded for consideration for Board appointments;
- External search consultants, engaged to search for candidates for Board appointments, are required to present female candidates; and
- At least one female Director be appointed to the NC.

Currently, the Company has a lady director in the Board who has many years of experience in the areas of auditing, finance and accounting, taxation and treasury.

However, diversity is not merely limited to gender or any other personal attributes. The benefits of Board diversity could only be harnessed if Directors adopt an independent mindset when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Non-executive Chairman and Independent Directors strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision making.

The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board.

The NC has classified into the following core competencies, skills, experiences and knowledge of Directors for FY2023:

Balance and Diversity of the Board	Number of Directors in FY2023	Proportion of Board members of 5
Core Competencies		
Accounting or finance related	1	20%
Business and management experience	3	60%
Legal and Regulatory	1	20%
Relevant industry knowledge	1	20%
Strategic planning experience	1	20%
Healthcare	2	40%
Business Valuation	1	20%
Gender		
Male	4	80%
Female	1	20%
Age Group		
41 - 50	2	40%
51 - 60	3	60%
Independence		
Independent directors	3	60%
Non-Independent directors	2	40%
Directors' Citizenship		
Singapore Citizen	5	100%



CORPORATE GOVERNANCE

The current Board composition reflects the Company's commitment to Board diversity. The NC is satisfied that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies to lead and govern the Group effectively. Each director has been appointed on the strength of his/her calibre, experience and stature and is expected to bring a valuable range of experience and expertise to contribute to the development of the Group strategy and the performance of its business.

The Company strives to achieve the following Board Diversity Targets:

Targets	Achievements of Targets
(1) The majority of the Board members are to be independent.	<p>As at 30 June 2023, the Board of Directors comprises of five members in FY2023 of which three of them are Non-Executive Independent Directors.</p> <p>With more than half of the Board members are independent directors, the target has been achieved.</p>
(2) To bring more female representation on the Board by 2030.	<p>As at 30 June 2023, the Company has 20% female representation on its Board.</p> <p>The NC will continue to assess if there is a need to have more representation of female director on the Board.</p> <p>Female candidates will be fielded for consideration for Board appointments. External search consultants will engaged to search and present for female candidates for Board appointments.</p>
(3) Maintain age diversity to include Directors aged below 50s and to also maintain the majority of the Directors to be aged between 50s to 60s.	<p>As at 30 June 2023, the Company has 40% on the Board age below 50s.</p> <p>The Board has continued to maintain this Target.</p>
(4) Achieving a balance of skill set on the Board to achieve the Company's strategic objectives.	<p>The broad categories in the skill matrix are (i) industry knowledge (ii) management expertise and (iii) professional skills (eg. finance/accounting, risk management, legal and corporate finance/mergers and acquisitions etc).</p> <p>The NC and the Board had reviewed the skill matrix and are satisfied that the current Board members have the appropriate skill set to lead and govern the Group effectively.</p>

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, considering the nature and scope of the Group's operations. No individual or small group of individuals dominate the Board's decision making. The Board and Board Committees have an appropriate balance and mix of skills, knowledge and experience in the Group's core businesses and the areas of accounting and finance, legal and regulatory compliance, business management and risk management, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The Board has one female Independent Director. The profiles of the Directors are set out in the "Board of Directors" section of the Annual Report.

To facilitate a more effective check on the Management, the Independent Directors meet at least once a year with the internal and external auditors without the presence of the Management. In FY2023, the Independent Directors have met at least once with the internal and external auditors without the presence of the management. The Independent Directors also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern. Feedback arising from such meetings or discussions is provided to the Board or Non-executive Chairman and Independent Director, as appropriate.

Provision 2.5 of the 2018 Code:

Independent Directors meet regularly without the presence of the Management



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 Board is chaired by Ms. Lai Chin Yee, Non-Executive Chairman and Independent Director of the Company while Dr. Lee Mun Kam Bernard, is the Executive Director and Chief Executive Officer (“CEO”) of the Company. The Non-Executive Chairman and the CEO are not related. Hence, the roles of the Non-Executive Chairman and the CEO have been clearly separated, each having their own areas of responsibilities. This is to ensure that an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

The Non-Executive Chairman and Independent Director, Ms. Lai Chin Yee, ensures that corporate information is adequately disseminated to all Directors in a timely manner to facilitate the effective contribution of all Directors. She promotes a culture of openness and debate at the Board and ensures that adequate time is allocated for discussion of all strategic issues. The Non-Executive Chairman and Independent Director is assisted by the Board Committees, external auditors and internal auditors who report to the Audit Committee in ensuring compliance with the Company’s guidelines on corporate governance.

The Executive Director and CEO, Dr. Lee Mun Kam Bernard, is responsible for the overall management of the Group and charting the corporate strategies for future growth with the support of the Executive Director and Chief Operating Officer, Dr. Loh Foo Keong, Jeffrey and the Management.

As the Non-Executive Chairman is not part of the Management and is independent, no Lead Independent Director has been appointed.

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.

As at the date of this report, the NC comprises three Independent Directors, namely Mr. Yap Beng Tat, Richard, Ms. Lai Chin Yee and Dr. Lim Kah Meng. The Chairman of the NC is Mr. Yap Beng Tat, Richard.

The NC’s responsibilities, as set out in its terms of reference, include the following:

- Developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board, and making recommendations to the Board on the appointment and re-appointment of Directors (including alternate Directors, if any), taking into consideration each Director’s competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his or her performance as an Independent Director;
- Reviewing succession plans for the Directors, in particular, the appointment and/or replacement of the Chairman, CEO and Executive Officers;
- Deciding on how the Board’s performance may be evaluated, and proposing objective performance criteria to assess the effectiveness of the Board as a whole, the Board Committees, and the contribution of each Director;
- Ensuring that all Directors submit themselves for re-nomination and re-election at least once every three years;

Principle 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Provision 3.1 of the 2018 Code:

Chairman and CEO are separate persons

Provision 3.2 of the 2018 Code:

Division of responsibilities between Chairman and CEO

Provision 3.3 of the 2018 Code:

Lead Independent Director

Principle 4: BOARD MEMBERSHIP

Provision 4.1 of the 2018 Code:

NC to make recommendations to the Board on relevant matters

Provision 4.2 of the 2018 Code:

Composition of NC



CORPORATE GOVERNANCE

- Determining the composition of the Board, taking into account the future requirements of the Group, as well as the need for Directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Group, and other considerations as set out in the 2018 Code, and setting the objectives for achieving Board diversity and reviewing the progress towards achieving these objectives;
- Determining on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the requirements of the 2018 Code and any other salient factors;
- In respect of a Director who has multiple board representations on publicly listed companies, if any, reviewing and deciding, on an annual basis (or more frequently as the NC deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director;
- Establishing guidelines on the maximum number of directorships and principal commitments for each Director (or type of Director) shall be;
- Reviewing training and professional development programmes for the Board and the Directors;
- Assessing whether each Director is able to and has been adequately carrying out his duties as a Director; and
- Ensuring that new Directors are aware of their duties and obligations.

The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where the need for a new Director arises, candidates would first be sourced through the Company's network of contacts and referrals. The NC may engage a talent acquisition firm to identify a broader range of candidates. Suitable candidates would be interviewed by the NC and/or the Board and then assessed and nominated by the NC to the Board which retains the final discretion in appointing such new Director.

In recommending to the Board on appointment and re-appointment of Directors, the NC considers the following factors:

- Needs of the Group, Board Diversity Policy, expertise and experience of the candidate and his or her contribution and performance as Director of the Company, officer of other companies and/or professionals in his or her area of expertise;
- Number of public listed company directorships and other principal commitments;
- Whether the candidate is a fit and proper person in accordance with the MAS' fit and proper guidelines, which broadly takes into account the candidate's competence, honesty, integrity and financial soundness; and
- Independence of the candidate (for Independent Directors).

Regulation 103 of the Company's Constitution states that any Director so appointed by the Board shall hold office only until the next AGM and shall then be eligible for re-election.

In addition, Regulation 97 of the Company's Constitution states that at each AGM, one-third (or, if their number is not a multiple of three, the number nearest to but not less than one-third) of the Directors shall retire from office and that all Directors shall retire from office at least once in every three year and such retiring Directors shall be eligible for re-election. As such, Dr. Lee Mun Kam Bernard and Dr. Lim Kah Meng will be subject to retirement by rotation at the forthcoming AGM.

Provision 4.3 of the 2018 Code:

Process for the selection, appointment and re-appointment of Directors



The NC has assessed and is satisfied that Dr. Lee Mun Kam Bernard and Dr. Lim Kah Meng are qualified for re-elections by virtue of their skills, experiences and their contributions of guidance and time to the Board.

Dr. Lee Mun Kam Bernard will, upon re-election as Director of the Company, remain as Executive Director and Chief Executive Officer of the Company.

Dr. Lim Kah Meng will, upon re-election as Director of the Company, remain as Chairman of the RC and a member of the AC and NC. The Board considers Dr. Lim Kah Meng to be independent for the purpose of Rule 704(7) of the Catalyst Rules.

The details of the Directors seeking for re-election as required under Rule 720(5) of the Catalyst Rules are set out in the “Re-election of Directors” section of this Annual Report.

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to complete a checklist to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The NC is of the view that the Independent Directors are independent. As at the date of this report, there is no relationship or circumstance set forth in Provision 2.1 of the 2018 Code which puts the independence of the Independent Directors in question.

Provision 4.4 of the 2018 Code:

Circumstances affecting Director’s independence

The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The Company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC’s and Board’s reasoned assessment of the ability of the director to diligently discharge his or her duties.

Provision 4.5 of the 2018 Code:

Multiple listed company directorships and other principal commitments

When a Director has multiple listed company directorship and other principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company.

The NC believes that putting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.

The NC is satisfied that sufficient time and attention were given by the Directors to the affairs of the Company during FY2023, notwithstanding that they hold directorships in other listed companies and have other principal commitments, and will continue to do so in the financial year ending 30 June 2024.

The list of directorships held by Directors presently or in the preceding five years in other listed companies, and other principal commitments are set out in the “Board of Directors” section of this Annual Report.

No alternate Director has been appointed to the Board.



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 NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC will assess the Board's effectiveness as a whole by completing the Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal control, and the Board's relationship with the Management. The NC will also assess the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. In addition, the NC will assess the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

Where appropriate, the Board will review and make changes to the assessment forms to align with prevailing regulations and requirements. The performance criteria shall not be changed from year to year without justification. These assessments are to be carried out and overseen by the NC for each financial year to evaluate the effectiveness of the Board as a whole and recommendations based on these assessments would be tabled to the Board for discussion and/or adoption. The Non-executive Chairman and Independent Director will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of Directors may be sought.

Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Based on the NC's review for FY2023, the Board operates effectively and each Director is contributing to the Board's effectiveness.

The Board has implemented a formal annual process for assessing the effectiveness of each Board Committee and the Board for FY2023.

Although no external facilitator had been engaged by the Board for this purpose, the NC has full authority to do so, if the need arises.

REMUNERATION MATTERS

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.

As at the date of this report, the RC comprises three Independent Directors, namely Dr. Lim Kah Meng, Mr. Yap Beng Tat, Richard and Ms. Lai Chin Yee. The Chairman of the RC is Dr. Lim Kah Meng.

The RC's responsibilities, as set out in its terms of reference, include the following:

- Reviewing and recommending to the Board for approval on the framework of remuneration for the Directors and Executive Officers of the Group as well as the specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance;

Principle 5: BOARD PERFORMANCE

Provisions 5.1 and 5.2 of the 2018 Code:

Assessment of effectiveness of the Board and Board Committees and assessing the contribution by the Chairman and each Director

Principle 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Provision 6.1 of the 2018 Code:

RC to recommend remuneration framework and packages

Provision 6.2 of the 2018 Code:

Composition of RC



CORPORATE GOVERNANCE

- Reviewing annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors or substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with the respective job scopes and level of responsibilities, and reviewing and approving any new employment of related employees and the proposed terms of their employment;
- Reviewing the obligations arising in the event of termination of service contracts entered into between the Group and the Executive Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;
- If necessary, seeking expert advice within and/or outside the Company on remuneration matters, ensuring that existing relationships, if any, between the Company and the appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;
- Performing an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate the Directors and Executive Officers, and to align the interests of the Directors and Executive Officers with the interests of the shareholders and other stakeholders and promote the long-term success of the Company; and
- Ensuring that the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The recommendations of the RC shall be submitted for endorsement by the Board. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.

The RC considers all aspects of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review of remuneration packages for the Directors and Executive Officers with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board.

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the annual general meeting. Save as disclosed in this Annual Report, the Independent Directors do not receive any other remuneration from the Company.

The Executive Directors have each entered into a service agreement with the Company, under which terms of their employment are stipulated in the service agreements.

There are no excessively long or onerous removal clauses in these service agreements. The service agreements are valid for five years with effect from 30 July 2020, thereafter, the employment shall be automatically renewed annually and either party may terminate the service agreement by giving to the other party not less than six months' notice in writing, or in lieu of notice, payment of an amount equivalent to six months' salary based on the Executive Director's last drawn monthly salary.

The RC members are familiar with remuneration matters as they are regularly updated of market practices. During FY2023, the Company did not engage any remuneration consultant to seek advice on remuneration matters. Moving forward, the RC will consider the need to engage such external remuneration consultants and where applicable, it will review the independence of the external firm before engaging them.

Provision 6.3 of the 2018 Code:

RC to consider and ensure all aspects of remuneration are fair

Provision 6.4 of the 2018 Code:

Expert advice on 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 of Executive Directors and Executive Officers comprise fixed components, including salaries and CPF, and a variable bonus component. Their remuneration is linked to both corporate and individual performance and aligned with shareholders' interests to promote long-term success of the Group.

The remuneration paid/payable to Executive Directors and Executive Officers are determined by the Board after considering the following:

- (1) Salary - salary is determined based on the complexity of the required responsibilities and tasks, and market comparables.
- (2) Variable or performance related bonus - variable remuneration depends on the profit of the Group and relevant individuals' key performance indicators.

The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate the Directors and the key management personnel of the required experience and expertise to successfully manage the Company for the long term. No Director is involved in any discussion relating to his own remuneration, terms and conditions of service, and the review of his performance.

Having reviewed the variable component in the remuneration packages of the Executive Directors and Executive Officers, the RC is of the view that it is not necessary to institute contractual provisions to reclaim incentive components of remuneration from Executive Directors and Executive Officers in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and Executive Officers.

The Independent Directors are paid Directors' fees which take into consideration their contribution, effort, time spent and responsibilities. They are not overly remunerated to the extent that their independence may be compromised.

Long-term incentive schemes such as Singapore Paincare ESOS and Singapore Paincare PSP are also available to Non-Executive Independent Directors.

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.

A separate annual remuneration report is not prepared as the matters which need to be disclosed in such annual remuneration report have already been sufficiently disclosed in this report and in the financial statements of the Company.

**Principle 7:
LEVEL AND MIX OF
REMUNERATION**

Provisions 7.1 and 7.3 of the 2018 Code:

Remuneration of Executive Directors and key management personnel are appropriately structured to encourage good stewardship and promote long-term success of the Company

Provision 7.2 of the 2018 Code:

Remuneration of Non-executive Directors dependent on contribution, effort, time spent and responsibilities

**Principle 8: DISCLOSURE
ON REMUNERATION**

Provisions 8.1 and 8.3 of the 2018 Code:

Remuneration disclosures of Directors and key management personnel; Details of employee share schemes



CORPORATE GOVERNANCE

The Directors, the CEO and other key management personnel are remunerated on an earned basis.

The following table sets out the quantum of Directors' Remuneration for FY2023, together with a breakdown (in percentage terms) of each Director's remuneration earned through base/fixed salary, variable or performance related income/bonuses and Directors' fees:

Name of Director	Directors' fee	Base/Fixed Salary	Variable or performance related	Total S\$'000 ⁽²⁾
Lee Mun Kam Bernard	-	75%	25%	935
Loh Foo Keong Jeffrey	-	83%	17%	714
Lai Chin Yee	100%	-	-	30
Chong Weng Hoe ⁽¹⁾	100%	-	-	6
Yap Beng Tat, Richard (Ye Mingda, Richard)	100%	-	-	20
Lim Kah Meng	100%	-	-	20

(1) Retired at the conclusion of the AGM held on 27 October 2022.

(2) Includes employer's CPF contribution.

The Company has less than five key management personnel and the remuneration of the key management personnel of the Company is as follows:

Remuneration band and name of key management personnel	Salary and CPF (%)	Variable or performance related income/ bonus (%)	Total (%)
Below \$250,000			
Leow Yong Kin ⁽¹⁾	100	-	100

Note:

(1) Leow Yong Kin resigned as the Chief Financial Officer with effect from 31 August 2023.

After careful consideration, the Board is of the view that full disclosure of the aggregate remuneration of the key management personnel is not in the best interests of the Company in view of, *inter alia*, the Company currently having only one key management personnel and the confidential nature of remuneration matters.



CORPORATE GOVERNANCE

Save for the Executive Directors who are substantial shareholders, there are no employees who were substantial shareholders of the Company in FY2023.

Provision 8.2 of the 2018 Code:

The remuneration (including salary, bonus and CPF) paid in FY2023 to Ms. Wong Jing Yi Joyce, spouse of Executive Director and Chief Operating Officer, Dr. Loh Foo Keong Jeffrey, for services rendered to the Group on an individual basis are set out in the following remuneration bands:

Remuneration disclosure of related employees

Remuneration band and name of related employee	Salary and CPF (%)	Variable or performance related bonus (%)	Total (%)
\$100,001-\$150,000			
Wong Jing Yi Joyce	88	12	100

* Ms. Wong is employed as Senior Clinic Manager of Lian Clinic Pte. Ltd. and has been in charge for the operations of Lian Clinic since January 2006.

Long-term incentive schemes are provided in the form of Singapore Paincare Employee Share Option Scheme (“**Singapore Paincare ESOS**”) and Singapore Paincare Performance Share Plan (“**Singapore Paincare PSP**”) for eligible employees including Executive Directors (collectively, the “**Share Plans**”). Details of Singapore Paincare ESOS and Singapore Paincare PSP are disclosed in the Company’s offer document dated 13 July 2020 (“**Offer Document**”). The administration committee for the Singapore Paincare PSP and Singapore Paincare ESOS (“**Administration Committee**”) comprises of the members of the RC and NC, including Ms. Lai Chin Yee, Dr. Lim Kah Meng and Mr. Yap Beng Tat Richard. During FY2023, no share options and no performance shares were granted, vested or cancelled.

Provision 8.3 of the 2018 Code:

Details of performance share plan and employee share option scheme

Singapore Paincare Holdings Limited Performance Share Plan (“**Singapore Paincare PSP**”)

Summary of the Singapore Paincare PSP	Singapore Paincare PSP is a compensation scheme that promotes higher performance and rewards exceptional achievement. Singapore Paincare PSP is based on the principle of pay-for-performance and is designed to enable Company to reward, retain and motivate employees of the Group to achieve superior performance. The objective of this rewarding scheme is to give the Company greater flexibility to align the interests of employees of our Group especially key executives, with the interests of Shareholders.
Participants of the Singapore Paincare PSP	Singapore Paincare PSP allows for participants by full time employees of the Group (including Executive Directors) and Non-Executive Directors (including independent Directors), controlling shareholders and their associates subject to them meeting the eligibility criteria.
Administration of the Singapore Paincare PSP	The Singapore Paincare PSP shall be managed by the members of the Company’s Administration Committee, which has the absolute discretion to determine persons who will be eligible to participate in the Singapore Paincare PSP.
Awards Entitlement	Awards represent the right of a participant to receive fully-shares free of charge (“ Awards ”)
Size of Singapore Paincare PSP	The aggregate number of shares which may be offered under the Share Plans should not exceed 15% of the Company’s total issued capital (excluding treasury shares) on the date preceding the date of the relevant grant.
Vesting Period	No minimum vesting period is prescribed under Singapore Paincare PSP for Awards and the length of the vesting period in respect of each Award will be determined on a case-by-case basis by the Administration Committee.



CORPORATE GOVERNANCE

There were no Awards granted under Singapore Paincare PSP in FY2023. Accordingly, there were no Awards granted under Singapore Paincare PSP to (i) Directors of the Company; (ii) participants who are controlling shareholders of the Company and their associates; and (iii) participants other than the Directors of the Company and controlling shareholders of the Company and their associates, who received Awards comprising shares representing five per cent (5.0%) or more of the aggregate of the total number of new shares available under the Singapore Paincare PSP since the commencement of the Singapore Paincare PSP.

The Company does not have a parent company.

Details of the Singapore Paincare PSP are set out in the Company's Offer Document.

Singapore Paincare Holdings Limited Employee Share Option Scheme ("Singapore Paincare ESOS")

Summary of the Singapore Paincare ESOS	Singapore Paincare ESOS provides eligible participants an opportunity to participate in the equity of the Company and to motivate employees towards better performance through increased dedication and loyalty. Singapore Paincare ESOS is primarily designed to reward and retain employees whose services are vital to the Company's success.
Participants of the Singapore Paincare ESOS	Singapore Paincare ESOS allows for participation by only confirmed employees of the Group (including Executive Directors) and Non-Executive Directors (including Independent Directors), controlling shareholders and their associates subject to them meeting the eligibility criteria.
Administration of the Singapore Paincare ESOS	The Singapore Paincare ESOS shall be managed by the Company's Administration Committee, which shall have the powers to determine, <i>inter alia</i> , the following: - (a) persons to be granted Singapore Paincare ESOS; (b) number of options to be offered; and (c) recommendations for modification to the Singapore Paincare ESOS
Size of Singapore Paincare ESOS	The aggregate number of shares which may be offered under the Share Plans should not exceed 15% of the Company's total issued capital (excluding treasury shares) on the date preceding the date of the relevant grant.
Exercise Period	No minimum exercise period is prescribed under Singapore Paincare ESOS for options and the length of the exercise period in respect of each option will be determined on a case-by-case basis by the Administration Committee.
Exercise Period of Options under the Singapore Paincare ESOS	The Exercise price for each option shall be determined by the Administration Committee, in its absolute discretion, on the date of grant, at: - (a) a price equal to the market price; or (b) a price which is set at a discount to the market, provided (i) the maximum discount shall not exceed 20% of the Market Price (or such other percentage or amount as may be determined by the Administration Committee and permitted by the SGX-ST); and (ii) the shareholders in general meeting shall have authorised, in a separate option, the making of offers and grants of options under the Singapore Paincare ESOS at a discount not exceeding the maximum discount as aforesaid.



The aggregate number of shares which may be offered under the Share Plans should not exceed 15.0% of the Company's total issued share capital (excluding treasury shares) on the date preceding the date of the relevant grant. The Share Plans were adopted on 16 June 2020 for a period of ten years and will expire on 15 June 2030.

There were no options granted under the Singapore Paincare ESOS since the adoption of the Singapore Paincare ESOS on 16 June 2020 to 30 June 2023.

Details on the Singapore Paincare ESOS are set out in the Company's Offer Document.

ACCOUNTABILITY AND AUDIT

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.

Risk analysis and management is undertaken within the Group as a source of sustainable business benefit and competitive advantage. The Board is responsible for the management of the Group's significant risks and is assisted by the AC in the oversight of the risk management and internal control systems of the Group.

The AC, with the assistance of the internal and external auditors, annually reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls.

The internal auditors, RSM Risk Advisory Pte Ltd ("**RSM**"), has carried out an internal audit on the system of internal controls and reported the findings to the AC. In this respect, the AC has reviewed the internal audit findings and noted that the Company is closely monitored to ensure timely and proper implementation of the internal auditors' recommendation. No material internal control weaknesses had been raised by the internal and external auditors in the course of their audits for FY2023 which have not been adequately addressed.

The Board received assurance from the CEO and the Chief Financial Officer/Financial Controller ("**CFO/FC**") that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

In addition, the Board received assurance from the CEO, Chief Operating Officer and the CFO/FC that the Company's risk management and internal control systems are adequate and effective.

Based on the reviews carried out by the AC, work performed by the internal and external auditors and assurance from the Management referred to in the preceding paragraphs, the Board, with the concurrence of the AC, is satisfied that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 30 June 2023.

The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities. As such, the Company's risk management and internal controls systems are regularly evaluated and improved to ensure its relevance to the Company's operations.

Principle 9: RISK MANAGEMENT AND INTERNAL CONTROLS

Provision 9.1 of the 2018 Code:

Board determines the nature and extent of significant risks

Provision 9.2 of the 2018 Code:

Assurance from CEO, CFO and other key management personnel

The Board has an Audit Committee which discharges its duties objectively

As at the date of this report, the AC comprises three Independent Directors, namely Ms. Lai Chin Yee, Dr. Lim Kah Meng and Mr. Yap Beng Tat, Richard. The Chairman of the AC is Ms. Lai Chin Yee.

In accordance with the requirement of the 2018 Code, all members of the AC are Non-Executive Directors. The members of the AC are appropriately qualified, and have relevant accounting or related financial management expertise and experience. They have the necessary experience in business management finance, audit and valuation to discharge their responsibilities.

Ms. Lai Chin Yee graduated from National University of Singapore with a Bachelor of Accountancy in 1987. She has more than 30 years of experience in the areas of auditing, finance and accounting, taxation and treasury.

Mr. Yap Beng Tat, Richard obtained his Bachelor of Accountancy from the Nanyang Technological University in 2005. He has more than 15 years of experience in areas of audit, corporate finance and valuation.

The AC does not comprise former partners or directors of the Company's auditing firm.

The AC's responsibilities, as set out in its terms of reference, include the following:

- assisting the Board of Directors in the discharge of its responsibilities on financial reporting matters;
- reviewing the assurance from the CEO and CFO/FC on the financial records and financial statements;
- reviewing with the internal and external auditors, the audit plans, scope of work, evaluation of the system of internal accounting controls, management letter and management's response, and results compiled by the Group's internal and external auditors, and ensure coordination between the internal and external auditors, and the management;
- reviewing the half-yearly results announcements, annual financial statements and the external auditors' report on those financial statements before submission to the Board of Directors for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Rules and any other statutory or regulatory requirements;
- reviewing the assistance given by the management to the auditors, and discuss problems and concern, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function and assessing the independence and objectivity of the external auditors;
- reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;
- making recommendations to the Board of Directors on (a) the proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and (b) the remuneration and terms of engagement of the external auditors;
- reviewing significant financial reporting issues and judgments, with the CFO/FC and the external auditors, so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, before their submission to the Board of Directors;

Principle 10: AUDIT COMMITTEE

Provision 10.1 of the 2018 Code:

Duties of AC

Provisions 10.2 and 10.3 of the 2018 Code:

Composition of AC;
AC does not comprise former partners or directors of the Company's auditing firm



CORPORATE GOVERNANCE

- reviewing and report to the Board of Directors at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems with the CFO/FC and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internet auditors;
- reviewing and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalyst Rules (if any);
- reviewing any potential conflicts of interest;
- setting out a framework to resolve or mitigate any potential conflicts of interest, as well as monitor compliance with such framework;
- undertaking such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the AC;
- reviewing the Group's financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, with the outcome of such review to be disclosed in the annual reports, or if the findings are material, to be immediately announced via Singapore Exchange Network;
- reviewing and establish procedures for receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;
- reviewing policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, to ensure that such policies and arrangements continue to be in place for independent investigation and appropriate follow-up, and to ensure that the Company publicly discloses, and clearly communicates to employees the existence of a whistle-blowing policy and the procedures for raising such concerns;
- reviewing interested person transactions to ensure that they are on normal commercial terms and do not prejudice the interest of the Company and its minority shareholders; and
- generally undertaking such other functions and duties as may be required by statute or the Catalyst Rules, and by such amendments made thereto from time to time.

The AC is authorised to investigate any matter within its terms of reference, and has full access to, and co-operation of, the Management. The AC has full discretion to invite any Director, Executive Officer or key management personnel to attend its meetings and has access to reasonable resources, including independent professional advice, to enable it to discharge its functions.

The Group has complied with Rules 712 and 715 of the Catalyst Rules in relation to the appointment of its external auditors. The aggregate amount of fees paid/payable to the external auditors, BDO LLP, for audit services for FY2023 were \$198,300 and there were no non-audit service rendered by BDO LLP for FY2023. The AC, having reviewed the scope and value of the audit services provided by the external auditor, is satisfied that the independence and objectivity of the external auditor is not impaired.

In recommending the re-appointment of BDO LLP as the external auditor for the financial year ending 30 June 2024, the AC had taken into consideration the Audit Quality Indicator Disclosure Framework published by the Accounting and Corporate Regulatory Authority.



The Company has outsourced its internal audit function to RSM, a corporate member of the Institute of Internal Auditors Singapore. The primary reporting line of the internal auditors is to the AC and administratively to the CFO/FC. The hiring, removal, evaluation of the internal auditors and compensation to be paid to them is recommended by the AC and approved by the Board.

The internal audit team have unrestricted access to the Company's documents, records, properties and personnel, including the AC. The internal audit team is staffed with personnel with relevant qualifications and experience and takes reference from the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors when performing their reviews. The AC is satisfied that the internal audit function is independent, effective, adequately resourced to perform its functions and have appropriate standing within the Group. Mr Dennis Lee, the head of the internal audit function team of RSM, is highly qualified with almost 17 years of audit, internal audit and risk management experience. RSM carries out its function in accordance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The internal audit function is independent of the activities it audits. During FY2023, the internal auditors completed an internal control review of the Group's cybersecurity and Personal Data Protection Act. The related internal audit reports, including Management's responses and implementation status, have been communicated to the AC.

The AC endeavours to meet at least once a year with the external and internal auditors without the presence of the Management so that any concern and/or issue can be raised directly and privately.

The AC met with the internal auditors and external auditors without the presence of Management in August 2023 to discuss, amongst other matters, the conduct of audit for the Group's financial statements for FY2023.

Provision 10.4 of the 2018 Code:

Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel

Provision 10.5 of the 2018 Code:

AC meets with the auditors without the presence of Management annually

SIGNIFICANT ACCOUNTING MATTERS

In the review of the financial statements for FY2023, the AC has discussed with the Management on the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.

The key audit matters, which are included in the independent auditors' report for FY2023, were discussed with the Management and the external auditors and were reviewed by the AC.

WHISTLE-BLOWING CHANNELS

The Company has in place a whistle-blowing policy and procedures for employees of the Group and other persons to raise concerns about possible improprieties in matters of financial reporting, fraudulent behaviour and other significant matters directly to the AC in confidence and without fear of reprisals. Details of this policy are disseminated to employees of the Group and is made available on the Company's website at <https://sgpaincare.com/whistle-blowings>.

Possible improprieties such as suspected fraud, corruption, dishonest practices and other significant matters can be reported to AC Chairman, Ms. Lai Chin Yee via email at report@sgpaincareholdings.com.

The Company's whistle-blowing policy aims to (a) provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoings or misconducts, particularly to fraud, governance or ethics, without fear; and (b) ensure that robust arrangements are in place to facilitate independent investigation of the reported issues with appropriate follow up actions. The Company will treat all information received confidentially and protect the identity of all whistle-blowers. It is also committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistle-blowing in good faith.



All whistle-blowing complaints are independently investigated and appropriate actions will be taken. The AC, which is responsible for oversight and monitoring of whistle-blowing, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out, taking into account factors such as the seriousness of the issues, the credibility of the concern and the likelihood of confirming the allegation from attributable sources. The AC will follow a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following completion of the investigations, including administrative, disciplinary, civil and/or criminal actions and remediation of control weaknesses that may arise to fraud or misconduct. In addition, the AC reviews the whistleblowing policy regularly to ensure that it remains current.

SHAREHOLDER RIGHTS AND ENGAGEMENT

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.

The Board ensures that the shareholders are treated fairly and equitably. All material information which would likely affect the price or value of the Company's shares shall be disclosed adequately and in a timely manner. Presentations to shareholders will be made available on SGXNET and the Company's website (if applicable).

In presenting the Group's financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects.

The Company's principal form of dialogue with shareholders takes place at general meetings. Notices of general meetings are dispatched to shareholders, together with the annual report and/or circulars within the notice period as prescribed by the relevant regulations. Where necessary, additional explanatory notes will be provided for relevant resolutions which are to be tabled at general meetings to enable shareholders to exercise their vote on an informed basis. The Company strives to hold general meetings at venues which are accessible to shareholders. At general meetings, shareholders will be given the opportunity to voice their views and direct their questions to the Board regarding the Company.

Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.

All resolutions proposed at general meetings shall be put to vote by way of a poll. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNET after the general meetings.

The Board notes that the best practice is to have separate resolutions on each substantially separate issue. The Company shall avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.

Principle 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Provision 11.1 of the 2018 Code:

Company provides shareholders with the opportunity to participate effectively and vote at general meetings

Provision 11.2 of the 2018 Code:

Separate resolution on each substantially separate issue



CORPORATE GOVERNANCE

All Directors, including the chairpersons of various Board Committees, and the Executive Officers shall attend general meetings to address shareholders' queries and receive feedback from shareholders.

Provision 11.3 of the 2018 Code:

The last AGM of the Company on 27 October 2022 was held physically at Seletar Country Club. Save for Dr. Lim Kah Meng, all Directors attended the last AGM of the Company on 27 October 2022.

All Directors attend general meetings

The external auditors, BDO LLP, shall also be invited to attend general meetings and will assist in addressing queries from the shareholders relating to the conduct of the audit and the preparation and content of the independent auditors' report.

The Chairman of the meeting will facilitate constructive dialogue between shareholders and the Board, the Management, the external auditors and other relevant professionals.

The Company's Constitution allows all shareholders to appoint not more than two proxies to attend and vote on their behalf and also provides that a proxy need not be a shareholder of the Company. Registered shareholders who are unable to attend the general meetings are entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act 1967). A relevant intermediary may appoint more than two proxies to participate in shareholders' meetings, but each proxy must be appointed to exercise rights attached to a different share or shares held by such shareholder.

Provision 11.4 of the 2018 Code:

Company's Constitution allow for absentia voting of shareholders

The Company's Constitution permits voting in absentia only by appointment of proxy. As the authenticity of shareholders' identity and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

Minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and the Executive Officers will be published on the Company's corporate website at <https://sgpaincare.com> as soon as practicable.

Provision 11.5 of the 2018 Code:

Minutes of general meetings are published on the Company's corporate website as soon as practicable

The Company does not have a fixed dividend policy in place.

Provision 11.6 of the 2018 Code:

Dividend policy

Subject to its Constitution and the Companies Act 1967, the Company may, by ordinary resolution of shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors subject to the approval of the shareholders. Subject to its Constitution and the Companies Act 1967, the Directors may also declare an interim dividend without the approval of the shareholders.

Company to provide with the draft announcement for the notice of book closure and dividend payment date to be released on the day the annual report is published on sgxnet.

The form, frequency and amount of future dividend of the Company's shares will depend on the earnings, financial position, results of operations, cash flows, capital needs, general business conditions, terms of borrowing arrangements (if any), plans for expansion, and other factors as the Board may deem appropriate.

Despite not having a fixed dividend policy, the Directors have recommended a final dividend (tax-exempt one-tier) of S\$0.0035 per ordinary share for the financial year ended 30 June 2023.



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.

The Company uses various platforms to effectively engage the shareholders and the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information. In addition to general meetings and where the opportunities arise, the senior Management of the Company will also meet with investors, analysts and the media, as well as participate in investor relations activities to solicit and understand the views of the investment community.

The Company is committed to treating all shareholders fairly and equitably and to keep all its shareholders and other stakeholders informed of its corporate activities which would be likely to materially affect the price or value of its shares, on a timely basis.

The Board is mindful of the obligation to provide shareholders with information on all major developments that affect the Group in accordance with the Catalist Rules and the Companies Act 1967. Information is communicated to shareholders on a timely basis through:

- Annual reports;
- Announcements and press releases via SGXNET;
- Company's website (<https://sgpaincare.com>); and
- Media meetings.

The investor relations team takes an active role in communications with shareholders and the investment community to address their queries or concerns and to update them on the latest corporate development.

The Company has in place an investor relations policy which promotes the timely dissemination of relevant information to the Company's shareholders and prospective investors to enable them to make well-informed investment decisions and to ensure a level playing field. This is to promote regular, effective and fair communication with shareholders and prospective investors. The policy is available at the Company's website at <https://sgpaincare.com> under the "Investor Relations" section.

Shareholders and the investment community can contact the Company's investor relations team by telephone at +65-69722256 or email at enquiries@sgpaincareholdings.com.

MANAGING STAKEHOLDERS RELATIONSHIPS

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.

The Company takes pride in meeting and exceeding the expectations of the stakeholders. The Company will ensure that all engagement platforms, among others, customer satisfaction survey forms, webinars, Facebook and health talks are clearly set up and available to stakeholders.

As part of its continuing listing obligations, the Company has, in accordance with Catalist Rules 711A and 711B, the Catalist Rules, included a sustainability report with this Annual Report which sets out its strategy and key areas of focus in relation to the management of stakeholder relationships.

Principle 12: ENGAGEMENT WITH SHAREHOLDERS

Provision 12.1 of the 2018 Code:

Company provides avenues for communication between the Board and shareholders and discloses steps taken to solicit and understand the views of shareholders

Provisions 12.2 and 12.3 of the 2018 Code:

Company has in place an investor relations policy; Investor relations policy sets out mechanism of communication between the shareholders and the Company

Principle 13: ENGAGEMENT WITH STAKEHOLDERS

Provisions 13.1 and 13.2 of the 2018 Code:

Engagement with material stakeholder groups



Stakeholders who wish to know more about the Group and the business and governance practices can visit the Company's website at <http://www.sgpaincare.com>. The website includes an investor relations section containing the Company's financial highlights, annual reports, corporate announcements, whistle-blowing policy and investor relations policy.

Provision 13.3 of the 2018 Code:

Corporate website to engage stakeholders

DEALINGS IN SECURITIES

The Company has adopted policies in line with the requirements under Rule 1204(19) of the Catalist Rules on dealings in the Company's securities. The policies have been made known to Directors, Executive Officers and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and officers are not allowed to deal in the Company's shares during the periods commencing one month before the Company's half year and full year financial statements, as the case may be, and ending on the date of the announcement of the relevant financial results.

The Company, Directors and employees of the Company are also advised to observe insider trading laws at all times. Directors are required to report all dealings to the company secretary.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Group has adopted a policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length, on normal commercial terms and not prejudicial to the Company and its minority shareholders. All interested person transactions will be documented and submitted periodically to the AC for their review.

The Company does not have a general shareholders' mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules. The details of IPTs entered into in FY2023 are set out as follows:-

Name of Interested Persons	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
		(\$'000)	(\$'000)
MedBridge Marketing Pte. Ltd. ⁽¹⁾	Associate of the Executive Director and Chief Executive Officer, Dr. Lee Mun Kam Bernard	420	-

Note:

(1) Rental of the units at 290 Orchard Road, #18-03, Singapore 238859 and 38 Irrawaddy Road, #07-33, Singapore 329563 from MedBridge Marketing Pte. Ltd., which is 100% owned by Dr. Lee Mun Kam Bernard, the Executive Director and Chief Executive Officer of the Company. Please refer to the Offer Document for more details.

MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that save as disclosed in the sections entitled "Interested Person Transactions", "Directors' Statement" and "Notes to the Financial Statements" of this Annual Report, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of FY2023 or if not then subsisting, which were entered into since the end of the previous financial year.

NON-SPONSOR FEES

The Company paid to its sponsor, Novus Corporate Finance Pte. Ltd., non-sponsor fees of \$12,000 (excluding GST) in FY2023.

UTILISATION OF PROCEEDS

(i) Use of IPO proceeds

The Company refers to the net cash proceeds amounting to \$3.54 million (excluding cash listing expenses of approximately \$1.79 million) raised from the Company's listing on the Catalyst board of SGX-ST on 30 July 2020.

As at the date of this Annual Report, the status on the use of the IPO Proceeds is as follows:-

Use of net proceeds	Amount allocated (\$'000)	Amount allocated after reallocation ⁽¹⁾ (\$'000)	Amount utilised as at the date of this Annual Report (\$'000)	Balance of net proceeds as at the date of this Annual Report (\$'000)
Expand range of pain care services	1,100	100	–	100
Expand business operations locally and regionally	1,400	3,441	(3,400) ⁽²⁾	41
Working capital	1,041 ⁽¹⁾	–	–	–
Total	3,541	3,541	(3,400)	141

Notes:

- (1) \$1.041 million of the net proceeds initially allocated for the Group's working capital had been reallocated to expand the Group's business operations locally and regionally, and (b) \$1.0 million of the net proceeds initially allocated for the Group's expansion of its range of pain care services had been reallocated to expand the Group's business operations locally and regionally. Please refer to the Company's announcements dated 30 November 2020 and 1 July 2023 for more details.
- (2) Utilised for the acquisition of 40% of the total issued share capital of KCS Anesthesia Services Pte. Ltd. amounting to \$2.4 million, and (b) the acquisition of 100% of the total issued share capital of Boon Lay Clinic and Surgery Pte. Ltd amounting to \$1.0 million.

Save for the reallocation, the above utilisation of the net proceeds from the Company's listing is in accordance with the intended use as stated in the Company's IPO Offer Document.

(ii) Use of proceeds from the Placement

The Company refers to the net cash proceeds amounting to \$3.95 million (excluding cash subscription expense of approximately \$0.01 million) raised from the Company's private placement on 27 November 2020 (the "Placement"). As at the date of this Annual Report, a portion of the net cash proceeds of \$3.95 million from the Placement has been reallocated and utilised to fund the acquisition of PTL Spine and Orthopedics Private Limited (the "Reallocation") on 14 March 2023.

	Amount allocated (\$'000)	Amount allocated pursuant to the Reallocation (\$'000)	Amount utilised (\$'000)	Balance (\$'000)
To expand the range of pain care services	1,975	828	–	828
To expand business operations locally and regionally	1,975	3,122	(3,122)	–
Total	3,950	3,950	(3,122)	828

Save for the Reallocation, the use of the net proceeds from the Placement is in accordance with the intended use as stated in the announcement dated 17 November 2020.



DIRECTORS' STATEMENT

The directors of Singapore Paincare Holdings Limited (the “Company”) present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the financial year ended 30 June 2023 and the statement of financial position of the Company as at 30 June 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon 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 30 June 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year then ended; 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 as follows:

Ms. Lai Chin Yee	(Non-executive Chairman and Independent Director)
Dr. Lee Mun Kam Bernard	(Executive Director and Chief Executive Officer)
Dr. Loh Foo Keong Jeffrey	(Executive Director and Chief Operating Officer)
Mr. Yap Beng Tat, Richard	(Independent Non-executive Director)
Dr. Lim Kah Meng	(Independent Non-executive Director)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, 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.

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 or 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 Companies Act 1967 (the “Act”), except as follows:

	Shareholdings registered in the name of Directors		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1 July 2022	Balance at 30 June 2023	Balance at 1 July 2022	Balance at 30 June 2023
	Number of ordinary shares			
The Company				
Dr. Lee Mun Kam Bernard	48,701,500	48,701,500	-	-
Dr. Loh Foo Keong Jeffrey	27,659,700	27,853,000	-	-



4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONTINUED)

By virtue of Section 7 of the Act, Dr. Lee Mun Kam Bernard is deemed to have interests in the shares of all subsidiary corporations of the Company at the beginning and end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the directors of the Company state that, according to the register of directors' shareholdings, the directors' interest as at 21 July 2023 in the shares of the Company have not changed from those disclosed as at 30 June 2023.

5. SHARE OPTIONS

There were no share options granted by the Company or its subsidiary corporations 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 subsidiary corporations.

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

Employee Share Option Scheme

The Company has implemented an Employee Share Option Scheme known as the SPCH Employee Share Option Scheme ("Share Option Scheme"). The Share Option Scheme was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 16 June 2020. No options have been granted pursuant to the Share Option Scheme as at the date of this report.

Performance Share Plan

The Company has implemented a Performance Share Plan known as the SPCH Performance Share Plan ("Performance Share Plan"). The Performance Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 16 June 2020. No shares have been granted pursuant to the Performance Share Plan as at the date of this report.

6. AUDIT COMMITTEE

The Audit Committee of the Company is chaired by Ms. Lai Chin Yee, the Non-executive Chairman and Independent Director, and includes Mr. Yap Beng Tat, Richard, an Independent Non-executive Director and Dr. Lim Kah Meng, an Independent Non-executive Director. The Audit Committee has carried out its functions in accordance with Section 201B(5) of the Act, including reviewing the following, where relevant, with the executive directors and external auditors of the Company:

- (i) assisting the Board of Directors in the discharge of its responsibilities on financial reporting matters;
- (ii) reviewing the assurance from the Chief Executive Officer and Chief Financial Officer/Financial Controller on the financial records and financial statements;
- (iii) reviewing with the internal and external auditors, the audit plans, scope of work, evaluation of the system of internal accounting controls, management letter and management's response, and results compiled by the Group's internal and external auditors and ensure coordination between the internal and external auditors, and the management;
- (iv) reviewing the half-yearly results announcements, the annual financial statements and the external auditors' report on those financial statements before submission to the Board of Directors for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of the Catalist (the "Catalist Rules") and any other statutory or regulatory requirements;



DIRECTORS' STATEMENT

6. AUDIT COMMITTEE (CONTINUED)

- (v) reviewing the assistance given by the management to the auditors, and discuss problems and concern, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- (vi) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function and assessing the independence and objectivity of the external auditors;
- (vii) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;
- (viii) making recommendations to the Board of Directors on (a) the proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and (b) the remuneration and terms of engagement of the external auditors;
- (ix) reviewing significant financial reporting issues and judgments, with the Chief Financial Officer/Financial Controller and the external auditors, so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, before their submission to the Board of Directors;
- (x) reviewing and report to the Board of Directors at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems with the Chief Financial Officer/Financial Controller and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;
- (xi) reviewing and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (xii) reviewing any potential conflicts of interest;
- (xiii) setting out a framework to resolve or mitigate any potential conflicts of interest, as well as monitor compliance with such framework;
- (xiv) undertaking such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the Audit Committee;
- (xv) reviewing the Group's financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, with the outcome of such review to be disclosed in the annual reports, or if the findings are material, to be immediately announced via Singapore Exchange Network;
- (xvi) reviewing and establish procedures for receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;
- (xvii) reviewing policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, to ensure that such policies and arrangements continue to be in place for independent investigation and appropriate follow-up, and to ensure that the Company publicly discloses, and clearly communicates to employees the existence of a whistle-blowing policy and the procedures for raising such concerns;
- (xviii) reviewing of interested person transaction to ensure that they are on normal commercial terms and that they do not prejudice the interest of the Company and its minority shareholders; and
- (xix) generally undertaking such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time.



DIRECTORS' STATEMENT

6. AUDIT COMMITTEE (CONTINUED)

The Audit Committee confirmed that it has undertaken a review of all non-audit services and noted there were no non-audit services provided by the external auditors to the Group.

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

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

7. INDEPENDENT AUDITORS

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

On behalf of the Board of Directors,

Dr. Lee Mun Kam Bernard
Director

Dr. Loh Foo Keong Jeffrey
Director

Singapore
2 October 2023

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Singapore Paincare Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on page 71 to page 136, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2023;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated 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 consolidated financial position of the Group and the financial position of the Company as at 30 June 2023, and of the consolidated financial performance, consolidated changes in equity and consolidated 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 ("SSA"). 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* ("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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were 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 these matters.

KEY AUDIT MATTER	AUDIT RESPONSE
<p>1</p>	<p>Impairment assessment of goodwill</p>
<p>As at 30 June 2023, the Group's goodwill amounted to approximately \$13,418,000.</p> <p>In accordance with SFRS(I) 1-36 <i>Impairment of Assets</i>, the Group is required to test goodwill for impairment annually, or more frequently if there are indicators that goodwill may be impaired.</p> <p>For the purpose of impairment assessment, the management applied the value-in-use (discounted cash flow forecasts) method to determine the recoverable amounts for the respective cash generating units to which the goodwill belongs. Any shortfall between the recoverable amount and the carrying amount of the respective cash generating unit would be recognised as an impairment loss. Arising from the assessment, no impairment loss of goodwill was recognised during the financial year.</p> <p>We have determined impairment assessment of goodwill to be a key audit matter as the impairment assessment involved management's significant judgements and estimates with regard to the key assumptions used in estimating the discounted future cash flows, including the revenue growth rates, average gross margin and the discount rate.</p>	<p>We performed the following audit procedures, amongst others:</p> <ul style="list-style-type: none"> • Reviewed the robustness of management's budgeting process by comparing the actual results to previously forecasted results; • Discussed with management and assessed the reasonableness of management's key assumptions and estimates applied by comparing revenue growth rates, average gross margin and discount rate against historical data and recent trends and market outlook, as appropriate; • Performed sensitivity analysis of the key assumptions, including the revenue growth rates, average gross margin and discount rate, used in the discounted cash flow forecasts; • Engaged our internal valuation specialist to evaluate the reasonableness of the discount rate used; and • Assessed the adequacy of the disclosures in the financial statements with respect to the goodwill impairment assessment.
<p>Refer to Notes 3.2(i) and 5 to the accompanying financial statements.</p>	



INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Paincare Holdings Limited

KEY AUDIT MATTER

AUDIT RESPONSE

2

Impairment assessment of carrying amounts of investments in subsidiaries and associates

As at 30 June 2023, the carrying amount of the Company's investments in subsidiaries amounted to approximately \$19,609,000 mainly comprise unquoted equity shares and deemed investment arising from advances to subsidiaries. The carrying amounts of the Group's and the Company's investments in associates amounted to approximately \$396,000 and \$320,000 respectively, net of an allowance for impairment loss of approximately \$1,843,000 and \$1,806,000 respectively as at 30 June 2023.

The subsidiaries and associates comprise a network of clinics located throughout Singapore and are primarily engaged in providing medical services such as paincare services, general medical consultations and health screening services.

As at the reporting date, the Company applied the general approach to measure the expected credit losses on the amounts due from subsidiaries. As at 30 June 2023, management considered the changes in credit risk of certain subsidiaries and determined the loss allowance based on 12-month expected credit loss ("ECL"), and assessed that the amount of the allowance on the amounts due from the subsidiaries is insignificant.

During the financial year ended 30 June 2023, arising from indicators of impairment in certain investment in subsidiaries and associates, the management carried out an impairment assessment to determine whether an impairment loss in relation to investments in subsidiaries and associates should be recognised in the financial statements.

We performed the following audit procedures, amongst others:

- Reviewed management's assessment for indicators of impairment relating to investments in subsidiaries and associates and their assessment of impairment;
- Reviewed the robustness of management's budgeting process by comparing the actual results to previously forecasted results;
- Discussed with management and assessed the reasonableness of management's key assumptions and estimates applied by comparing revenue growth rates, average gross margin and discount rate against historical data and recent trends and market outlook, as appropriate;
- Performed sensitivity analysis of the key assumptions, including the revenue growth rates, average gross margin and discount rate, used in the discounted cash flow forecasts;
- Engaged our internal valuation specialist to evaluate the reasonableness of the discount rate used;
- Evaluated management's assessment of whether the credit risk of the amounts due from subsidiaries have increased significantly;
- Reviewed the adequacy of ECL allowance at end of the financial year, including assessing whether management's approach is consistent with SFRS(I) 9 requirements; and
- Assessed the adequacy of the disclosures in the financial statements with respect to the impairment assessment of investments in subsidiaries and associates.



INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Paincare Holdings Limited

KEY AUDIT MATTER

AUDIT RESPONSE

2

Impairment assessment of carrying amounts of investments in subsidiaries and associates (Continued)

Management determined the recoverable amounts based on the value-in-use calculations by estimating the expected discounted future cash flows to be derived from the investments in those subsidiaries and associates. Arising from the assessment, no impairment loss was recognised on the investments in subsidiaries and associates during the financial year, except for an investment in associate. The management had provided an impairment loss of approximately \$731,000 and \$921,000 to the Group's and the Company's carrying amount of investment in associates respectively for the financial year.

We focused on the impairment assessment of the subsidiaries and associates as a key audit matter owing to the significant management judgements and estimates involved in the key assumptions used in estimating the expected discounted future cash flows, including the revenue growth rates, average gross margin and the discount rates.

Refer to Notes 3.2(ii), 6, 8 and 29 to the accompanying financial statements.



INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Paincare Holdings Limited

KEY AUDIT MATTER

AUDIT RESPONSE

3

Fair value measurement of derivative financial instruments

Derivative financial instruments arising from the call options and put options entered with the vendor of KCS Anaesthesia Services Pte. Ltd. ("KCS") and non-controlling interests of GM Medical and Paincare Pte. Ltd. ("GMMP") and Dermatology & Laser Specialist Clinic Pte. Ltd. ("DLSC").

The Group and the Company entered into an option agreement with non-controlling interest of DLSC on 5 August 2023 and this option was considered a linked transaction with the shareholders' agreement ("SHA") entered during the financial year ended 30 June 2023 as the option period coincides with the SHA date and short timeframe between SHA and option agreement.

The fair value of the derivative financial assets as at 30 June 2023 amounted to approximately \$474,000, is determined by the management, assisted by its external valuer as at the end of the reporting period.

We have determined fair value of derivative financial instruments to be a key audit matter owing to the significant management judgements and estimations involved in determining the fair value of the derivative financial instruments as at the financial year end, considering that the fair values are measured using significant unobservable inputs (Level 3).

Refer to Notes 3.2(v), 10 and 35.5 to the accompanying financial statements.

We performed the following audit procedures, amongst others:

- Obtained update and supporting documents on the call options and put options arrangements to assess appropriate accounting treatment;
- Assessed the independence and competency of the external valuer which included considering their experiences and qualification in performing valuations for fair value measurement of derivative financial instruments;
- Reviewed the valuation reports issued by the external valuer and, with the assistance of our internal valuation specialist, assessed the reasonableness of the key assumptions and valuation methods used in determination of fair value measurement of derivative financial instruments;
- Discussed with the external valuer on the valuation methodologies used and the results of their work; and
- Assessed the adequacy of the disclosures in the financial statements with respect to the derivative financial instruments.



INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Paincare Holdings Limited

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

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 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, 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 a 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 Singapore Paincare Holdings Limited

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 year and are therefore the key audit matters. 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 Singapore Paincare 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 those subsidiary corporations 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 Leong Hon Mun Peter.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
2 October 2023



STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
ASSETS					
Non-current assets					
Plant and equipment	4	7,759	5,519	759	82
Intangible assets	5	13,489	10,407	71	110
Investments in subsidiaries	6	-	-	19,609	15,541
Investment in joint venture	7	4,047	-	4,080	-
Investments in associates	8	396	1,239	320	1,241
Other receivables	9	-	22	2,115	2,065
Derivative financial assets	10	474	2,508	474	2,508
		26,165	19,695	27,428	21,547
Current assets					
Inventories	11	1,277	1,023	-	-
Trade and other receivables	9	2,654	2,708	2,398	4,045
Prepayments	12	473	129	72	17
Cash and bank balances	13	9,636	15,173	4,380	7,715
		14,040	19,033	6,850	11,777
Total assets		40,205	38,728	34,278	33,324
EQUITY AND LIABILITIES					
Equity					
Share capital	14	25,684	25,684	25,684	25,684
Treasury shares	15	(1,731)	-	(1,731)	-
Merger reserve	16	(5,553)	(5,553)	-	-
Other reserves	17	177	177	412	412
Retained earnings	18	3,144	5,801	1,801	2,919
Equity attributable to owners of the Company		21,721	26,109	26,166	29,015
Non-controlling interests		325	360	-	-
Total equity		22,046	26,469	26,166	29,015



STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current liabilities					
Bank borrowings	19	774	2,176	680	1,992
Lease liabilities	20	4,582	3,794	1,130	798
Other payables	21	154	43	-	-
Provisions	22	129	52	21	-
		<u>5,639</u>	<u>6,065</u>	<u>1,831</u>	<u>2,790</u>
Current liabilities					
Trade and other payables	21	4,093	2,986	694	601
Bank borrowings	19	5,373	725	5,312	696
Lease liabilities	20	1,636	1,200	275	222
Contract liabilities	23	126	93	-	-
Income tax payable		1,292	1,190	-	-
		<u>12,520</u>	<u>6,194</u>	<u>6,281</u>	<u>1,519</u>
Total liabilities		<u>18,159</u>	<u>12,259</u>	<u>8,112</u>	<u>4,309</u>
Total equity and liabilities		<u>40,205</u>	<u>38,728</u>	<u>34,278</u>	<u>33,324</u>

The accompanying notes form an integral part of these financial statements.



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
Revenue	24	22,081	18,837
<i>Other items of income</i>			
Other income	25	343	1,035
Write-back of loss allowance on receivables, net	9	-	11
<i>Items of expense</i>			
Changes in inventories		254	249
Inventories and consumables used		(4,061)	(3,413)
Employee benefits expense	26	(9,752)	(7,227)
Depreciation and amortisation expense	27	(1,718)	(1,149)
Loss allowance on receivables, net	9	(165)	-
Impairment loss on investments in associates	8	(731)	(1,112)
Other expenses		(4,877)	(2,279)
Finance costs	28	(214)	(146)
Share of results of joint venture, net of tax		(33)	-
Share of results of associates, net of tax		128	403
Profit before income tax	29	1,255	5,209
Income tax expense	30	(1,009)	(883)
Profit for the financial year, representing total comprehensive income for the financial year		246	4,326
(Loss)/Profit and total comprehensive income attributable to:			
- Owners of the Company		(502)	3,901
- Non-controlling interests		748	425
		246	4,326
(Loss)/Earnings per share			
- Basic (cents)	31	(0.29)	2.17
- Diluted (cents)	31	(0.29)	2.17

The accompanying notes form an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note	Share capital \$'000	Treasury shares \$'000	Merger reserve \$'000	Other reserves \$'000	Retained earnings \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2022	25,684	-	(5,553)	177	5,801	26,109	360	26,469
(Loss)/Profit for the financial year	-	-	-	-	(502)	(502)	748	246
Total comprehensive income for the financial year	-	-	-	-	(502)	(502)	748	246
Transactions with owners								
Purchase of treasury shares	-	(1,731)	-	-	-	(1,731)	-	(1,731)
Dividends paid	-	-	-	-	(2,155)	(2,155)	-	(2,155)
Total transactions with owners	-	(1,731)	-	-	(2,155)	(3,886)	-	(3,886)
Transactions with non-controlling interests								
Dividends paid to non-controlling interests	-	-	-	-	-	-	(783)	(783)
Total transactions with non-controlling interests	-	-	-	-	-	-	(783)	(783)
Balance at 30 June 2023	25,684	(1,731)	(5,553)	177	3,144	21,721	325	22,046



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Note	Share capital \$'000	Merger reserve \$'000	Other reserves \$'000	Retained earnings \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2021	25,684	(5,553)	177	3,247	23,555	(41)	23,514
Profit for the financial year	-	-	-	3,901	3,901	425	4,326
Total comprehensive income for the financial year	-	-	-	3,901	3,901	425	4,326
Distributions to owners							
Dividends paid	-	-	-	(1,347)	(1,347)	-	(1,347)
Total transactions with owners	-	-	-	(1,347)	(1,347)	-	(1,347)
Transactions with non-controlling interests							
Dividends paid to non-controlling interests	-	-	-	-	-	(24)	(24)
Total transactions with non-controlling interests	-	-	-	-	-	(24)	(24)
Balance at 30 June 2022	25,684	(5,553)	177	5,801	26,109	360	26,469

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The accompanying notes form an integral part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	2023	2022
	\$'000	\$'000
Operating activities		
Profit before income tax	1,255	5,209
Adjustments for:		
Amortisation of intangible assets	39	39
Depreciation of plant and equipment	319	141
Depreciation of right-of-use assets	1,360	969
Fair value loss/(gain) on derivative financial instruments	2,034	(632)
Plant and equipment written off	-	2
Accruals for litigation	10	-
Impairment loss on investments in associates	731	1,112
Interest income	(2)	(1)
Interest expense	214	146
Loss on disposal of plant and equipment	2	-
Loss on lease modification	-	10
Allowance for/(Write-back of) impairment loss on receivables, net	165	(11)
Share of results of joint venture, net of tax	33	-
Share of results of associates, net of tax	(128)	(403)
Operating cash flows before working capital changes	6,032	6,581
Inventories	(247)	(225)
Trade and other receivables	(116)	(927)
Prepayments	(300)	(28)
Trade and other payables and contract liabilities	(4)	1,538
Cash generated from operations	5,365	6,939
Income tax paid	(921)	(488)
Interest received	2	1
Net cash from operating activities	4,446	6,452
Investing activities		
Acquisition of subsidiaries and business, net of cash acquired	(2,978)	(3,684)
Advances to joint venture	(4,080)	-
Dividend received from an associate	327	280
Proceeds from disposal of plant and equipment	1	-
Purchase of plant and equipment	(762)	(551)
Net cash used in investing activities	(7,492)	(3,955)



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	2023 \$'000	2022 \$'000
Financing activities		
Advances from non-controlling interests (Note A)	352	174
Repayment to non-controlling interests (Note A)	(457)	(166)
Dividends paid	(2,155)	(1,347)
Dividends paid to non-controlling interests (Note A)	(236)	-
Interest paid	(48)	(66)
Proceeds from bank borrowings	4,000	-
Purchase of treasury shares	(1,731)	-
Repayment of bank borrowings	(754)	(754)
Repayment of principal portion of lease liabilities	(1,314)	(929)
Repayment of interest portion of lease liabilities	(148)	(76)
Net cash used in financing activities	<u>(2,491)</u>	<u>(3,164)</u>
Net change in cash and bank balances	(5,537)	(667)
Cash and bank balances at beginning of financial year	15,173	15,840
Cash and bank balances at end of financial year	<u>9,636</u>	<u>15,173</u>

Note A: Reconciliation of liabilities arising from financing activities:

	Balance at 1 July 2022 \$'000	Non-cash changes		Cash flows \$'000	Balance at 30 June 2023 \$'000
		Liability assumed during acquisition of subsidiary \$'000	Dividends payable \$'000		
Non-trade payables due to non-controlling interests	435	192	783	(341)	1,069
	<u>435</u>	<u>192</u>	<u>783</u>	<u>(341)</u>	<u>1,069</u>
	Balance at 1 July 2021 \$'000	Non-cash changes		Cash flows \$'000	Balance at 30 June 2022 \$'000
		Liability assumed during acquisition of subsidiary \$'000	Accretion of interests \$'000	Dividends payable \$'000	
Non-trade payables due to non-controlling interests	128	274	1	24	8
	<u>128</u>	<u>274</u>	<u>1</u>	<u>24</u>	<u>8</u>

The accompanying notes form an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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

1. GENERAL CORPORATE INFORMATION

Singapore Paincare Holdings Limited (the “Company”) is a public limited company incorporated and domiciled in Singapore. The Company was listed on the Catalyst Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 30 July 2020.

The Company’s registered office and its principal place of business is located at 601 Macpherson Road, #06-20/21 Grantral Mall Singapore 368242. The registration number of the Company is 201843233N. The Group’s ultimate controlling party is Dr. Lee Mun Kam Bernard.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The statement of financial position of the Company as at 30 June 2023 and the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the financial year ended 30 June 2023 were authorised for issue in accordance with a Directors’ resolution dated 2 October 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar (“\$”) which is the functional currency of the Company and the presentation currency for the consolidated financial statements and all values presented are rounded to the nearest thousand (“\$’000”) as indicated.

The preparation of financial statements in conformity with SFRS(I) requires the management to exercise judgement in the process of applying the Group’s and the Company’s accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management’s best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of revision and future years if the revision affects both current and future financial years.

Critical accounting judgements and key source of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

During the current financial year, the Group and the Company have adopted all the new and revised SFRS(I) that are relevant to their operations and effective for the current financial year. The adoption of these new or revised SFRS(I) did not result in changes to the Group’s and the Company’s accounting policies and has no material effect on the amounts reported for the current or prior financial years.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation of financial statements (Continued)

New standards and amendments issued but not yet effective

As at the date of authorisation of these financial statements, the following SFRS(I) were issued but not yet effective and have not been early adopted in these financial statements:

		Effective date (annual periods beginning on or after)
SFRS(I) 10 and SFRS(I) 1-28 (Amendments)	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
SFRS(I) 4 (Amendments)	: Extension of the Temporary Exemption from Applying SFRS(I) 9	1 January 2023
SFRS(I) 17	: Insurance Contracts	1 January 2023
SFRS(I) 17 (Amendments)	: Initial Application of SFRS(I) 17 and SFRS(I) 9 – Comparative Information	1 January 2023
Various	: Amendments to SFRS(I) 17	1 January 2023
SFRS(I) 1-1 and SFRS(I) Practice Statement 2 (Amendments)	: Disclosure of Accounting Policies	1 January 2023
SFRS(I) 1-8 (Amendments)	: Definition of Accounting Estimates	1 January 2023
SFRS(I) 1-12, SFRS(I) 1 (Amendments)	: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
SFRS(I) 1-12 (Amendments)	: International Tax Reform – Pillar Two Model Rules	1 January 2023
SFRS(I) 1-1 (Amendments)	: Classification of Liabilities as Current or Non-current	1 January 2024*
SFRS(I) 16 (Amendments)	: Lease Liability in a Sale and Leaseback	1 January 2024
Various	: Non-current Liabilities with Covenants	1 January 2024
SFRS(I) 1-7, SFRS(I) 7	: Supplier Finance Arrangements	1 January 2024

* The mandatory effective date of this Amendment had been revised from 1 January 2022 to 1 January 2023 issued in July 2020 via Amendment to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current—Deferral of Effective Date* and further revised to 1 January 2024 in December 2022 via *Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants*.

Consequential amendments were also made to various standards as a result of these new or revised standards.

Management anticipates that the adoption of the above SFRS(I), if applicable, 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 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as that of the parent company.

Accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group to ensure consistency.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which that control ceases. In preparing the consolidated financial statements, inter-company transactions, balances and unrealised gain on transaction between group companies are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of an impairment loss of the asset transferred.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statement of comprehensive income, financial position and changes in equity.

Non-controlling interests in the acquiree that have a present ownership interest and entitle its holders to a proportionate share of the equity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having deficit balance.

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

When the Group loses control of 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 retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of.

The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations

The acquisitions of subsidiaries are accounted for using the acquisition method. The considerations transferred for the acquisitions are measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration transferred also includes the fair value of any contingent consideration measured at the acquisition date. Subsequent changes in fair value of contingent consideration which is deemed to be an asset or liability will be recognised to profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held-for-Sale and Discontinued Operations*, which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Business combinations (Continued)

Acquisition under common control

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or recognised any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group's equity. Any difference between the consideration paid for the acquisition and share capital of acquiree is recognised directly to equity as merger reserve.

2.4 Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost 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 the plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the Company, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The residual values, estimated useful life and depreciation method are reviewed at each financial year-end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

Low value assets items which cost less than \$5,000 are recognised as an expense directly in profit or loss in the financial year of acquisition.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the plant and equipment over their estimated useful life as follows:

	Years
Computer equipment	1-3
Medical equipment	3-5
Furniture and fittings	3-5
Office equipment	3-5
Renovation	3-5

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

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



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful life of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite life are amortised on a straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in profit or loss.

Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either at individual or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the changes in useful life from indefinite to finite is made on prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Goodwill

Goodwill arising on the acquisition of subsidiary represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured 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 expected to benefit from the synergies of the combination. Cash-generating units 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 cash-generating unit is less than the carrying amount of the unit, 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.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Intangible assets (Continued)

Computer software

Computer software is initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any. These cost of computer software are amortised to profit or loss using the straight-line method over their estimated useful life of 3 years.

The useful life and amortisation method are reviewed at the end of each reporting period to ensure that the period of amortisation and amortisation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the computer software.

Customer contract

Customer contract was acquired through business combinations, and measured at fair value as at the date of acquisition. Subsequently, customer contract is carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line basis over 9 months.

Customer contract is assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful life and amortisation method are reviewed at the end of each reporting period to ensure that the period of amortisation and amortisation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

Trademarks

Trademarks are stated at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 5.2 years, which is shorter of their useful lives and periods of contractual rights.

2.6 Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Investments in subsidiaries are accounted for at cost, less impairment loss, if any, in the Company's statement of financial position.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Joint ventures are initially recognised in the consolidated statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in joint venture.

Under the equity method, the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of comprehensive income. Post-acquisition changes in the Group's share of net assets of joint ventures and distributions received are adjusted against the carrying amount of the investments.

Losses of 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) are not recognised, unless the Group has incurred legal or constructive obligations to make good those losses or made payments on behalf of the associate or joint venture.

Where a Group entity transacts with a joint venture, unrealised profits are eliminated to the extent of the Group's interest in the joint venture. Any eliminated gain that is in excess of the carrying amount of the Group's interest in the joint venture should be recognised as deferred income. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

Investments in joint ventures are accounted for at cost, less impairment loss, if any, in the Company's statement of financial position.

2.8 Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associates are initially recognised in the consolidated statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in associate.

Under the equity method, the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of comprehensive income. Post-acquisition changes in the Group's share of net assets of associates and distributions received are adjusted against the carrying amount of the investments.

Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment) are not recognised, unless the Group and the Company have incurred legal or constructive obligations to make good those losses or made payments on behalf of the associate.

Where a Group transacts with an associate, unrealised profits are eliminated to the extent of the Group's interest in the associate. Any eliminated gain that is in excess of the carrying amount of the Group's interest in the associate should be recognised as deferred income. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

As the dates of the associate's financial statements used are not contemporaneous with that of the Group, the Group's share of results is arrived at based on the latest available un-audited management financial statements up to the end of the reporting period. Consistent accounting policies are applied for like transactions and events in similar circumstances.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Associates (Continued)

Where the investment in associate is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Investments in associates are carried at cost, less any impairment loss in the Company's statement of financial position.

2.9 Impairment of non-financial assets excluding goodwill

The carrying amounts of non-financial assets excluding goodwill are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment loss is recognised in profit or loss.

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. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable willing parties less costs of disposal. Value-in-use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognised in prior year for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior years is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment loss are recognised in profit or loss. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average basis and includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business, less estimated costs to be incurred to make the sale. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets

The Group and the Company recognise a financial asset in their statements of financial position when, and only when, the Group and the Company become a party to the contractual provision of the instrument.

The Group and the Company classify their financial assets into one of the categories below, depending on the Group's and the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group and the Company shall reclassify their affected financial assets when and only when the Group and the Company change their business model for managing these financial assets. The Group's and the Company's accounting policy for each category is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables from subsidiaries, joint venture, associates, other receivables due from third parties and cash and bank balances are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's and the Company's financial assets measured at amortised cost comprise trade and other receivables, excluding grant receivables, and cash and bank balances in the statements of financial position.

Financial assets at fair value through other comprehensive income ("FVOCI")

The Group has an equity investment in an unlisted entity through its investment in joint venture, which is not accounted for as subsidiary, associate or jointly controlled entity. The Group through its investment in joint venture has made an irrevocable election to classify the investment at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for the asset. It is carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal, any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investment carrying amount.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Financial assets (Continued)

Financial assets at fair value through other comprehensive income ("FVOCI") (Continued)

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value reserve.

Derecognition of financial assets

The Group and the Company derecognise 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.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits with banks. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.13 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

2.14 Financial liabilities

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. The Group and the Company determine the classification of their financial liabilities at initial recognition. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Trade and other payables

Trade and other payables (excluding goods and services tax payable) are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial liabilities (Continued)

Other financial liabilities (Continued)

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within 12 months after the end of the reporting period are presented as current borrowings even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as non-current borrowings in the statements of financial position.

Derecognition of financial liabilities

The Group and the Company derecognise their financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or expired. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.15 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Derivative financial instruments

Derivative financial instruments held by the Group and the Company are recognised as assets or liabilities on the statements of financial position and classified as financial assets or financial liabilities at fair value through profit or loss.

The Group and the Company classified call options and put options as derivative financial instruments. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken to profit or loss for the financial years when the changes occur.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts and variable amounts, if any.

Provision of medical services

Revenue from the provision of medical services generally relate to performance obligations to provide consultations, clinical treatments, surgery and related products, net of discounts to customers. In the rendering of these services, there are no variable considerations noted in the contracts with customers. Performance obligations for all medical services are satisfied over a period of less than one day when services are rendered. Hence, revenue is recognised at a point in time upon completion of the medical services. The Group allocated transaction price for each identified performance obligations for medical services offered in package. A contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer or advanced billing to the customer. Contract liabilities are recognised as revenue as the Group fulfils its performance obligation under the contract.

2.18 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures.

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal instalment. Grants which are receivable in relation to expenses to be incurred in the subsequent financial year, are included as government grant receivables and deferred grant income, classified as current assets and current liabilities respectively.

2.19 Leases

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (Continued)

As lessee (Continued)

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's and the Company's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- a fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group and the Company if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group and the Company are contractually required to dismantle, remove or restore the leased asset.

The Group and the Company present the right-of-use assets in plant and equipment and lease liabilities separately from other liabilities in the statements of financial position.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset on the following bases:

	Years
Premises	2 - 10



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (Continued)

As lessee (Continued)

Subsequent measurement (Continued)

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.9 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group and the Company revise their estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

When the Group and the Company renegotiate the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group and the Company have elected to account for the entire contract as a lease. The Group and the Company do not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (Continued)

As lessor - Subleases

When the Group and the Company are an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. The Group and the Company assess the lease classification with a sublease with reference to the right-of-use asset arising from the head lease.

When the sublease is assessed as a finance lease, the Group and the Company derecognise the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease as "Lease receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statements of financial position, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group and the Company recognise lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

Any modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2.20 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised leave as a result of services rendered by employees up to the end of the reporting period.

2.21 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as expenses in the profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

2.22 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Income tax (Continued)

Current income tax expense is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous financial years. Taxable income differs from profit reported as profit or loss because it excluded items of income or expenses that are taxable or deductible in other years and it further excludes items of income or expenses that are not taxable or tax deductible.

Deferred tax is provided, using the balance sheet liability method, for temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the tax rates expected to be applied to the temporary differences when they are realised or settled, based on tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and where there is intention to settle the current tax assets and liabilities on a net basis.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries and associate, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.23 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by shareholders.

2.24 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the Group) and whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Group is not required to report separately information about its operating segments in the financial statements as the Group only has one predominant segment.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 Critical judgements made in applying the accounting policies

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

(i) Determination of the lease term

The Group and the Company lease office space and clinic premises from third parties and related parties. Included in the lease arrangement, there are extension option held and exercisable only by the Group and the Company. In determining the lease term, management considers the likelihood of either to exercise the extension option. Management considers all facts and circumstances that create an economic incentive to extend.

Management has included potential cash outflows of \$3,685,000 (2022: \$3,232,000) and \$940,000 (2022: \$579,000) in the measurement of the Group's and the Company's lease liabilities respectively for clinic premises and office space, as it is reasonably certain that the extension option will be exercised. The assessment on lease terms is reviewed at the end of each reporting period if there is a significant change in the Group's and the Company's intentions, business plan or other circumstances unforeseen since it was first estimated.

(ii) Classification of Singapore Paincare Capital Pte. Ltd. as investment in joint venture

The Group and the Company exercised significant judgement to determine their 51% equity interest in Singapore Paincare Capital Pte. Ltd. as investment in joint venture upon entering into shareholders' agreement with the shareholders of Singapore Paincare Capital Pte. Ltd. ("SPCC").

Management has made their assessment of the investment, and determined that the Group and the Company have joint control with the other shareholders of SPCC over the relevant activities of SPCC, and therefore SPCC was equity accounted as a joint venture.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

(i) Goodwill

Management determines whether goodwill is impaired at least on an annual basis and whenever there is an indication that they are impaired. The process of evaluating potential impairment of goodwill requires significant judgements and assumptions. Management estimates the recoverable amount of the cash-generating units ("CGU") to which the goodwill has been allocated. Recoverable amount of the CGU is determined based on value-in-use calculations. The value-in-use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to discount rate used for the discounted cash flow model as well as the revenue growth rates and average gross margin used. Any excess of the carrying values over the discounted future cash flows are recognised as impairment loss in profit or loss. The carrying amount of the Group's goodwill as at 30 June 2023 was approximately \$13,418,000 (2022: \$10,297,000) and no allowance for impairment loss was recognised as disclosed in Note 5 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(ii) Impairment of investments in subsidiaries, joint venture and associates

The Company follows the guidance of SFRS(I) 1-36 *Impairment of Assets*, in determining whether investments in subsidiaries, joint venture and associates are impaired. This determination requires significant judgements and assumptions. The Company evaluates, among other factors, the duration and extent to which the recoverable amount of an investment is less than its carrying amount, the financial health and near-term business outlook of the investments, including factors such as industry and sector performance, changes in operational and financing cash flows.

Investments in subsidiaries, joint venture and associates are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and where applicable, CGU have been determined based on value-in-use calculations. The recoverable amount is most sensitive to discount rate used for the discounted cash flow model as well as the average gross margin and the revenue growth rates used. The Company's carrying amounts of investments in subsidiaries, joint venture and associates as at 30 June 2023 were approximately \$19,609,000 (2022: \$15,541,000), \$4,080,000 (2022: \$Nil) and \$320,000, net of an allowance for impairment loss in investments in associates of \$1,806,000 (2022: \$1,241,000, net of an allowance for impairment loss in investments in associates of \$885,000) respectively. The Group's carrying amounts of investments in joint venture and associates as at 30 June 2023 were \$4,047,000 (2022: \$Nil) and \$396,000, net of an allowance for impairment loss in investments in associates of \$1,843,000 (2022: \$1,239,000, net of an allowance for impairment loss in investments in associates of \$1,112,000) respectively.

(iii) Loss allowance on receivables

Trade receivables

Management determines the expected loss arising from default for trade receivables, by categorised them based on its historical loss pattern, historical payment profile as well as credit risk profile of customer.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. The carrying amounts of trade and other receivables of the Group as at 30 June 2023 were approximately \$2,654,000 (2022: \$2,730,000).

Amounts due from subsidiaries

Management determines whether there is significant increase in credit risk of these subsidiaries since initial recognition. Management reviews the financial performance and results of these subsidiaries. No loss allowance was recognised as at 30 June 2023 and 30 June 2022. The amounts due from subsidiaries are disclosed in Note 9 to the financial statements.

(iv) Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Group and the Company have determined the discount rate by reference to the respective lessees' incremental borrowing rate when the rate inherent in the lease is not readily determinable. The Group and the Company obtain the relevant market interest rate after considering the financial position of the lessees as well as the term of the lease. Management considers its own credit spread information from industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(iv) Measurement of lease liabilities (Continued)

The incremental borrowing rate applied to lease liabilities as at 30 June 2023 range from 2.28% to 4.00% (2022: 2.28% to 3.28%). The carrying amounts of lease liabilities of the Group and the Company as at 30 June 2023 were \$6,218,000 (2022: \$4,994,000) and \$1,405,000 (2022: \$1,020,000) respectively. If the incremental borrowing rate had been 10% higher or lower than management's estimates, the Group's and the Company's lease liabilities would have been lower or higher by approximately \$45,000 (2022: \$35,000) and \$9,000 (2022: \$6,000) respectively.

(v) Fair value measurement of derivative financial instruments

The derivative financial instruments arising from the call options and put options as disclosed in Note 10 to the financial statements. The derivative financial instruments are measured at fair value as at the date of issuance of respective call options and put options arrangement and at the end of the reporting period.

The fair values of derivative financial instruments have been determined by the management, assisted by its external valuer, and are considered as level 3 recurring fair value measurements. The significant input to the valuations includes earnings volatility rate. Significant assumptions were made by the management in estimating the future profit forecast. The carrying amounts of the derivative financial instruments of the Group and the Company relating to the derivative financial assets as at 30 June 2023 were approximately \$474,000 (2022: \$2,508,000).

If the earnings volatility rate is higher or lower by 3% (2022: 90%) from management's estimates, the Group's profit would have been higher or lower by approximately \$4,000 (2022: \$669,000).

(vi) Provision for uncertainty over tax treatments

The Group applied SFRS(I) INT 23 *Uncertainty over income tax treatments* guidance on accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. Due to the existence of uncertain tax treatments, the management estimated a provision of \$308,000 (2022: \$308,000) as at 30 June 2023 for additional income taxes relating to the Group's business operation structure. One of the directors of the Company has undertaken the entire potential tax liability arising from the uncertain tax treatments by Inland Revenue Authority of Singapore ("IRAS") and the amount has been paid to the Group.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. PLANT AND EQUIPMENT

Group	Computer equipment \$'000	Medical equipment \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Premises ⁽¹⁾ \$'000	Total \$'000
Cost							
Balance at 1 July 2022	65	334	30	17	842	6,937	8,225
Arising from acquisition of a subsidiary	2	-	-	-	-	379	381
Additions	25	666	-	-	621	2,196	3,508
Lease modification	-	-	-	-	-	77	77
Lease termination	-	-	-	-	-	(152)	(152)
Disposals	(2)	-	(5)	-	-	-	(7)
Written off	(4)	(51)	-	(1)	-	-	(56)
Balance at 30 June 2023	86	949	25	16	1,463	9,437	11,976
Accumulated depreciation							
Balance at 1 July 2022	42	169	23	16	316	2,140	2,706
Depreciation for the financial year	16	126	2	1	174	1,360	1,679
Lease termination	-	-	-	-	-	(108)	(108)
Disposals	(1)	-	(3)	-	-	-	(4)
Written off	(4)	(51)	-	(1)	-	-	(56)
Balance at 30 June 2023	53	244	22	16	490	3,392	4,217
Net carrying amount							
Balance at 30 June 2023	33	705	3	-	973	6,045	7,759



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. PLANT AND EQUIPMENT (CONTINUED)

Group Cost	Computer equipment \$'000	Medical equipment \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Premises ⁽¹⁾ \$'000	Total \$'000
Balance at 1 July 2021	50	184	26	19	407	3,100	3,786
Arising from acquisition of a subsidiary	-	53	-	-	-	133	186
Additions	15	97	4	-	435	3,269	3,820
Lease modification	-	-	-	-	-	435	435
Written off	-	-	-	(2)	-	-	(2)
Balance at 30 June 2022	65	334	30	17	842	6,937	8,225
Accumulated depreciation							
Balance at 1 July 2021	30	119	20	15	241	1,171	1,596
Depreciation for the financial year	12	50	3	1	75	969	1,110
Balance at 30 June 2022	42	169	23	16	316	2,140	2,706
Net carrying amount							
Balance at 30 June 2022	23	165	7	1	526	4,797	5,519



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

4. PLANT AND EQUIPMENT (CONTINUED)

	Computer equipment \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Premises ⁽¹⁾ \$'000	Total \$'000
Company						
Cost						
Balance at 1 July 2022	8	6	3	-	152	169
Additions	-	-	-	163	705	868
Lease termination	-	-	-	-	(152)	(152)
Disposals	-	(5)	-	-	-	(5)
Balance at 30 June 2023	8	1	3	163	705	880
Accumulated depreciation						
Balance at 1 July 2022	5	3	3	-	76	87
Depreciation for the financial year	2	1	-	22	120	145
Lease termination	-	-	-	-	(108)	(108)
Disposals	-	(3)	-	-	-	(3)
Balance at 30 June 2023	7	1	3	22	88	121
Net carrying amount						
Balance at 30 June 2023	1	-	-	141	617	759
Cost						
Balance at 1 July 2021	8	6	3	-	110	127
Additions	-	-	-	-	42	42
Balance at 30 June 2022	8	6	3	-	152	169
Accumulated depreciation						
Balance at 1 July 2021	3	1	2	-	9	15
Depreciation for the financial year	2	2	1	-	67	72
Balance at 30 June 2022	5	3	3	-	76	87
Net carrying amount						
Balance at 30 June 2022	3	3	-	-	76	82

(1) The Group and the Company lease office space and clinic premises for the purpose of back office operations and providing medical services respectively. Right-of-use assets arising from the premises' leasing arrangements are presented under 'Premises'.

In the previous financial year, the Group entered into a sales and leaseback transaction with a non-controlling interest for a medical equipment with carrying amount of \$43,000 as at the end of the previous reporting period. Arising from this transaction, the related amount payable to the non-controlling interest is disclosed in Note 21 to the financial statement.

For the purpose of consolidated statement of cash flows, the Group's additions to plant and equipment during the financial year were financed as follows:

	2023 \$'000	2022 \$'000
Additions to plant and equipment	3,508	3,820
Non-cash transaction on addition of premises	(2,196)	(3,269)
Increase in other payables in relation to plant and equipment	(550)	-
Cash payment to acquire plant and equipment	762	551



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5. INTANGIBLE ASSETS

	Computer software \$'000	Customer contract \$'000	Goodwill \$'000	Trademark \$'000	Total \$'000
Group					
Cost					
Balance at 1 July 2022	5	166	10,297	200	10,668
Additions	-	-	3,121	-	3,121
Written off	-	(166)	-	-	(166)
Balance at 30 June 2023	5	-	13,418	200	13,623
Accumulated amortisation					
Balance at 1 July 2022	5	166	-	90	261
Amortisation for the financial year	-	-	-	39	39
Written off	-	(166)	-	-	(166)
Balance at 30 June 2023	5	-	-	129	134
Net carrying amount					
Balance at 30 June 2023	-	-	13,418	71	13,489
Remaining useful life at end of financial year	-	-	Indefinite	1.8 years	
Group					
Cost					
Balance at 1 July 2021	5	166	6,473	200	6,844
Additions	-	-	3,824	-	3,824
Balance at 30 June 2022	5	166	10,297	200	10,668
Accumulated amortisation					
Balance at 1 July 2021	5	166	-	51	222
Amortisation for the financial year	-	-	-	39	39
Balance at 30 June 2022	5	166	-	90	261
Net carrying amount					
Balance at 30 June 2022	-	-	10,297	110	10,407
Remaining useful life at end of financial year	-	-	Indefinite	2.8 years	



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5. INTANGIBLE ASSETS (CONTINUED)

	Company	
	2023 \$'000	2022 \$'000
Trademark		
Cost		
Balance at beginning and end of financial year	200	200
Accumulated amortisation		
Balance at beginning of financial year	90	51
Amortisation for the financial year	39	39
Balance at end of financial year	129	90
Net carrying amount		
Balance at end of financial year	71	110
Remaining useful life at end of financial year	1.8 years	2.8 years

Amortisation expense was included in "depreciation and amortisation expenses" line item of profit or loss.

Goodwill arising from the business combinations was related to acquisition of subsidiaries and businesses, of which, each subsidiary or business is an individual cash-generating unit ("CGU") that are expected to benefit from the business combinations. The carrying amount of goodwill had been allocated as follows:

	Group	
	2023 \$'000	2022 \$'000
Name of subsidiaries		
Lian Clinic Pte. Ltd. ("LCPL")	3,295	3,295
HMC Medical Pte. Ltd. ("HMC")	1,422	1,422
AE Medical Sengkang Pte. Ltd. ("AESK")	644	644
AE Medical Fernvale Pte. Ltd. ("AEF")	642	642
CS Yoong Anaesthesiology and Pain Services Pte. Ltd. ("CSY")	250	250
GM Medical Paincare Pte. Ltd. ("GMMP")	220	220
Medihealth Clinic Pte. Ltd. ("MHC")	560	560
Centre for Screening and Surgery Pte. Ltd. ("CSS")	3,264	3,264
PTL Spine & Orthopaedics Private Limited ("PTL")	3,121	-
	13,418	10,297



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

5. INTANGIBLE ASSETS (CONTINUED)

Impairment test for goodwill

As at 30 June 2023, the recoverable amount of each CGU has been determined based on value-in-use calculations using management-approved discounted cash flow projections covering a period of 5 years. Management assessed 5 years cash flows and projection to terminal year for the financial forecast of the CGU is appropriate considering management's plan for its business plan in the near future.

Key assumptions used for value-in-use calculations:

	Average revenue growth rates		Average gross margin		Discount rate	
	2023	2022	2023	2022	2023	2022
LCPL	5%	5%	75%	75%	12%	12%
HMC	3%	5%	78%	78%	12%	12%
AESK	5%	10%	65%	65%	12%	12%
AEF	6%	15%	75%	75%	12%	12%
CSY	6%	7%	85%	85%	12%	12%
GMMP	4%	5%	75%	75%	12%	12%
MHC	8%	8%	85%	85%	12%	12%
CSS	5%	10%	90%	90%	12%	12%
PTL	11%	-	80%	-	12%	-

Terminal growth of 2.0% (2022: 1.0%) was applied to all CGUs in the cash flows projection to terminal year.

Average revenue growth rates and average gross margin – The forecasted average revenue growth rates and average gross margin are based on management's expectations for each CGU from historical trends as well as average growth rates of the industry.

Discount rate - Management estimates discount rate that reflect current market assessments of the time value of money and the risks specific to the CGUs.

With regards to the assessment of value-in-use for goodwill, management believes no reasonably possible changes in any key assumptions would cause the carrying value of the respective CGUs to materially exceed its recoverable amounts.

As at the end of the reporting period, the recoverable amount of the CGU was determined to be higher than its carrying amount and thus, no impairment loss was recognised.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity shares, at cost	18,663	15,541
Deemed investment arising from advances to subsidiaries	871	-
Deemed investment arising from discount on non-current receivables from a subsidiary (Note 9)	75	-
	<u>19,609</u>	<u>15,541</u>

Movement in unquoted equity shares, at cost was as follows:

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity shares, at cost		
Balance at beginning of financial year	15,541	12,277
Additions	3,122	3,264
Balance at end of financial year	<u>18,663</u>	<u>15,541</u>

The deemed investment arising from advances to subsidiaries of \$871,000, which are unsecured and interest-free, form part of the Company's net investments in subsidiaries as the settlement of these balances are not likely to occur in near future. The currency profile of the non-trade amount due from subsidiaries as at the end of the reporting period is Singapore dollar.

The Company has taken into account information that it has available internally about these subsidiaries' past, current and expected operating performance and cash flow position. The Company monitors and assesses at each reporting date for any indicator of significant increase in credit risk on the amounts due from the respective subsidiaries, by considering their financial performance and results. At the end of the reporting period, the Company has assessed its subsidiaries' financial performance to meet the contractual cash flow obligation and is of the view that no expected credit loss allowance is required for non-trade amounts due from subsidiaries. Amounts due from subsidiaries are considered to be low credit risk and subject to immaterial credit loss. Credit risk for these assets has not increased significantly since their initial recognition.

The deemed investment arising from discounting of non-current receivables from a subsidiary is representing the difference between the advances provided and the fair value of the non-current receivables which determined using market borrowing rate of 6.22%.

As at the end of the reporting period, the Company carried out a review of the recoverable amount of its investment in subsidiaries, as a result of indicators of impairment based on the existing performance of certain subsidiaries during the financial year. The estimates of the recoverable amounts are determined based on value-in-use calculations. The key assumptions used in measuring value-in-use included average revenue growth rates from 11% to 26% (2022: 5% to 15%), average gross margin of 80% to 96% (2022: 65% to 90%) and discount rate of 12% (2022: 12%). Arising from the assessment, no impairment loss was recognised on the investments in subsidiaries during the financial year.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries held by the Company are as follows:

Name of company	Principal place of business	Principal activities	Proportion of ownership interest held by the Company		Proportion of ownership interest held by the non-controlling interests	
			2023	2022	2023	2022
			%	%	%	%
Paincare Center Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	100	100	-	-
Singapore Paincare Center @Novena Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	100	100	-	-
AE Medical Sengkang Private Limited ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	100	100	-	-
AE Medical Fernvale Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	100	100	-	-
HMC Medical Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	100	100	-	-
Lian Clinic Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	100	100	-	-
GM Medical Paincare Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	51	51	49	49
Ready Fit Physiotherapy Private Limited ⁽¹⁾	Singapore	Provision of physiotherapy services	51	51	49	49
CS Yoong Anaesthesiology and Pain Services Pte. Ltd. ⁽¹⁾	Singapore	Providing anaesthesia services and paincare management services	100	100	-	-
Singapore Paincare Wellness Pte. Ltd. ⁽¹⁾	Singapore	Dormant	100	100	-	-
Health Network Asia Pte. Ltd. ⁽¹⁾	Singapore	Management consultancy services for healthcare organisations	100	100	-	-
Medihealth Clinic Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	60	60	40	40



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries held by the Company are as follows: (Continued)

Name of company	Principal place of business	Principal activities	Proportion of ownership interest held by the Company		Proportion of ownership interest held by the non-controlling interests	
			2023	2022	2023	2022
			%	%	%	%
Kovan Medical and Paincare Clinic Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	60	60	40	40
Singapore Paincare TCM Wellness Pte. Ltd. ⁽¹⁾	Singapore	Operation of clinics and other general medical services (Non-Western)	100	100	-	-
Tampines Medical and Paincare Clinic Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	100	100	-	-
Center for Screening and Surgery Pte. Ltd. ⁽¹⁾	Singapore	Specialised medical services (including day surgical centres)	51	51	49	49
Dermatology & Laser Specialist Clinic Pte. Ltd. ⁽¹⁾	Singapore	Specialised Medical Services	51	-	49	-
Hougang Medical and Paincare Clinic Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	55	-	45	-
East Coast Medical and Paincare Clinic Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	55	-	45	-
PTL Spine & Orthopaedics Private Limited ⁽¹⁾	Singapore	Specialised medical services (including day surgical centres)	100	-	-	-

(1) Audited by BDO LLP, Singapore



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Incorporation of subsidiaries

On 1 November 2021, the Company incorporated a wholly-owned subsidiary, Singapore Paincare TCM Wellness Pte. Ltd., a company incorporated in Singapore with a cash consideration of \$100.

On 9 December 2021, the Company incorporated a wholly-owned subsidiary, Tampines Medical and Paincare Clinic Pte. Ltd., a company incorporated in Singapore with a cash consideration of \$100.

On 13 December 2022, the Company and a third party incorporated a subsidiary, Dermatology & Laser Specialist Clinic Pte. Ltd. ("DLSC"), a company incorporated in Singapore and the Company subscribed for 51 ordinary shares at \$1 each, which represented an equity interest of 51%.

On 18 January 2023, the Company incorporated a wholly-owned subsidiary, Hougang Medical and Paincare Clinic Pte. Ltd. ("HMPC"), a company incorporated in Singapore with a cash consideration of \$100. Subsequently on 8 June 2023, the Company disposed its 45% equity interest to a third party for cash consideration of \$45.

On 30 January 2023, the Company incorporated a wholly-owned subsidiary, Singapore Paincare Capital Pte. Ltd. ("SPCC"), a company incorporated in Singapore with a cash consideration of \$100. Subsequently on 5 June 2023, the Company disposed its 49% equity interest in SPCC to two third parties. The Company lost its control over SPCC upon entering into shareholders' agreement with the two third parties on 6 June 2023 and reclassified to investment in joint venture.

On 24 February 2023, the Company and a third party incorporated a subsidiary, East Coast Medical and Paincare Pte. Ltd. ("ECMP"), a company incorporated in Singapore and the Company subscribed for 55 ordinary shares at \$1 each, which represented an equity interest of 55%.

Acquisition of subsidiaries and business

On 1 July 2021, MHC, a 60%-owned subsidiary of the Company entered into a sale and purchase agreement to acquire the business and assets in respect of Medihealth Bishan Clinic & Surgery ("Medihealth") for a total cash consideration of approximately \$584,000.

On 28 February 2022, the Company acquired 51% equity interest in CSS for a cash consideration of approximately \$3,264,000.

On 14 March 2023, the Company entered into a sale and purchase agreement to acquire the entire equity interest of PTL for a cash consideration of approximately \$3,122,000.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Acquisition of subsidiaries and business (Continued)

The fair values of the identifiable assets and liabilities of PTL as at the date of acquisition during the current financial year were:

	PTL \$'000
2023	
Plant and equipment	381
Inventories	7
Trade and other receivables	60
Prepayments	44
Cash and bank balances	144
Total assets	<u>636</u>
Trade and other payables	257
Income tax payable	14
Lease liabilities	364
Total liabilities	<u>635</u>
Net identifiable assets at fair value	1
Fair value of consideration paid	
- cash consideration	<u>3,122</u>
Goodwill arising from acquisition	<u>3,121</u>

Trade and other receivables acquired comprise gross trade and other receivables amounting to approximately \$60,000 (2022: \$230,000) which approximates fair value. It is expected that full contractual amount of receivables can be collected.

Goodwill of approximately \$3,121,000 (2022: \$3,824,000) arising from the acquisition is attributable to expected synergies that can be achieved in integrating these subsidiaries into the Group's existing business such as expanding the Group's presence in Singapore and tapping on the subsidiaries' workforce expertise and these are also the primary reasons for the acquisitions. These intangibles identified are subsumed into goodwill as they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not deductible for tax purposes.

From the date of acquisition, PTL has contributed approximately \$394,000 to the Group's revenue and incurred loss of approximately \$41,000 for the financial year ended 30 June 2023. If the combination of the entities had taken place at the beginning of the financial year, the Group's revenue for the financial year ended 30 June 2023 would have been approximately \$22,950,000 and profit before income tax would have been approximately \$1,290,000.

The effect of acquisition of subsidiaries and business on the consolidated statement of cash flows was as follows:

	2023 \$'000	2022 \$'000
Total purchase consideration	3,122	3,848
Less: Deposit paid in previous financial year	-	(58)
Less: Cash and cash equivalents of subsidiaries and business acquired	(144)	(106)
Net cash outflow from acquisitions	<u>2,978</u>	<u>3,684</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Transactions with non-controlling interests

Disposal of interest in a subsidiary without loss of control

On 8 June 2023, the Company disposed of its 45% equity interest in HMPC for a cash consideration of \$45 to a third party. The changes in the ownership interest of HMPC had no effect on the equity attributable to owners of the parent during the financial year as the consideration received from non-controlling interests of \$45 is equivalent to the carrying amount of non-controlling interests disposed of.

Disposal of interest in a subsidiary with loss of control

On 5 June 2023, the Company disposed of a 49% equity interest in SPCC for a cash consideration of \$49 to two third parties. On 6 June 2023, the Group and the Company entered into shareholders' agreement with shareholders of SPCC to have joint control over the participation in the financial and operating policy decisions (Note 7). Subsequently, the investment in SPCC was reclassified from investment in subsidiary to investment in joint venture. The disposal had no effect on the consolidated statement of cash flows as the consideration received of \$49 is equivalent to the share of cash and cash equivalents of subsidiary which the control is lost.

Non-controlling interests

Kovan Medical and Paincare Clinic Pte. Ltd. ("KMMP"), a 60% owned subsidiary of the Company, and CSS, a 51% owned subsidiary of the Company, have material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the Group are considered to be immaterial.

Summarised financial information in relation to KMMP and CSS, before intra-group eliminations, is presented below together with amounts attributed to NCI:

	KMMP \$'000	CSS \$'000
2023		
Assets and liabilities		
Current assets	893	1,183
Non-current assets	430	187
Current liabilities	564	1,176
Non-current liabilities	304	121
Net assets	455	73
Accumulated non-controlling interests	182	36
Income and expenses		
Revenue	1,753	2,429
Total comprehensive income	597	954
Profit allocated to NCI	239	467
Total comprehensive income allocated to NCI	239	467
Dividends paid to NCI	140	539

In previous financial year, the NCI of all subsidiaries that are not 100% owned by the Group are considered to be immaterial.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

7. INVESTMENT IN JOINT VENTURE

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Unquoted equity investments, at cost	*	–	*	–
Deemed investment arising from advances to joint venture	4,080	–	4,080	–
Share of post-acquisition results of joint venture	(33)	–	–	–
	4,047	–	4,080	–

* Amount is less than \$1,000

At the end of reporting period, the details of the joint venture are as follows:

Name of company	Principal place of business	Principal activities	Effective equity interest	
			2023 %	2022 %
Singapore Paincare Capital Pte. Ltd. ⁽¹⁾	Singapore	Investment holding	51	–

(1) Audited by BDO LLP, Singapore

On 30 January 2023, the Group and the Company incorporated SPCC as a wholly owned subsidiary with cash consideration of \$100. Subsequently on 5 June 2023, the Company disposed of its 49% equity interest in SPCC to two third parties. On 6 June 2023, the Group and the Company entered into shareholders' agreement with shareholders of SPCC to have joint control over the participation in the financial and operating policy decisions of SPCC.

SPCC was incorporated as an investment holding company to hold unquoted 2,777,778 Series A+ preferred shares of PuXiang Healthcare Holding Limited ("PUXH"), a company incorporated in Cayman Islands. PUXH is a holding company and through its subsidiaries operates community hospitals in China.

The non-trade amount due from joint venture of \$4,080,000 which is unsecured and interest-free forms part of the Group's and the Company's net investment in joint venture as the settlement of the interest-free loan is not likely occur in near future.

As at 30 June 2023, management determined there is no significant increase in credit risk on amount due from joint venture since initial recognition hence, the receivable is measured at 12-month expected credit loss model and subject to immaterial credit loss.

The currency profile of the non-trade amount due from joint venture as at the end of the reporting period is Singapore dollar.

The financial year end of SPCC is 30 June.

The joint venture had no contingent liabilities and capital commitments as at the end of the reporting period.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

7. INVESTMENT IN JOINT VENTURE (CONTINUED)

Summarised financial information of joint venture

The summarised financial information below reflects the amounts presented in the financial statements of joint venture (and not the Group's share of those amounts), is as follows:

	2023
	\$'000
Assets and liabilities	
Current assets	429
Non-current assets	7,596
Current liabilities	90
Non-current liabilities	8,000
Net liabilities	<u>(65)</u>
The above amounts of assets and liabilities include the following:	
Cash and bank balances	429
Financial asset at fair value through other comprehensive income ("FVOCI")	<u>7,596</u>
Income and expenses	
Revenue	-
Total comprehensive income	<u>(65)</u>
Dividend received	<u>-</u>

The fair value of the financial asset at FVOCI held by the joint venture is approximate to its cost and is considered as level 3 fair value measurement.

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented, to the carrying amount of the Group's interest in joint venture, is as follows:

	2023
	\$'000
Net liabilities	(65)
Proportion of Group's ownership	<u>51%</u>
Group's share of interest in joint venture	(33)
Add: Deemed investment arising from advances to joint venture	<u>4,080</u>
Net carrying amount	<u>4,047</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Unquoted equity investments, at cost	2,126	2,126	2,126	2,126
Allowance for impairment loss	(1,843)	(1,112)	(1,806)	(885)
Share of post-acquisition results of associates, net of dividends	113	225	-	-
	<u>396</u>	<u>1,239</u>	<u>320</u>	<u>1,241</u>

Movement in allowance for impairment loss was as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Balance at beginning of financial year	1,112	-	885	-
Impairment loss during the financial year	731	1,112	921	885
Balance at end of financial year	<u>1,843</u>	<u>1,112</u>	<u>1,806</u>	<u>885</u>

At the end of the reporting period, the Group and the Company carried out a review of the recoverable amount of the carrying values of Sen Med Holdings Pte. Ltd. and its subsidiaries ("SMH"), as a result of indicators of impairment during the financial year. The estimates of the recoverable amounts are determined based on value-in-use calculations. The key assumptions used in measuring value-in-use included revenue growth rates from -68% to 25% (2022: -18% to 47%), average gross margin of 75% to 80% (2022: 67% to 96%) and discount rate of 12% (2022: 14%). Arising from the assessment, an allowance for impairment loss of approximately \$731,000 (2022: \$1,112,000) and \$921,000 (2022: \$885,000) was recognised on the Group's and the Company's investments in associates respectively during the financial year.

At the end of the reporting period, the details of the associates are as follows:

Name of company	Principal place of business	Principal activities	Effective equity interest	
			2023 %	2022 %
Sen Med Holdings Pte. Ltd. ⁽¹⁾	Singapore	Investment holding	45	45
KCS Anaesthesia Services Pte. Ltd. ⁽²⁾	Singapore	Specialised medical services (anaesthesia service and paincare management)	40	40
<i>Held by Sen Med Holdings Pte. Ltd.</i>				
The Family Clinic @ Towner Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	45	45
X-Ray + Medical Screening Pte. Ltd. ⁽¹⁾	Singapore	Provision of medical diagnostic imaging centres	45	45
Express Medical Pte. Ltd. ⁽¹⁾	Singapore	Operation of medical clinic and the provision of medical services	45	45

(1) Equity accounted based on the management's financial statements aligned to the Group's financial year

(2) Audited by BDO LLP, Singapore



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

The principal activities of these associates are in line with the Group's strategy to grow in the medical related business.

The financial year end of SMH is 31 March. For the purposes of applying the equity method of accounting, a realignment of financial statements from 31 March 2023 to 30 June 2023 was prepared by the management of SMH. The financial year end of KCS Anaesthesia Services Pte. Ltd. ("KCS") is 30 June.

Both associates had no contingent liabilities and capital commitments as at the end of the reporting period.

Summarised financial information of associates

The summarised financial information below reflects the amounts presented in the financial statements of associates (and not the Group's share of those amounts), is as follows:

	KCS \$'000	SMH \$'000
2023		
Assets and liabilities		
Current assets	620	289
Non-current assets	-	158
Current liabilities	350	151
Non-current liabilities	-	108
Net assets	270	188
Income and expenses		
Revenue	1,546	802
Total comprehensive income	793	(411)
Dividend received	327	-
2022		
Assets and liabilities		
Current assets	710	827
Non-current assets	-	395
Current liabilities	632	494
Non-current liabilities	-	119
Net assets	78	609
Income and expenses		
Revenue	1,314	1,945
Total comprehensive income	671	259
Dividend received	280	-



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented, to the carrying amount of the Group's interest in associates, is as follows:

	KCS \$'000	SMH \$'000	Total \$'000
2023			
Net assets	270	188	
Proportion of Group's ownership	40%	45%	
Group's share of interest in associate	108	85	193
Add: Goodwill	288	1,758	2,046
Less: Allowance for impairment loss	-	(1,843)	(1,843)
Net carrying amount	<u>396</u>	<u>-</u>	<u>396</u>
2022			
Net assets	78	609	
Proportion of Group's ownership	40%	45%	
Group's share of interest in associate	31	274	305
Add: Goodwill	288	1,758	2,046
Less: Allowance for impairment loss	-	(1,112)	(1,112)
Net carrying amount	<u>319</u>	<u>920</u>	<u>1,239</u>

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current				
Other receivables				
- subsidiaries	-	-	1,492	1,276
Lease receivables	-	22	623	789
	<u>-</u>	<u>22</u>	<u>2,115</u>	<u>2,065</u>
Current				
Trade receivables				
- third parties	2,413	1,861	-	-
Less: Loss allowance on doubtful receivables	(229)	(64)	-	-
	<u>2,184</u>	<u>1,797</u>	<u>-</u>	<u>-</u>
Other receivables				
- third parties	23	7	18	-
- subsidiaries	-	-	2,016	3,504
- joint venture	29	-	29	-
- associates	80	167	80	167
Grant receivables	-	113	-	113
Deposits	316	595	89	107
Lease receivables	22	29	166	154
	<u>2,654</u>	<u>2,708</u>	<u>2,398</u>	<u>4,045</u>
Total	<u>2,654</u>	<u>2,730</u>	<u>4,513</u>	<u>6,110</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Lease receivables relate to sublease of clinic premises which were classified as finance lease as disclosed in Note 2.19 to the financial statements.

Trade receivables are generally on 30 to 90 (2022: 30 to 90) days credit terms.

The current deposits mainly relate to refundable deposits placed for the leasing of premises which are capitalised as right-of-use assets.

The non-trade amounts due from subsidiaries, joint venture and associates are unsecured, non-interest bearing and repayable on demand, except for an amount due from a subsidiary amounting to \$360,000 (2022: \$477,000) which is unsecured, bears interest of 2.5% (2022: 2.5%) per annum and is repayable over 60 (2022: 60) monthly instalments comprising principal and interest.

The non-current amounts due from subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable after 12 months subsequent to the reporting date and are expected to be settled in cash, except for an amount due from a subsidiary amounting to \$243,000 (2022: \$360,000) which is unsecured, bears interest of 2.5% (2022: 2.5%) per annum, repayable monthly after 12 months subsequent to the report date and are expected to be settled in cash. The fair value of the non-current amounts due from subsidiaries is within Level 3 of the fair value hierarchy. The management estimates the fair value of this non-current amounts due from subsidiaries using the market borrowing rate at 6.22% (2022: 2%) per annum at the end of the reporting period. The fair value of the non-current amounts due from subsidiaries amounted to approximately \$1,322,000 (2022: \$1,226,000).

The grant receivables were related to Jobs Growth Incentive and Enterprise Development Grant announced by the Singapore Government to provide wage support to employers to expand local hiring from September 2020 to March 2022 and business expansion respectively.

Finance lease receivables

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Amount receivable under finance leases				
Within one financial year	22	30	22	29
After one financial year but within five financial years	–	22	–	22
	22	52	22	51
Less: Unearned finance income	–	(1)	–	–
Present value of minimum lease payments receivables	22	51	22	51

	Company			
	Minimum lease payments		Present value of minimum lease payments	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Amount receivable under finance leases				
Within one financial year	182	173	166	154
After one financial year but within five financial years	647	829	623	789
	829	1,002	789	943
Less: Unearned finance income	(40)	(59)	–	–
Present value of minimum lease payments receivables	789	943	789	943



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Finance lease receivables (Continued)

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Presented in statements of financial position				
- Current	22	29	166	154
- Non-current	-	22	623	789
	<u>22</u>	<u>51</u>	<u>789</u>	<u>943</u>

The Company enters into finance lease arrangements, for terms of 2 to 6 years (2022: 2 to 6 years) with its subsidiaries, for certain of its clinic premises at terms agreed between the parties. All finance leases are denominated in Singapore dollar.

The Company's finance lease receivables pertain to lease receivables due from a subsidiary at terms agreed between the parties.

Loss allowance for receivables

Non-trade receivables from subsidiaries, joint venture and associates

The Group and the Company have taken into account information that they have available internally about these subsidiaries', joint venture's and associates' past, current and expected operating performance and cash flow position. The Group and the Company monitor and assess at each reporting date for any indicator of significant increase in credit risk on the amounts due from the respective subsidiaries, joint venture and associates, by considering their financial performance and results. At the end of the reporting period, the Group and the Company have assessed their subsidiaries', joint venture's and associates' financial performance to meet the contractual cash flow obligation and is of the view that no expected credit loss allowance is required for non-trade amounts due from subsidiaries, joint venture and associates. Amounts due from subsidiaries, joint venture and associates are considered to be low credit risk and subject to immaterial credit loss. Credit risk for these assets has not increased significantly since their initial recognition.

Trade receivables

The Group determined, by reference to past default experience and expected credit losses ("ECL"), which incorporate forward looking estimates. In calculating the ECL rates, the Group considers historical loss rates for each aging bracket of customers and adjust for forward looking macroeconomic data that may affect the ability of the debtors to settle receivables.

However, the management has made specific provision for impairment loss of approximately \$229,000 and \$64,000 for the financial years ended 30 June 2023 and 30 June 2022 respectively on individually impaired receivables after the assessment of the recoverability and extended credit terms being given.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

Loss allowance for receivables (Continued)

Trade receivables (Continued)

At the end of the reporting period, the analysis of trade receivables and the carrying amount of allowances for impairment loss are as follows:

	ECL Weightage	Gross carrying amount \$'000	Loss allowance on receivables \$'000	Net carrying amount \$'000
Group				
2023				
Other customers collectively assessed				
Not past due	0%	1,759	-	1,759
Past due less than 1 month	0%	283	-	283
Past due 1 to 2 months	0%	51	-	51
Past due 2 to 3 months	0%	51	-	51
Past due over 3 months	0%	40	-	40
		2,184	-	2,184
Credit impaired customers		229	(229)	-
		2,413	(229)	2,184
2022				
Other customers collectively assessed				
Not past due	0%	1,493	-	1,493
Past due less than 1 month	0%	148	-	148
Past due 1 to 2 months	0%	20	-	20
Past due 2 to 3 months	0%	22	-	22
Past due over 3 months	0%	114	-	114
		1,797	-	1,797
Credit impaired customers		64	(64)	-
		1,861	(64)	1,797

Movements in the loss allowance on receivables were as follows:

	Group	
	2023 \$'000	2022 \$'000
<i>Credit impaired customers</i>		
Balance at beginning of financial year	64	75
Allowance made during the financial year	165	-
Write-back of allowance during the financial year	-	(11)
Balance at end of financial year	229	64

The currency profile of trade and other receivables as at the end of the reporting period is Singapore dollar.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

10. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group and Company	
	2023	2022
	\$'000	\$'000
Non-current assets		
Call options and put options	474	2,508

	Group and Company			
	Derivative financial assets		Derivative financial liabilities	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<i>Call and put options</i>				
Balance at beginning of financial year	2,508	1,878	-	(2)
Fair value (loss)/gain on re-measurement	(2,034)	630	-	2
Balance at end of financial year	474	2,508	-	-

Call options and put options

Call option and put options of KCS

- (i) The Company is granted with call option where the Company has the right to purchase 60% equity interest in KCS from the vendor based on eight times of average earnings per share based on the audited financial statements of KCS for the financial years from 2021 to 2023, during the period between 28 February 2023 to 28 May 2023. The Company did not exercise the call option within the exercisable period, resulting in a fair value loss of \$2,158,000 arising from derecognition of the call option.
- (ii) The Company is granted with put option where the Company has the right to sell the equity interest of KCS to the vendor at a sum of certain percentage of the purchase consideration paid, should KCS fail to meet its profit target. Profit target is agreed at the aggregate net operating profit after tax of KCS for profit target period from 1 March 2020 to 28 February 2023. The Company did not obtain the profit statement for the profit target period before the agreed date, resulting in a fair value loss of \$68,000 arising from derecognition of put option.
- (iii) The Company has the right to sell to the vendor its 40% equity interest in KCS should the vendor terminate his employment contract.

Call options and put option of GMMP

- (i) The Company is granted with option, where the Company has the right to purchase 49% equity interest in GMMP from the non-controlling interest from the period commencing thirty-six months after the completion of Sale and Purchase Agreement ("SPA") of C.M.C Binjai's acquisition, for thirty-six months. The exercise price is based on (a) number of call option shares multiplied by \$200,000 over total number of shares issued as at call option notice if net operating profit is less than \$200,000 or (b) 5 times of average earnings per share based on the latest audited financial statements of GMMP if latest audited net operating profit more than \$200,000. The fair value changes recognised during the year amounted to \$192,000.
- (ii) The Company is granted with put option, where the Company has the right to sell the Company's 51% equity interest in GMMP to the vendor from the period commencing thirty-six months after the completion of SPA of C.M.C Binjai's acquisition, for thirty-six months.
- (iii) The non-controlling interest is granted with a call option where the non-controlling interest has the right to purchase its 51% equity interest in GMMP from the Company should the Company fail to exercise the call option as described in point (i).



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

10. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (CONTINUED)

Call options and put options (Continued)

Call options of DLSC

- (i) The non-controlling interest is granted with a call option where the non-controlling interest has the right to purchase the Company's 51% equity interest in DLSC from the Company within ten business days from the earlier of (a) period commencing three years from 17 May 2023 or (b) upon the cessation of the non-controlling interest's employment contract. The exercise price is based on higher of (a) eight times of earnings per share based on the most recent financial statements of DLSC or (b) the sum of the subscription price paid for the shares and all outstanding amounts owing by DLSC to the Company, including any interest that is payable as at the date of exercise.
- (ii) The Company is granted with a call option, where the Company has the right to purchase 49% equity interest in DLSC from the non-controlling interest within ten business days from the date of expiry of call options granted to the non-controlling interest should the non-controlling interest fail to exercise the call option as described in point (i).

As at the end of the reporting period, the fair value of the above option has been remeasured using the Monte Carlo Simulation model (2022: Monte Carlo Simulation model) and are considered as level 3 recurring fair value measurements as disclosed in Note 35.5 to the financial statements.

11. INVENTORIES

	Group	
	2023	2022
	\$'000	\$'000
Medicine supplies	1,277	1,023

The cost of inventories recognised as an expense which amounted to \$3,456,000 (2022: \$2,798,000) for the financial year ended 30 June 2023 are included in "inventories and consumables used and changes in inventories" line items in profit and loss.

12. PREPAYMENTS

Prepayments mainly comprises advance payment for payroll costs, vouchers for purchase of medicine supplies and purchase of medical equipment.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

13. CASH AND BANK BALANCES

The currency profile of cash and bank balances of the Group and the Company as at the end of the reporting period is Singapore dollar.

14. SHARE CAPITAL

	Group and Company	
	2023	2022
	\$'000	\$'000
Issued and fully-paid		
179,623,416 ordinary shares at beginning and end of financial year	25,684	25,684

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

15. TREASURY SHARES

	Group and Company			
	2023	2022	2023	2022
	Number of ordinary shares ('000)		\$'000	\$'000
Balance at beginning of financial year	-	-	-	-
Repurchased during the financial year	8,617	-	1,731	-
Balance at end of financial year	8,617	-	1,731	-

During the financial year, the Company acquired 8,617,000 (2022: Nil) of its own shares through purchases in the open market. The total amount paid to repurchase the shares was approximately \$1,731,000 (2022: \$Nil) and has been presented as a component within shareholders' equity.

16. MERGER RESERVE

Merger reserve represents the difference between the consideration paid and the issued and fully paid share capital of subsidiaries acquired under common control that are accounted for by applying the "pooling-of-interest" method.

17. OTHER RESERVES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Equity component of redeemable convertible loan ("RCL")	177	177	177	177
Other reserve	-	-	235	235
	177	177	412	412



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

17. OTHER RESERVES (CONTINUED)

Equity component of RCL

The amount of \$177,000 relates to the equity portion of the RCL issued to vendors for issuance of fixed number of the Company's ordinary shares of 20,454,542 in previous financial years.

Other reserve

Other reserve of the Company represents the gain arising from the transfer of the financial asset at FVTPL between the Company and its subsidiary amounted to approximately \$235,000 was recognised as other reserve in previous financial years as it is considered as a transaction with owner.

18. RETAINED EARNINGS

Movements in retained earnings of the Company were as follows:

	Company	
	2023 \$'000	2022 \$'000
Balance at beginning of financial year	2,919	1,638
Total comprehensive income for the financial year	1,037	2,628
Dividends	(2,155)	(1,347)
Balance at end of financial year	1,801	2,919

19. BANK BORROWINGS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current				
Temporary bridging loan I	61	29	-	-
Temporary bridging loan II	1,992	696	1,992	696
Revolving credit facility	2,000	-	2,000	-
Term loan I	1,320	-	1,320	-
	5,373	725	5,312	696
Non-current				
Temporary bridging loan I	94	184	-	-
Temporary bridging loan II	-	1,992	-	1,992
Term loan I	680	-	680	-
	774	2,176	680	1,992
	6,147	2,901	5,992	2,688
Effective interest rate per annum				
Bank borrowings	2 - 6.24%	2 - 2.5%	2 - 6.24%	2%



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

19. BANK BORROWINGS (CONTINUED)

Temporary bridging loan I

Temporary bridging loan I is repayable over 60 monthly instalments comprising principal and interest. It is supported by deed of guarantee provided by the Company and a non-controlling interest.

Temporary bridging loan II

Temporary bridging loan II is repayable over 60 monthly instalments comprising principal and interest. It is supported by deed of guarantee provided by the certain subsidiaries of the Company. The temporary bridging loan II is subject to financial covenants imposed by the bank.

Revolving credit facility

Revolving credit facility bears effective interest rates of 6.24% (2022: Nil%) per annum during the financial year and with maximum tenor of 6 months from drawn down date. It is supported by deed of guarantee provided by the certain subsidiaries of the Company. The revolving credit facility is subject to financial covenants imposed by the bank.

Term loan I

Term loan I is repayable over 18 monthly instalments comprising principal and interest. It is supported by deed of guarantee provided by the certain subsidiaries of the Company.

The carrying amount of the Group's and Company's non-current term loans approximate their fair values as the current lending rate for similar types of lending arrangement are not materially different from the rate obtained by the Group and the Company.

As at the end of the reporting period, the Group and the Company have banking facilities as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Banking facilities granted	7,800	3,800	7,500	3,500
Banking facilities utilised	7,800	3,800	7,500	3,500

The currency profile of bank borrowings as at the end of the reporting period is Singapore dollar.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

20. LEASE LIABILITIES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Presented in statements of financial position				
- Current	1,636	1,200	275	222
- Non-current	4,582	3,794	1,130	798
	6,218	4,994	1,405	1,020
Balance at beginning of financial year	4,994	2,033	1,020	101
Additions	2,141	3,247	685	1,045
Lease modification	77	503	-	-
Lease termination	(44)	-	(44)	-
Arising from acquisition of a subsidiary	364	137	-	-
Interest expense	148	79	36	15
Lease payments				
- Principal portion	(1,314)	(929)	(256)	(126)
- Interest portion	(148)	(76)	(36)	(15)
Balance at end of financial year	6,218	4,994	1,405	1,020

The maturity analysis of lease liabilities of the Group and the Company at the end of the reporting period are as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Contractual undiscounted cash flows				
- Within one financial year	1,801	1,312	309	242
- After one financial year but within five financial years	4,208	3,298	1,158	748
- After five financial years	696	755	31	90
	6,705	5,365	1,498	1,080
Less: Future interest expense	(487)	(371)	(93)	(60)
Present value of lease liabilities	6,218	4,994	1,405	1,020

As at 30 June 2023, the incremental borrowing rate applied in the lease range from 2.28% to 4.00% (2022: 2.28% to 3.28%).

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Rental of storage space of the Group and the Company qualify as low value assets and the Group also leases certain equipment on the short-term basis. The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operations whereas the low asset value lease exemption is made on lease-by-lease basis.

The Group had total cash outflows for leases of approximately \$1,470,000 (2022: \$1,010,000).

The currency profile of lease liabilities as at the end of the reporting period is Singapore dollar.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current				
Other payables				
- non-controlling interests	154	43	-	-
Current				
Trade payables				
- third parties	174	302	-	-
Goods and services tax ("GST") payable, net	237	216	21	33
Other payables				
- third parties	831	358	42	54
- non-controlling interests	915	392	-	-
- subsidiaries	-	-	119	99
Accrued expenses				
- employees	381	298	139	95
- directors of the Company	367	694	155	194
- directors of the subsidiaries	589	374	-	-
- others	599	352	218	126
	4,093	2,986	694	601
Total	4,247	3,029	694	601

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 60 days (2022: 30 to 60 days) credit terms.

The non-trade payables due to non-controlling interests and subsidiaries are unsecured, non-interest bearing and repayable on demand, except for a non-trade payable due to a non-controlling interest in previous financial year amounted to \$19,000 which was secured by a medical equipment with carrying amount of \$43,000 (Note 4), bear interest of 3.32% and was repayable monthly until January 2023.

The non-current amounts due to non-controlling interests of subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable after 12 months subsequent to the reporting date and are expected to be settled in cash. The fair value of the non-current amounts due to non-controlling interest of subsidiaries is within Level 3 of the fair value hierarchy. The management estimates the fair value of this non-current amounts due to non-controlling interests of subsidiaries using the market borrowing rate at 6.22% (2022: 2%) per annum at the end of the reporting period. The fair value of the non-current amounts due to non-controlling interests of the subsidiaries are amounted to approximately \$136,000 (2022: \$41,000).

The accrued expenses mainly relate to provision of bonus and other remuneration for the directors of the Company, directors of the subsidiaries, employees of the Group and other accrued operating expenses. Included in the accrued expenses amounting to \$10,000 (2022: \$Nil) pertaining to provision for litigation claims as a result of dispute over renovation costs charged by a supplier.

The currency profile of trade and other payables as at the end of the reporting period is Singapore dollar.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

22. PROVISIONS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Provision for reinstatement cost				
Balance at beginning of financial year	52	30	-	-
Additions	55	22	20	-
Arising from acquisition of a subsidiary	21	-	-	-
Interest arising from unwinding of discount	1	-	1	-
Balance at end of financial year	129	52	21	-

The provision for reinstatement cost is the estimated cost of dismantlement, removal or restoration of plant and equipment arising from the acquisition or use of asset, which is capitalised and included in the cost of plant and equipment.

23. CONTRACT LIABILITIES

Contract liabilities primarily relate to the Group's obligation to perform service to the patients for which the Group has received consideration in advance, and are recognised as revenue when the Group performs the services.

Changes in contract liabilities are as follows:

	Group	
	2023 \$'000	2022 \$'000
Balance at beginning of financial year	93	28
Amount recognised as revenue	(66)	(4)
Cash received in advance of performance and not recognised as revenue	99	69
Balance at end of financial year	126	93

The contract liabilities of the Group are provision of medical services within the next 12 months, hence, the allocation of aggregate transaction price to the remaining performance obligations and explanation on when the Group expects the revenue to be recognised are not disclosed.

24. REVENUE

	Group	
	2023 \$'000	2022 \$'000
Revenue from contracts with customers, recognised at point in time	22,081	18,837

The Group principally generates revenue from operations of medical clinics and other general medical services including providing consultation and clinical treatments, laboratory test and medicines.

The revenue of the Group are all generated within Singapore.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

25. OTHER INCOME

	Group	
	2023 \$'000	2022 \$'000
Government grants	240	265
Sponsorship income	1	22
Interest income	2	1
Chronic disease consultation incentive	47	41
Rental concession received	-	50
Rental income	23	-
Fair value gain on derivative financial instruments	-	632
Others	30	24
	343	1,035

26. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023 \$'000	2022 \$'000
Directors' fee	76	74
Salaries, bonuses and other short-term benefits	9,004	6,683
Employer's contributions to defined contribution plans	672	470
	9,752	7,227

Included in the employee benefits expense were the remuneration of directors of the Company, directors of the subsidiaries and other key management personnel of the Group, as set out in Note 33 to the financial statements.

27. DEPRECIATION AND AMORTISATION EXPENSE

	Group	
	2023 \$'000	2022 \$'000
Depreciation of plant and equipment	319	141
Depreciation of right-of-use assets	1,360	969
Amortisation of intangible assets	39	39
	1,718	1,149



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

28. FINANCE COSTS

	Group	
	2023 \$'000	2022 \$'000
Bank borrowings	65	66
Interest arising from unwinding of the discount of provision of reinstatement cost	1	-
Lease interest expense	148	79
Interest paid to non-controlling interests	-	1
	214	146

29. PROFIT BEFORE INCOME TAX

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2023 \$'000	2022 \$'000
<i>Other expenses</i>		
Audit fee		
- auditors of the Company	198	151
Non-audit fee		
- auditors of the Company	-	3
Administrative charges	496	306
Consultancy fees	131	188
Marketing fees	167	135
Fair value loss on derivative financial instruments	2,034	-
GST expenses	81	74
Entertainment expenses	42	41
Credit card charges	70	52
Information technology expenses	95	76
Impairment loss on investments in an associate	731	1,112
Locum fee	317	274
Advertising and promotion expenses	30	50
Printing and stationery	61	43
Professional fees	504	385
Low value asset expensed off	120	89
Subscription fees	54	32
Loss on lease modification	-	10
Short term leases expenses	1	4
Low value leases expenses	7	1



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

30. INCOME TAX EXPENSE

	Group	
	2023	2022
	\$'000	\$'000
Current income tax		
- current financial year	973	882
- under provision in prior financial years	36	1
Total income tax expense recognised in profit or loss	1,009	883

Reconciliation of effective income tax rate

	Group	
	2023	2022
	\$'000	\$'000
Profit before income tax	1,255	5,209
Share of results of joint venture, net of tax	33	-
Share of results of associates, net of tax	(128)	(403)
	1,160	4,806
Income tax calculated at Singapore's statutory income tax rate of 17% (2022: 17%)	197	817
Tax effect of income not subject to tax	(10)	(129)
Tax effect of non-deductible expenses for income tax purposes	499	105
Tax effect of tax-exempt income	(200)	(186)
Tax losses not able to carry forward	236	218
Deferred tax asset not recognised	229	57
Utilisation of unrecognised deferred tax asset	-	(25)
Under provision of current income tax in prior financial years	36	1
Others	22	25
	1,009	883

Unrecognised deferred tax assets

	Group	
	2023	2022
	\$'000	\$'000
Balance at beginning of financial year	57	25
Addition during the financial year	229	57
Utilisation during the financial year	-	(25)
Balance at end of financial year	286	57



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

30. INCOME TAX EXPENSE (CONTINUED)

Unrecognised deferred tax assets (Continued)

Unrecognised deferred tax assets are attributable to the following temporary differences computed at statutory income tax rate of 17% (2022: 17%):

	Group	
	2023	2022
	\$'000	\$'000
Excess of depreciation over capital allowance	64	16
Provision	33	1
Unutilised tax losses	189	40
	286	57

As at 30 June 2023, the Group has unutilised tax losses of approximately \$1,109,000 (2022: \$235,000) and other deductible temporary differences of \$572,000 (2022: \$100,000) that are available to offset against future taxable profits of the Group, subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation. No deferred tax asset has been recognised on these tax losses and other deductible temporary differences as there is no certainty that there will be sufficient future taxable profits to realise these future benefits.

Provision for uncertainty over tax treatments

The Group has provided provision for uncertainty over tax treatments as at 30 June 2023 amounting to \$308,000 (2022: \$308,000) for additional income taxes relating to the Group's business operational structure. One of the directors of the Company has undertaken to indemnify the Group against any additional tax liabilities, penalties or fines suffered or incurred by the Group's arising from the uncertain tax treatments by Inland Revenue Authority of Singapore's review.

31. (LOSS)/EARNINGS PER SHARE

The calculation for (loss)/earnings per share is based on:

	Group	
	2023	2022
(Loss)/Profit attributable to owners of the Company (\$'000)	(502)	3,901
Weighted-average number of ordinary shares used in issue during the financial year applicable to (loss)/earnings per share ('000)	175,048	179,623
(Loss)/Earnings per share		
- Basic (cents)	(0.29)	2.17
- Diluted (cents)	(0.29)	2.17

Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on (loss)/profit for the financial year attributable to owners of the Company divided by the weighted-average number of ordinary shares in issue during the financial year.

Diluted (loss)/earnings per share

As the Group has no dilutive potential ordinary shares, the diluted (loss)/earnings per share is equivalent to basic (loss)/earnings per share for the financial year.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

32. DIVIDENDS

	Group	
	2023 \$'000	2022 \$'000
Final tax exempt dividend of \$0.012 per ordinary share for the financial year ended 30 June 2022	2,155	-
Final tax exempt dividend of \$0.0075 per ordinary share for the financial year ended 30 June 2021	-	1,347
	2,155	1,347

The Board of Directors proposed that a final tax exempt dividend of \$0.0035 (2022: \$0.012) per ordinary share amounting to approximately \$599,000 (2022: \$2,155,000) to be paid for the financial year ended 30 June 2023. These dividends have not been recognised as a liability as at the end of the reporting period as it is subject to the approval of the shareholders at the Annual General Meeting.

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these consolidated financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the Group and the Company with their related parties during the financial years:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
With associates				
Sales of medical supplies	1	15	-	-
Purchases of medical supplies	5	2	-	-
Dividend income	-	-	240	287
With joint venture				
Advances to	4,080	-	4,080	-
With subsidiaries				
Payment made on behalf by	-	-	1,324	888
Payment made on behalf of	-	-	307	646
Advances to	-	-	1,106	1,243
Advances from	-	-	1,100	-
Management fee income	-	-	1,264	1,163
Salary recharge to	-	-	51	27
Salary recharge from	-	-	176	-
Dividend income	-	-	5,227	3,326



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
With related party*				
Rental fee expense	420	420	-	-
With non-controlling interests				
Advances from	353	174	-	-
With directors of the Company				
Rental fee expense	35	26	-	-

* Related parties refer to entities where the Company's directors have beneficial interests.

The outstanding balances as at 30 June with related parties in respect of the above transactions are disclosed in Notes 9 and 21 to the financial statements. There are no outstanding balances with key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly.

The remuneration of directors and other key management personnel of the Group and the Company during the financial years ended 30 June 2023 and 30 June 2022 were as follows:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Short-term employee benefits	1,767	2,027	182	263
Post-employment benefits	52	58	16	14
Directors' fees	76	74	76	74
	1,895	2,159	274	351

34. SEGMENT INFORMATION

Business segment

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and assessment of performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has only one primary business segment, which is the healthcare segment. Accordingly, no segmental information is prepared based on business segment as it is not meaningful.

Geographical information

During the financial years ended 30 June 2023 and 30 June 2022, the Group operated mainly in Singapore and all non-current assets were located in Singapore. Accordingly, an analysis of non-current assets and revenue of the Group by geographical distribution has not been presented.

Major customers

The Group's customers comprise mainly individual patients. The Group is not reliant on any individual or corporate customer for its revenue and no one single customer accounted for 10% or more of the Group's total revenue for each of the reporting period.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Group's and the Company's activities expose them to credit risks, liquidity risks and market risks (including interest rate risk) arising in the ordinary course of business. The Group and the Company are not exposed to foreign currency risk as all of their transactions are carried out in Singapore dollar. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establish the detailed policies such as risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which the risks are managed and measured. The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange rates.

35.1 Credit risks

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and generally does not require collaterals. For lease receivables, the management has performed credit evaluation before entering into the sublease of the office space to the tenants. The Group adopts the policy of dealing only with reputable companies with high credit quality.

The Group's trade receivables are generally from third party administrators, hospitals, government institutions and corporate clients.

As at 30 June 2023, the Group does not have significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for 6 (2022: 4) customers which represent 68% (2022: 64%) of total trade receivables.

As at 30 June 2023, the Company does not have significant credit exposure arising from non-trade receivables due from subsidiaries except for 9 (2022: 11) subsidiaries which represent 68% (2022: 74%) of total other receivables.

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the financial guarantees issued by the Company for a subsidiary's Temporary Bridging Loan I as disclosed in Note 19 to the financial statements represents the Group's and the Company's maximum exposure to credit risks.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired are provided in Note 9 to the financial statements.

Credit risk also arises from bank balances deposited with banks. The bank balances are held with banks, which are rated Aa1 (2022: Aa1), based on Moody's ratings. Impairment of bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their bank balances have low credit risk based on the external credit ratings of the counterparties.

35.2 Liquidity risks

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to ensure that all payment needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

35.2 Liquidity risks (Continued)

Contractual maturity analysis

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay.

	Within one financial year \$'000	After one financial year but within five financial years \$'000	After five financial years \$'000	Total \$'000
Group				
2023				
Trade and other payables	3,856	154	–	4,010
Lease liabilities	1,801	4,208	696	6,705
Bank borrowings	5,462	788	–	6,250
Total undiscounted financial liabilities	<u>11,119</u>	<u>5,150</u>	<u>696</u>	<u>16,965</u>
2022				
Trade and other payables	2,770	43	–	2,813
Lease liabilities	1,312	3,298	755	5,365
Bank borrowings	806	2,207	–	3,013
Total undiscounted financial liabilities	<u>4,888</u>	<u>5,548</u>	<u>755</u>	<u>11,191</u>
Company				
2023				
Trade and other payables	673	–	–	673
Lease liabilities	309	1,158	31	1,498
Bank borrowings	5,398	692	–	6,090
Total undiscounted financial liabilities	<u>6,380</u>	<u>1,850</u>	<u>31</u>	<u>8,261</u>
Financial corporate guarantee	<u>31</u>	<u>48</u>	<u>–</u>	<u>79</u>
2022				
Trade and other payables	568	–	–	568
Lease liabilities	242	748	90	1,080
Bank borrowings	742	2,048	–	2,790
Total undiscounted financial liabilities	<u>1,552</u>	<u>2,796</u>	<u>90</u>	<u>4,438</u>
Financial corporate guarantee	<u>15</u>	<u>94</u>	<u>–</u>	<u>109</u>



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

35.3 Market risks

Interest rate risk

The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to bank borrowings at end of reporting period as disclosed in Note 19 to the financial statements. The Group and the Company were not exposed to cash flow interest rate risk in the previous reporting period as they did not have significant interest bearing liabilities with variable interest as at end of previous reporting period.

The Group's and the Company's results are affected by changes in interest rates due to the impact of such changes on interest expense on bank borrowings which is at floating interest rates. It is the Group's and the Company's policy to obtain quotes from banks to ensure that the most favourable rates are made available to the Group and the Company.

As at the end of the reporting period, if interest rates had been 0.5% (2022: Nil%) lower or higher with all other variables including tax rate being held constant, the profit after tax of the Group will be lower or higher by approximately \$17,000 (2022: \$Nil) as a result of higher or lower interest expense on borrowings.

35.4 Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

The Group and the Company manage their capital structure which consist of equity attributable to owners of the parent, comprising share capital, treasury shares, merger reserve, other reserves and retained earnings as disclosed in Notes 14, 15, 16, 17 and 18 to the financial statements and make adjustments to it, in line with changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, issue new shares or reacquisition of issued shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2023 and 30 June 2022.

The Group and the Company monitor capital based on a gearing ratio, which is net debt divided by total equity. The Group's and the Company's net debt includes bank borrowings less cash and bank balances. Equity attributable to the owners of the Company comprises share capital, treasury shares, other reserves and retained earnings.

The gearing ratio of the Group is not presented as the Group is in net cash position. The gearing ratio of the Company is not presented as the gearing ratio for current year is insignificant and the Company is in net cash position for the previous year.

The Group and the Company are subject to and have not complied with one of the financial covenants in respect of the bank borrowings (Note 19) for the financial year ended 30 June 2023. Accordingly, one of the bank borrowings which amounted to \$1,296,000 was reclassified from non-current to current liabilities. The Company's management will communicate with the relevant banks to resolve this matter.

Other than the above non-compliance, the Group and the Company are subject to and have complied with financial covenants in respect of the bank borrowings (Note 19) for the financial years ended 30 June 2023 and 30 June 2022.

35.5 Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and other financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

35.5 Fair value of financial assets and financial liabilities (Continued)

Fair value hierarchy

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments carried at fair value

The table below classified financial instruments carried at fair value by level of fair value hierarchy as at the end of the reporting period:

	Fair value measurements using			Total \$'000
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	
Group and Company				
2023				
Derivative financial assets	-	-	474	474
2022				
Derivative financial assets	-	-	2,508	2,508

There were no transfers between levels during the financial year and no changes in the valuation techniques of the various classes of financial assets and financial liabilities during the financial years ended 30 June 2023 and 30 June 2022.

The valuation technique and significant unobservable inputs used in determining the fair value measurement of level 3 financial instruments, as well as the relationship between key unobservable inputs and fair value, are set out in the table below.

Financial instruments	Valuation techniques used	Significant unobservable inputs	Average rate		Relationship between key unobservable inputs and fair value
			2023	2022	
Call and put options	Monte Carlo Simulation model	Earnings volatility rate	57.4%	45.5%	An increase in the earnings volatility rate would result in an increase in fair value.

Fair value of financial instruments that are not carried at fair value and whose carrying amounts approximate their fair values

The carrying amounts of current financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The carrying amounts of the bank borrowings approximate their fair values as the interest rate of the borrowings approximates the market lending rate for similar types of lending arrangements as at the end of the reporting period. The fair value of non-current receivables and non-current other payables are disclosed in Notes 9 and 21 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

35. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

35.5 Fair value of financial assets and financial liabilities (Continued)

Valuation policies and procedures

Management oversees the Group's financial reporting valuation process and is responsible for setting and documenting of the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement guidance*.

For valuations performed by external valuation experts, the management reviews the appropriateness of the valuation methodologies and assumptions adopted. The management also evaluates the appropriateness and reliability of the inputs used in the valuations.

35.6 Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Financial assets				
At amortised cost	12,290	17,790	8,893	13,712
Financial assets at FVTPL	474	2,508	474	2,508
	<u>12,764</u>	<u>20,298</u>	<u>9,367</u>	<u>16,220</u>
Financial liabilities				
Other financial liabilities, at amortised cost	16,375	10,708	8,070	4,276

36. EVENTS SUBSEQUENT TO THE REPORTING DATE

36.1 The Group and the Company entered into a sale and purchase agreement to acquire entire equity interest in Boon Lay Clinic & Surgery Pte. Ltd. for a cash consideration of \$1,000,000. The primary reasons for the acquisitions are expanding the Group's presence in Singapore and tapping on the subsidiaries' workforce expertise to obtain synergies in integrating it into the Group's existing business. Management determined that the Group obtained control over the business after the end of the reporting period and hence, did not recognise it as a subsidiary.

The Group and the Company paid the cash consideration of \$1,000,000 to the vendors on 1 July 2023.

The Group and the Company are in the midst of finalising the purchase price allocation report of this acquisition. Accordingly, no disclosure on the effect of the acquisition has been made under the requirements of SFRS(I) 3 *Business Combinations* as the fair value of the net assets of the acquiree is not determinable as at the date of this report.

36.2 The Group and the Company registered a new entity with third parties in People's Republic of China namely, Beijing Puxin Hospital Management Limited, with a committed equity capital of RMB1,020,900 on 22 September 2023 which remains unpaid at date of this report, representing 34.3% of equity interest in the entity.



STATISTICS OF SHAREHOLDINGS

AS AT 15 SEPTEMBER 2023

SHAREHOLDERS' INFORMATION

Number of issued shares	:	179,623,416
Number of issued shares (excluding treasury shares)	:	171,006,516
Number of treasury shares	:	8,616,900
Percentage of treasury shares to the total number of issued shares (excluding treasury shares)	:	5.04%
Class of Shares	:	Ordinary Shares
Voting rights (excluding treasury shares)	:	1 vote per share*

* Ordinary shares purchased and held as treasury shares by the Company will have no voting rights. The Company does not have any subsidiary holdings

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	2	1.06	150	0.00
100 - 1,000	19	10.11	12,600	0.01
1,001 - 10,000	45	23.94	278,600	0.16
10,001 - 1,000,000	107	56.91	12,016,878	7.03
1,000,001 AND ABOVE	15	7.98	158,698,288	92.80
TOTAL	188	100.00	171,006,516	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Registrar of Substantial Shareholders)

	DIRECT INTEREST	%*	DEEMED INTEREST	%*
Lee Mun Kam Bernard	48,701,500	28.48	-	-
Sian Chay Medical Institution	29,286,725	17.13	-	-
Loh Foo Keong Jeffrey	27,853,000	16.29	-	-
Jitendra Kumar Sen	13,536,350	7.92	2,297,000	1.34

(1) As at 15 September 2023, Jitendra Kumar Sen has a deemed interest (1.34%) through his shareholding interest in Horizon Venture Pte. Ltd.

* The percentage of issued ordinary shares, direct interest and deemed interest is calculated based on the number of issued ordinary shares of the Company as of 15 September 2023, excluding 8,616,900 ordinary shares held as treasury shares as at that date.



STATISTICS OF SHAREHOLDINGS

AS AT 15 SEPTEMBER 2023

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LEE MUN KAM BERNARD	48,701,500	28.48
2	SIAN CHAY MEDICAL INSTITUTION	29,286,725	17.13
3	LOH FOO KEONG JEFFREY	27,853,000	16.29
4	JITENDRA KUMAR SEN	13,536,350	7.92
5	WONG SHING YIP	7,833,690	4.58
6	HUANG GUOLIANG, EUGENE	4,964,730	2.90
7	RAFFLES NOMINEES (PTE.) LIMITED	4,960,400	2.90
8	HC SURGICAL SPECIALISTS LIMITED	4,431,890	2.59
9	LIM EWE GHEE	3,787,878	2.22
10	CHEE HSING GARY ANDREW	2,852,475	1.67
11	UOB KAY HIAN PRIVATE LIMITED	2,430,000	1.42
12	SHINEX CAPITAL PTE LTD	2,338,908	1.37
13	MEDINEX LIMITED	2,272,728	1.33
14	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	2,046,364	1.20
15	LEE PENG KHOW	1,401,650	0.82
16	LEONG KWOK WAH	1,000,000	0.58
17	DBS NOMINEES (PRIVATE) LIMITED	978,900	0.57
18	YEO KHEE SENG BENNY	647,800	0.38
19	LIM BEE LENG STEPHANIE	606,151	0.35
20	HO CHEE KHUN	509,400	0.30
	TOTAL	162,440,539	95.00

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at 15 September 2023, approximately 20.22% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist is complied with.



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“Meeting”) of SINGAPORE PAINCARE HOLDINGS LIMITED (the “Company”) will be held at Seletar Country Club, 101 Seletar Club Road, Singapore 798273 on Friday, 27 October 2023 at 2.00 p.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Independent Auditors’ Report thereon. **(Resolution 1)**
2. To declare a final dividend (tax-exempt one-tier) of S\$0.0035 per ordinary share for the financial year ended 30 June 2023 (FY2022: S\$0.012 per ordinary share). **(Resolution 2)**
3. To approve the payment of Directors’ Fees of S\$76,452 for the financial year ended 30 June 2023 (FY2022: S\$73,750). **(Resolution 3)**
4. To re-elect the following Directors of the Company retiring pursuant to Regulation 97 of the Constitution of the Company:

Dr. Lee Mun Kam Bernard **(Resolution 4)**
Dr. Lim Kah Meng **(Resolution 5)**
(See Explanatory Note (i))
5. To re-appoint BDO LLP as the Independent Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at a Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolutions, with or without any modification:

7. Authority to allot and issue shares

(a) That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “Companies Act”) and Rule 806 of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”), the Directors of the Company be authorised and empowered to:

- (i) allot and issue shares in the capital of the Company (“Shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,



NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) shall be calculated based on the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time of passing of this Resolution;
 - (b) (where applicable) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of passing this Resolution, provided that such share options or share awards (as the case may be) were granted in compliance with the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
(See Explanatory Note (ii)) **(Resolution 7)**

8. **Authority to offer and grant options and to allot and issue shares pursuant to the SPCH Employee Share Option Scheme (the "Share Option Scheme")**

That pursuant to Section 161 of the Companies Act, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the Share Option Scheme provided always that the aggregate number of new shares to be allotted and issued pursuant to the Share Option Scheme, SPCH Performance Share Plan, and all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company shall not exceed fifteen per centum (15%) of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) on the day immediately preceding the date of offer of the employee share options.

(See Explanatory Note (iii))

(Resolution 8)



NOTICE OF ANNUAL GENERAL MEETING

9. Authority to allot and issue shares under the SPCH Performance Share Plan

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to offer and grant awards in accordance with the provisions of the SPCH Performance Share Plan and to allot and issue from time to time, such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of awards under the SPCH Performance Share Plan, provided always that the aggregate number of shares issued and issuable pursuant to vesting of awards granted under the SPCH Performance Share Plan, when added to (i) the number of shares issued and issuable in respect of all awards granted or awarded thereunder; and (ii) all shares issued and issuable in respect of all options granted or awards granted under the Share Option Scheme, SPCH Performance Share Plan, all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) on the day preceding the relevant date of the award.

(See Explanatory Note (iv))

(Resolution 9)

By Order of the Board

Wong Yoen Har
Company Secretary

12 October 2023



NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Dr. Lee Mun Kam Bernard will, upon re-election as Director of the Company, remain as Executive Director and Chief Executive Officer of the Company.

Dr. Lim Kah Meng will, upon re-election as Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. The Board considers Dr. Lim to be independent for the purpose of Rule 704(7) of the Catalyst Rules.

Key information on the retiring directors can be found on pages 145 to 148 of the Annual Report.

- (ii) The Ordinary Resolution 7, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any), of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) will be calculated based on the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

- (iii) The Ordinary Resolutions 8 and 9, if passed, will empower the Directors to grant options under the Share Option Scheme as well as to offer and award shares pursuant to the SPCH Performance Share Plan, provided that the aggregate number of shares to be issued shall not exceed fifteen per centum (15%) of the total number of issued shares in capital of the Company (excluding treasury shares and subsidiary holdings, if any) from time to time.

IMPORTANT

Printed copies of this Notice, Proxy Form and the Annual Report for the financial year ended 30 June 2023 ("Annual Report 2023") will be sent to shareholders by post.

The following documents can also be accessed at <https://sgpaincare.com/agm-notices> or on the SGX website at <https://www.sgx.com/securities/company-announcements>:

- Annual Report 2023
- Notice of Annual General Meeting
- Proxy Form

Shareholders are able to participate at the Meeting in person in the following manners set out in the paragraphs below:

Submission of Instrument Appointing a Proxy ("Proxy Form") to Vote:

1. A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Meeting.
2. A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

3. Relevant intermediary shareholders and SRS investors who wish to vote at the Meeting should approach their respective Relevant Intermediaries/SRS Operators as soon as possible. In the case of SRS investors, they must do so **at least seven (7) working days before the AGM (i.e. by 17 October 2023, 5.00 pm)**.
4. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to AGM.TeamE@boardroomlimited.com.

in either case, **by 2.00 p.m. on 24 October 2023 (being at least 72 hours before the time for holding the Meeting)**.

6. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the Meeting unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time of the Meeting.



NOTICE OF ANNUAL GENERAL MEETING

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

Submission of Questions in Advance:

- (1) Shareholders may also submit questions related to resolutions to be tabled at the Meeting in the following manner:
 - (a) if submitted by post, to the Company's office at 601 Macpherson Road, #06-20/21 Grantral Mall, Singapore 368242; or
 - (b) if submitted electronically, be submitted via email to AGM.TeamE@boardroomlimited.com.

All questions for the Meeting must be submitted by **2.00 p.m. on 20 October 2023**.

- (2) A member who wishes to submit the questions in hard copy by mail is required to indicate the full name (for individuals)/company name (for corporates), NRIC/Passport No./Company Registration No., email address, contact number, shareholding type and number of shares held together with their submission, before submitting it by post to the address provided.
- (3) The Board of Directors of the Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the Meeting by publishing the responses to those questions on SGXNET at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://sgpainscare.com/announcements> at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms on 22 October 2023. Where substantial relevant questions submitted by Shareholders are unable to be addressed prior to the Meeting, the Company will address them during the Meeting.

The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the Meeting on SGXNET and the Company's website within one month from the date of the Meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy or proxies to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of a proxy or proxies for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.



RE-ELECTION OF DIRECTORS

Pursuant to Catalyst Rule 720(5), the information as set out in Appendix 7F relating to the above Directors to be put forward for re-election at the forthcoming Annual General Meeting is disclosed below:

Name of retiring Director	Lee Mun Kam Bernard	Lim Kah Meng
Date of appointment	31 December 2018	5 March 2021
Date of last re-appointment	16 October 2020	15 October 2021
Age	54	50
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, having considered the recommendation of the Nominating Committee and assessed the qualifications and experience of Dr. Lee Mun Kam Bernard ("Dr. Lee"), is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as the Executive Director and Chief Executive Officer of the Company.	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications and experience of Dr. Lim Kah Meng ("Dr. Lim"), is of the view that he has the requisite experience and capabilities to assume the responsibilities as the Independent Non-executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive, His roles and responsibilities are to cover the business development and investment functions of the Group.	Non-executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer	Chairman of Remuneration Committee Member of Audit Committee and Nominating Committee
Professional qualifications	Dr. Lee graduated from the National University of Singapore with a Bachelor's degree in Medicine and Surgery in 1994 and obtained a Master of Medicine (Anaesthesiology) in 1999. He is a fellow of the Faculty of Pain Medicine of the Australian and New Zealand College of Anaesthetists and currently a member of the Singapore Society of Anaesthesiologists and the Pain Association of Singapore.	Dr. Lim graduated from National University of Singapore with BSc (Hons) in Microbiology and obtained Doctor of Philosophy from National University of Singapore.
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	None	None
Conflict of interest (including any competing business)	None	None
Undertaking submitted to the listed issuer in the form of Appendix 7H (Catalist Rule 720(1))	Yes	Yes
Working experience and occupation(s) during the past 10 years	Please refer to the Board of Directors section in the Company's FY2023 Annual Report.	Please refer to the Board of Directors section in the Company's FY2023 Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Yes	No
Shareholding details	48,701,500 ordinary shares	N.A.



RE-ELECTION OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Lim Kah Meng
Other Principal Commitments including Directorships	<ul style="list-style-type: none"> • JK Group (F&B) Pte. Ltd. • Fernvale Paincare Pte. Ltd. • Horizon Paincare Pte. Ltd. 	<ul style="list-style-type: none"> • Link-Trust Consultancy LLP • Nutra-X Biotech Pte. Ltd. • 3 Elemenz Holdings Pte. Ltd.
Past (for the last 5 years)	<ul style="list-style-type: none"> • Lian Paincare Pte. Ltd. • Sen Paincare Pte. Ltd. • Singapore Paincare Associates Pte. Ltd. 	<ul style="list-style-type: none"> • Cixgen Capital Pte. Ltd. • Golden Yan Ventures Pte Ltd. • FEGO Holdings Pte. Ltd. • Stemigen Therapeutics Pte. Ltd. • GSC Biomedical Pte. Ltd.
Present	<ul style="list-style-type: none"> • AE Medical Fernvale Pte. Ltd. • AE Medical Sengkang Private Limited • Boon Lay Clinic & Surgery Pte. Ltd. • Centre For Screening and Surgery Pte. Ltd. • CS Yoong Anaesthesiology and Pain Services Pte. Ltd. • Dermatology & Laser Specialist Clinic Pte. Ltd. • East Coast Medical and Paincare Clinic Pte. Ltd. • GM Medical Paincare Pte. Ltd. • Health Network Asia Pte. Ltd. • Hougang Medical and Paincare Clinic Pte. Ltd. • HMC Medical Pte. Ltd. • KCS Anaesthesia Services Pte. Ltd. • Kovan Medical and Paincare Clinic Pte. Ltd. • Singapore Paincare Capital Pte. Ltd. • Singapore Paincare Wellness Pte. Ltd. • Singapore Paincare TCM Wellness Pte. Ltd. • Tampines Medical and Paincare Clinic Pte. Ltd. • Lian Clinic Pte. Ltd. • Medihealth Clinic Pte. Ltd. • Paincare Center Pte. Ltd. • PTL Spine & Orthopaedics Private Limited • Ready Fit Physiotherapy Private Limited • Sen Med Holdings Pte. Ltd. • Singapore Paincare Center @Novena Pte. Ltd. • Advance Core Pte. Ltd. • Bright Horizon Pte. Ltd. • Brilliance Core Pte. Ltd. • Foodtech 1 Pte. Ltd. • Hillford Investments Pte. Ltd. • KJPS Invest Pte. Ltd. • LB Ventures Pte. Ltd. • MedBridge Marketing Pte. Ltd. • Paincare Consultancy Pte. Ltd. • Paincare Medical Services Pte. Ltd. • Shine Group Holdings Pte. Ltd • Superfish Three Pte. Ltd. 	<ul style="list-style-type: none"> • Compass Venture Inc. (Canadian Public Listed Company) • Asia Bird's Nest Corporation Pte. Ltd. • Betalife Pte. Ltd. • Bio Oasis Investments Pte. Ltd. • Cannioasis Pte. Ltd • Cell Differentiation Pte. Ltd. • Chemokine Yuesheng Pte. Ltd. • Cytomines Biotech Pte. Ltd. • FEGO Biotech Pte. Ltd. • FEGO Oasis Pte. Ltd. • Gene Oasis Bioenterprise Pte. Ltd. • Gene Oasis Pte. Ltd. • Gene Oasis (Malaysia) Sdn Bhd • Gene Oasis EBN Sdn Bhd • GO Biomedical Pte. Ltd. • GO Biosciences Group Pte. Ltd. • GO Bioenterprise Pte. Ltd. • GO-DX Corporation Pte. Ltd. • GO Posb Organoids Pte. Ltd. • GO Stem Cell Holdings Pte. Ltd. • GeneOasis Bioscientific Pte. Ltd. • Green Oasis Therapeutics Pte. Ltd. • Immunovest Pte. Ltd. • Infniclone Pte. Ltd. • Metagen Biologics Pte. Ltd. • Natal IPSCS Pte. Ltd. • NGF Bioenterprise Pte. Ltd. • Panthera Labs Pte. Ltd. • Tyrosine Research Laboratories Pte. Ltd. • Zenzic Labs Pte. Ltd.

(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
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RE-ELECTION OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Lim Kah Meng
(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
(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



RE-ELECTION OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Lim Kah Meng
(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
(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:-	No	No
(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



RE-ELECTION OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Lim Kah Meng
(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
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

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SINGAPORE PAINCARE HOLDINGS LIMITED

(Company Registration No. 201843233N)
(Incorporated in the Republic of Singapore)

PROXY FORM**ANNUAL GENERAL MEETING**

This proxy form has been made available on the SGXNET and the Company's website and may be accessed at the URLs: <https://sgpincare.com/proxy-forms> and <https://www.sgx.com/securities/company-announcements>

IMPORTANT:

1. The Annual Report 2023 and Notice of Annual General Meeting dated 12 October 2023 have been made available on SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at URL <https://sgpincare.com/announcements>
2. A relevant intermediary may appoint more than two proxies to attend the Meeting and vote (please see note 4 for the definition of "relevant intermediary").
3. The Chairman and proxy need not be a member of the Company.
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 October 2023.
5. Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy and proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting.

*I/We, _____ (Name) _____ (NRIC/Passport No./ Registration No.)

of _____ (Address)

being a member/members of Singapore Pincare Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both persons referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Seletar Country Club, 101 Seletar Club Road, Singapore 798273 on Friday, 27 October 2023 at 2.00 p.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

All resolutions put to the vote at the Meeting shall be conducted by poll.

No.	Resolutions relating to:	For*	Against*	Abstain*
ORDINARY BUSINESS				
1	Adoption of the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Independent Auditors' Report			
2	Declaration of final dividend (tax exempt one-tier) of S\$0.0035 per ordinary share for the financial year ended 30 June 2023			
3	Directors' Fees of S\$76,452 for the financial year ended 30 June 2023			
4	Re-election of Dr. Lee Kam Mun Bernard as Director of the Company			
5	Re-election of Dr. Lim Kah Meng as Director of the Company			
6	Reappointment of BDO LLP as the Independent Auditors of the Company and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
7	Authority to allot and issue ordinary shares			
8	Authority to issue shares under SPCH Employee Share Option Scheme			
9	Authority to issue shares under SPCH Performance Share Plan			

* Voting will be conducted by poll. If you wish your proxy/proxies to vote all your shares "For" or "Against" the relevant resolution, please indicate with a "√" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a "√" in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution.

Dated this _____ day of _____, 2023

Signature of Shareholder(s)

or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	



Notes:

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument ("Proxy Form") appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the shares held by you.
2. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
3. Where a member (whether individual or corporate) appoints a proxy or proxies as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which, the proxy/proxies will vote or abstain from voting at his/her discretion.
4. A member who is a relevant intermediary is entitled to attend the meeting and vote and entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A proxy need not be a member of the Company.
6. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including SRS investors) and who wish to exercise their votes by appointing a proxy or proxies should approach their respective relevant intermediaries to submit their voting instructions by **2.00 p.m. on 17 October 2023** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint a proxy or proxies to vote on their behalf by **2.00 p.m. on 24 October 2023**.
7. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
8. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower Singapore 098632; or
 - (b) if submitted electronically, be submitted via email to AGM.TeamE@boardroomlimited.com.

in either case, by **2.00 p.m. on 24 October 2023 (being at least 72 hours before the time for holding the Meeting)**.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy or proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 October 2023.

GENERAL:

The Company shall be entitled to reject the proxy form appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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