

**ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY, 25TH OCTOBER 2024
RESPONSES TO QUESTIONS RECEIVED FROM SHAREHOLDERS PRIOR TO THE
COMPANY'S ANNUAL GENERAL MEETING**

The Board of Directors ("**Board**") of Singapore Paincare Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to address questions received from shareholders of the Company prior to the upcoming Annual General Meeting ("**AGM**") to be held at Seletar Country Club, 101 Seletar Club Road, Singapore 798273 on Friday, 25th October 2024 at 2.00 p.m..

The Appendix I annexed herein sets out the Company's responses to the substantial questions received from shareholders as of 14th October 2024.

By Order of the Board

Lee Mun Kam Bernard
Executive Chairman and Chief Executive Officer
18 October 2024

*This announcement has been prepared by 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 announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #04-02, Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

APPENDIX I

Category	No	Question (as received from shareholders)	Response
Bank borrowings	1.	What causes the finance costs on bank borrowing to increase from \$65K in FY2023 to \$235k in FY2024?	There was a total drawdown of loans amounting to approximately \$4 million in June 2023, which was the last month of FY2023, for working capital purposes. Interest cost on such loans started in FY2024, thus leading to much higher finance costs on bank borrowing on a year-on-year comparison.
Lease liabilities & interested persons transactions (“ IPTs ”)	1.	The lease expense increased from \$148K in FY2023 to \$255k in FY2024. Which lease property causes this significant increase? Is it the Mount Elizabeth Novena lease owned by the Chairman?	This relates to interest expense on lease liabilities. The increase was due to : <ol style="list-style-type: none"> 1. New clinics that were set up/acquired in FY2024 and in the later part of FY2023. (Details of the new clinics that were set up/acquired can be found in Note 5 - Investments in subsidiaries of the Annual Report) 2. The specialist center clinic at Paragon contributed the largest increase in interest expense on lease liabilities as it renewed its rental for 3 years from 2 October 2023 at a monthly rental rate of \$28,000 in the financial year.
	2.	How many of these leases are IPTs? Did the Audit Committee review it?	As disclosed on page 65 of the annual report, rental of the units at 290 Orchard Road, #18-03, Singapore 238859 (specialist center clinic at Paragon) and 38 Irrawaddy Road, #07-33, Singapore 329563 (specialist center clinic at Mount Elizabeth Novena) are interested persons transactions (“ IPTs ”). The Audit Committee had reviewed all IPTs and the IPTs were duly announced on SGXNet.
Locum fees	1.	Why does the locum fee increase significantly in FY2024? Does the group provide 24/7 services and therefore relied heavily on locum?	Locum fees increased from approximately \$317k to \$1,145k primarily due to: <ol style="list-style-type: none"> 1. Locum fees of approximately \$573k (FY2023 : Nil) incurred for the specialist center clinic at Paragon. <p>The Company had started a new practice at the specialist center clinic at Paragon and the practice was run by a doctor hired under locum terms instead of full time employment to test the feasibility and profitability of the new practice. For FY2024, based on management reports, the new practice yielded revenue of approximately \$877k and remained profitable after deducting operating expenses, inclusive of the locum fee of \$573k.</p> <p>The doctor currently hired under locum terms is expected to be hired as a full time doctor in FY2025.</p>

			<p>2. Locum fees of approximately \$217k (FY2023 : Nil) incurred for the clinic, Boon Lay Clinic & Surgery, which was newly acquired on 1 July 2023.</p> <p>The Company hired new practitioners as locums in addition to the full time doctor at Boon Lay Clinic & Surgery to test the feasibility and profitability of the work arrangement for its newly acquired presence in the western part of Singapore.</p>
	2.	Does Management check on the use of locum to ascertain service quality as well as cost effectiveness? Please elaborate.	<p>The use of locum doctors is generally to bridge our doctors' manpower requirements.</p> <p>The use of specialist locum at the Group's specialist center clinic at Paragon and GP locum at Boon Lay Clinic & Surgery have been cost effective. Overall, the Group has been effective in our use of locum resources. The Company monitors the service quality of locum doctors via gathering feedback and complaints from patients and staff. Some other factors that the Company considers in ascertaining service quality include the monitoring of treatment(s) given by the locum doctors, their punctuality for work and professional attitude. The Group will only hire a doctor as a locum if the individual has a minimum of 5 years experience and has passed a background check which is conducted by the Company via profile reviews on public news sources.</p>
Share of results of JV and Associates	1.	How much of these share of results is due to China?	<p>1. There is no contribution from China entities towards the share of results of associates for FY2024.</p> <p>2. The share of results of JV for FY2024 mainly arose from Singapore Paincare Capital Pte. Ltd.'s share of the fair value gain arising from its investment in Puxiang Healthcare Holding Limited, which business activities are based in China.</p>
	2.	Is Beijing Puxin Hospital Management Limited ("BPHM") and Shanghai Gong Pu Sheng Jia Medical Management Center ("SHGP") included in share of results of JV and Associates?	No.
	3.	Is BPHM and SHGP related?	From the perspective of the Company, BPHM and SHGP are related to the extent that the Company has significant influence over both investments (shareholdings of more than 20% in each entity).
	4.	Is total comprehensive income of (\$370k) a loss?	The brackets indicated that it should be a total comprehensive loss, and the amount of comprehensive loss should be \$70k instead. This is a typo that was undetected. The line item should read as "Total comprehensive income/(loss)".
	5.	Is there any revenue from SHGP?	SHGP is accounted as an associate of the Company for FY 2024 and there is no share of results from SHGP in the financial year.

Dividend payout	1.	Why is there no dividend declared for FY2024?	In view of the Group's short and medium term commitments which include but are not limited to, working capital requirements and corporate action capital needs, no dividends have been declared/recommended by the Board for the financial year ended 30 June 2024.
Impairment	1.	There is an impairment of \$200k for FY2024. Is it due to obsolescence or what is the reason for the impairment? Is it temporary or permanently impaired? Please elaborate.	This is due to impairment of plant and equipment from the Group's traditional chinese medicine (" TCM ") business. This impairment is not irreversible and can be reversed if the TCM business improves.