

SINGAPORE PAINCARE HOLDINGS LIMITED

Company Registration No.:201843233N
(Incorporated in the Republic of Singapore)

FURTHER UPDATE ON RECEIPT OF LETTER OF DEMAND

INTERESTED PERSON TRANSACTION – TENANCY AGREEMENT ENTERED INTO WITH MEDBRIDGE MARKETING PTE. LTD.

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Singapore Pincare Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcements dated 17 January 2024 and 27 January 2024 (the “**Previous Announcements**”) in relation to the receipt of letter of demand.
- 1.2 Unless otherwise defined in this announcement, capitalised terms shall bear the meanings as ascribed to them in the Previous Announcements.

2. FURTHER UPDATE ON TENANCY DISPUTE FOLLOWING RECEIPT OF LETTER OF DEMAND

- 2.1 The Board wishes to update shareholders that Medbridge’s solicitors responded on 31 January 2024 to the letter sent on 25 January 2024 by Novena Pincare Center’s (“**NPC**”) legal advisors. In the 31 January 2024 letter, Medbridge’s solicitors indicated that Medbridge does not have, nor is it obliged to provide, any other authoritative documents and/or evidence such as independent valuation reports from property valuers to justify the proposed increased rental rate. In the same letter, Medbridge also requested for a copy of the valuation report regarding the market rental rate of the Premise once it was ready.
- 2.2 Medbridge also agreed for NPC to respond to its demands made in the Letter of Demand by 15 April 2024, premised on the understanding that:
- (a) the additional rental payable by NPC for the months of August 2023 to 15 April 2024 will be based on the difference between the rate of S\$11.61 (*sic*) per square foot and the rate indicated in the valuation report;
 - (b) Medbridge will reserve its right to review the position upon having sight of the valuation report, including but not limited to requiring NPC to vacate the Premise pending the outcome of its response by 15 April 2024; and
 - (c) for the avoidance of doubt, Medbridge’s proposal at sub-paragraph (a) above should not be construed to mean that it agrees to be bound by the findings of the valuation report, and that its proposal at sub-paragraph (a) was made purely to resolve the impasse on the additional rental payable for the period from August 2023 to 15 April 2024.

Medbridge requested that NPC confirm whether or not it concurs with the above by 6 February 2024, in which NPC had requested for an extension till 9 February 2024.

- 2.3 As announced in the Previous Announcements, the Board had engaged an independent property valuer to advise on the current market rent of the Premise as at 1 August 2023. The valuer issued a valuation report dated 8 February 2024 (“**Valuation Report**”) which valued the monthly market rent for the Premise at S\$21,200 (reflecting a gross rental rate of \$27.35 per square foot) as at 1 August

2023. The Board notes that in the announcement dated 17 January 2024, it was disclosed that a separate property valuer was previously commissioned to conduct a valuation of the market rental value of the Premise. The Board wishes to clarify that the previous valuer encountered a paucity of information regarding recent lease transactions of comparable properties and was thus unable to provide a fair valuation.

2.4 NPC responded to the letter of 31 January 2024 on 9 February 2024 to:

- (i) provide Medbridge with a copy of the Valuation Report;
- (ii) seek agreement on NPC paying the additional rental payable for the duration of 1 August 2023 to 29 February 2024 based on the difference between the current monthly rental rate of S\$11.61 per square foot per month (monthly rent of S\$9,000 / 775 square feet = S\$11.61 per square foot per month) and the monthly rental rate indicated in the Valuation Report of S\$27.35 per square foot per month. The additional rental payable for the duration of 1 August 2023 to 29 February 2024 is S\$85,400 (7 months x (S\$21,200 - S\$9,000) = S\$85,400); and
- (iii) seek confirmation on the renewal of the tenancy of the Premise for a period of eighteen (18) months from 1 August 2023 to 31 January 2025 at monthly rental of S\$21,200 per month ("**Tenancy Agreement**").

2.5 On 14 February 2024, NPC received a reply from Medbridge confirming that it is agreeable to the above. Accordingly, NPC and Medbridge have entered into a tenancy agreement on 14 February 2024 for a period of eighteen (18) months from 1 August 2023 to 31 January 2025 at monthly rental of S\$21,200 per month, with an option to renew for a further term of one year from the date of expiry of the Tenancy Agreement.

3. **TENANCY AGREEMENT AS INTERESTED PERSON TRANSACTION AND CATALIST RULE 905(2)**

3.1 Medbridge is 100% owned by Dr. Lee Mun Kam Bernard ("**Dr. Bernard**"), the Executive Director and Chief Executive Officer of the Company. As at the date of signing the Tenancy Agreement, Dr. Bernard is also the controlling shareholder of the Company with a direct interest of 28.48%. Accordingly, the Tenancy Agreement would constitute an Interested Person Transaction ("**IPT**") pursuant to Chapter 9 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

3.2 The Company had entered into another tenancy agreement with the same interested person in the current financial year ending 30 June 2024, as announced on 20 December 2023. Pursuant to Catalist Rule 905(2), the Company is required to make an immediate announcement of the latest transaction and all future transactions entered into with the same interested person during the financial year if the aggregate value of all the transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group's latest audited net tangible assets ("**NTA**").

3.3 The Board notes that based on the proposed monthly rental of S\$21,200, the total rent payable for the duration of the Tenancy Agreement, from 1 August 2023 to 31 January 2025 is S\$381,600, representing 4.6% of the Group's latest audited NTA, being S\$8,232,000 as at 30 June 2023. As at the date of this announcement, the aggregate value of all transactions entered into with Medbridge in the current financial year ending 30 June 2024, amounted to S\$1,389,600, which represents approximately 16.9% of the Group's latest audited NTA, being S\$8,232,000 as at 30 June 2023.

- 3.4 The lease is for a period not exceeding three (3) years, with an effective commencement date of 1 August 2023 and the terms of the Tenancy Agreement are supported by an independent valuation report. The rental payable for the Premise under the Tenancy Agreement per month is S\$21,200, which is equal to the market rental value per month of S\$21,200 as stated in the Valuation Report.
- 3.5 Accordingly, Catalist Rule 906(1)(a) does not apply to such a proposed transaction and shareholder approval is not required as it is exempted under Catalist Rules 916(1).

4. DETAILS OF THE TENANCY AGREEMENT

- 4.1 Under the Tenancy Agreement, the Premise occupies a floor area of 775 square feet. The rental rate was arrived at based on the Valuation Report and negotiation between the parties to the Tenancy Agreement.
- 4.2 Please refer to Paragraph 2.5 above for further details in relation to the Tenancy Agreement.

5. RATIONALE FOR THE TENANCY AGREEMENT

- 5.1 The Premise is currently and will continue to be used as the clinic/medical centre operating under the name of "Singapore Paincare Center @ Novena". The Board is of the view that the Tenancy Agreement with Medbridge offers several benefits including but not limited to, reducing the possibility of losing NPC's patient base should it be relocated elsewhere, ease of negotiation, flexible terms and reduced administrative burden.

6. CURRENT TOTAL VALUE OF IPTS WITH THE SAME INTERESTED PERSON FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024 ("FY2024") AND CURRENT TOTAL VALUE OF IPTS FOR FY2024

- 6.1 The current total value of the IPTs (excluding transactions of a value less than S\$100,000) entered into by the Group with Dr. Bernard and his associates for FY2024 amounts to approximately S\$572,135, including the subject of this announcement.
- 6.2 Save for the above, the Group has not entered into any other transactions (excluding transactions of a value less than S\$100,000) with any other interested persons for FY2024. Accordingly, the current total value of all IPTs for FY2024 (excluding transactions of a value less than S\$100,000) is S\$572,135.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 7.1 Dr. Bernard, who has an interest in this matter, will recuse himself on all Board discussions and decisions relating to the aforementioned matter, and will abstain from voting on any Board decision.
- 7.2 Save as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Tenancy Agreement, save for their shareholdings in the Company.

8. DOCUMENTS AVAILABLE FOR INSPECTION

- 8.1 A copy of the Tenancy Agreement and Valuation Report is available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

By Order of the Board

Lai Chin Yee
Non-Executive Chairman and Independent Director
14 February 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, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.