SINGAPORE PAINCARE HOLDINGS LIMITED

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

PROPOSED ACQUISITION OF 51% OF THE TOTAL ISSUED SHARE CAPITAL OF CENTRE FOR SCREENING & SURGERY PTE LTD

---

1. INTRODUCTION

The board of Directors (the "**Board**" or "**Directors**") of Singapore Paincare Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that on 28 February 2022, the Company has entered into a sale and purchase agreement (the "**SPA**") with Dr Kum Cheng Kiong ("**Dr Kum**") to acquire 51 ordinary shares of Centre for Screening & Surgery Pte Ltd ("**CSS**" or "**Target Company**") ("**Sale Shares**") representing 51% of the total issued share capital of the Target Company, on the terms and conditions of the SPA (the "**Proposed Acquisition**").

1.2 In connection with the Proposed Acquisition, the Group has also entered into the following agreements with Dr Kum:

(i) a shareholders' agreement (the "**SHA**") dated 28 February 2022 pursuant to which the Company and Dr Kum have, *inter alia*, set out their rights and obligations as shareholders of the Target Company; and

(ii) an employment agreement dated 28 February 2022 (the "**Employment Agreement**") pursuant to which Dr Kum will be employed as a general surgeon and clinic manager of the Target Company.

2. INFORMATION ON THE TARGET COMPANY AND DR KUM

2.1 The Target Company is a company incorporated in Singapore. As at the date of this announcement, the Target Company has an issued and paid-up share capital of S$100, comprising of 100 ordinary shares. Dr Kum currently holds 100% of the total issued shares in the Target Company.

2.2 The Target Company owns and operates a medical clinic under the name "Centre for Screening and Surgery" and specialises in the screening and treatment of common cancers such as breast, colon, stomach and thyroid.

2.3 Based on the unaudited management accounts of the Target Company for the six-month financial period from 1 July 2021 to 31 December 2021 ("**CSS HY2021**"), the profit before income tax and net profit after tax of the Target Company for CSS HY2021 were S$369,679 and S$324,557 respectively and the net tangible asset value and net asset value of the Target Company as at 31 December 2021 were both S$877,645.

2.4 Dr Kum is a surgical oncologist (cancer surgeon) in Singapore. Dr Kum is a pioneer in Asia for minimally invasive surgery (Laparoscopic Surgery) and robotic surgery. He has extensive

experience with laparoscopic surgery for gallstones, hernia and weight management. In 1994, he was awarded the Health Manpower Development Plan Scholarship to Cologne, Germany, to train in Advanced Laparoscopic Surgery. He was also a Fellow in Cleveland Clinic, USA, in 1996. Since then, he has given live demonstration of complex laparoscopic surgery operations in more than 10 countries and has been invited to speak in more than 50 international conferences. He has also published more than 60 papers in peer reviewed journals and 7 book chapters. He was also the Leader of the Singapore International Foundation Specialist Team on Laparoscopic Surgery to Vietnam from 1997 to 2002. Dr Kum is an independent third party and not related to the Group, the Directors, the Company's substantial shareholders or controlling shareholders, and/or their respective associates. To the best of the Company's knowledge, as at the date of this announcement, Dr Kum does not have any shareholding interests, directly or indirectly, in the Company.

2.5 Pursuant to the completion of the Proposed Acquisition (the "**Completion**"), the Company and Dr Kum will own 51% and 49% of the total issued share capital of the Target Company respectively, and the Target Company will become a subsidiary of the Company.

3. RATIONALE FOR THE ACQUISITION

The Acquisition is part of the Group's strategy to expand its business operations locally and grow its client base. The Group believes that the business of the Target Company is complementary to the business of the Group and the acquisition of a majority stake in the Target Company will allow the Group to include the provision of cancer detection and treatment amongst its suite of services.

4. PRINCIPAL TERMS OF THE ACQUISITION

4.1 Sale and Purchase of the Sale Shares and Purchase Price

4.1.1 Pursuant to the terms of the SPA, Dr Kum shall sell to the Company, and the Company shall acquire from Dr Kum, the Sale Shares free from all encumbrances and with all rights attached thereto for a purchase consideration of **S$3,264,000**, payable fully in cash on Completion.

4.1.2 The Completion has taken place on the date of the SPA.

4.1.3 The Purchase Price was arrived at on a willing-buyer, willing-seller basis, after negotiations which were conducted at arm's length between the Company and Dr Kum and taking into consideration factors such as the net asset value, and past revenue and net profit of the Target Company, and the synergies between the Target Company, Dr Kum and the Group.

4.1.4 The Purchase Price for the Sale Shares shall be fully funded through the Company's internal resources.

4.2 Sell Back

In the event Dr Kum's employment under the Employment Agreement is terminated:

(a) by Dr Kum pursuant to a notice given by Dr Kum; and/or

(b) by the Company due to certain defaults by Dr Kum as set out in the Employment Agreement,

at any time before the date falling ninety-six (96) months from the date of Completion ("**Sell Back Event**"), Dr Kum shall purchase and acquire all ordinary shares in the Target Company held by the Company as at the date of the Sell Back Event ("**Sell Back Shares**") at a price equivalent to the sum of S$3,264,000 less the aggregate dividends and distributions paid to and received by Dr Kum in respect of the Sell Back Shares as at the date of the Sell Back Event.

5. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

5.1 Based on the latest announced unaudited consolidated financial statements of the Group for the six months ended 31 December 2021 ("**HY2022**"), the relative figures of the Proposed Acquisition on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist Rules ("**Catalist Rules**") are as follows:

Rule 1006	**Bases**	**Relative Figures (%)**
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable.
(b)	The net profits[(1)] attributable to the assets acquired of, compared with the Group's net profit.	7.0%[(2)]
(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	9.5%[(3)]
(d)	Number of equity securities issued by the Company as consideration for an acquisition compared with the number of equity securities previously in issue.	Not applicable.
(e)	Aggregate volume or amount of proved and probable reserves to be disposal of, compared with the aggregate of the group's proved and probable reserves.	Not applicable.

Notes:

(i) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(ii) Computed based on 51% of the unaudited net profits before income tax of the Target Company for CSS HY2021 of S$188,536, and the unaudited net profits before income tax of the Group for HY2022 of S$2,705,784.

(iii) Computed based on the Purchase Price of S$3,264,000 and the Company's market capitalisation of approximately S$34,308,072, which is determined by multiplying the number of ordinary shares in the issued share capital of the Company ("**Shares**") in issue (excluding treasury shares) of 179,623,416 by the volume weighted average price of S$0.191 per Share on 24 February 2022, being the last market day immediately preceding the date of the SPA that the Shares were traded.

As the relative figures computed on the bases set out in Rules 1006(b) and 1006(c) exceed 5% but does not exceed 75%, the Proposed Acquisition constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules.

6. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION

6.1 The financial effects of the Proposed Acquisition on the Group are for illustrative purposes only and do not reflect either the actual financial effects of the Proposed Acquisition on the Group or the future financial performance and/or position of the Group immediately following the Completion.

6.2 For illustrative purposes only, the financial effects of the Proposed Acquisition have been prepared based on the latest announced audited financial statements of the Group for the financial year ended 30 June 2021 and the unaudited management accounts of the Target Company for the trailing twelve-month financial period from 1 July 2020 to 30 June 2021 and based on the following assumptions:

(a) the Acquisition had been completed on 30 June 2021 for the purposes of illustrating the financial effects on net tangible assets ("**NTA**") per Share of the Group;

(b) the Acquisition had been completed on 1 July 2020 for the purposes of illustrating the financial effects on the earnings per Share ("**EPS**") of the Group; and

(c) the NTA per Share and EPS per Share are computed based on 179,623,416 Shares in issue and the weighted average number of ordinary shares in issue of 179,623,416 Shares respectively, as at the date of this announcement.

6.3 NTA

	Before the proposed acquisition	After the proposed acquisition
Net Tangible Asset Value - S$	16,933,985	16,934,085
Total number of issued shares	179,623,416	179,623,416
Net Tangible Asset per Share - S$	0.09	0.09

**Net Tangible Asset Value refers to net tangible assets attributable to equity holders of the Company.*

6.4 EPS

	Before the proposed acquisition	After the proposed acquisition
Earnings attributable to the equity holders - S$	2,199,840	2,584,072
Weighted average number of issued shares	179,623,416	179,623,416
Earnings per Share (cents)	1.22	1.44

7. SERVICE CONTRACTS

No person is proposed to be appointed to the Board in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Acquisition other than through their respective shareholdings (if any) in the Company.

9. DOCUMENT FOR INSPECTION

A copy of the SPA is available for inspection at the registered office of the Company at 101 Cecil Street, #10-02. Tong Eng Building. Singapore 069533 during normal business hours for a period of three (3) months commencing from the date of this announcement.

By Order of the Board

Lee Mun Kam Bernard
Executive Director and Chief Executive Officer

28th February 2022

Singapore Paincare Holdings Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 30 July 2020. The initial public offering of the Company was sponsored by Novus Corporate Finance Pte. Ltd. (the "**Sponsor**").

This announcement has been prepared by the Company and reviewed by the Sponsor, in compliance with Rule 226(2)(b) of 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, 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.