

SINGAPORE PAINCARE HOLDINGS LIMITED

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

CLARIFICATION ANNOUNCEMENT

*Unless otherwise defined, capitalised terms shall have the meaning ascribed to them in the offer document issued by the Singapore Paincare Holdings Limited (the "**Company**") and registered by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") dated 13 July 2020 (the "**Offer Document**").*

The board of directors ("**Board**") of the Company wishes to announce that the SGX-ST has received a letter from a member of public (the "**Letter**") with its comments on certain statements in the Offer Document. The Board sets out below its response to each of the comments made by the member of public (which have been replicated below).

Comments

1. ***"Pages 35 and 194 of the Document state that "[i]n March 2018, Dr. Bernard Lee performed an endoscopic lumbar disc decompression procedure", and goes on to claim at Page 194 of the Document that "...Dr. Bernard Lee had informed the relevant committee convened by the hospital's group that he had inadvertently written in the postoperative notes that the procedure was laminectomy although the procedure which was carried out, and which was originally quoted to the patient, was not a laminectomy. For completeness, Dr Bernard Lee had conducted a nucleoplasty (endoscopic lumbar disc decompression), and no laminectomy was conducted on the patient". These statements give the misleading impression that there could have been a misunderstanding over the precise nature of the procedures that Dr Bernard Lee ("Dr Lee") performed. The review committee that conducted an independent assessment was satisfied that what Dr Lee performed during the March 2018 case was clearly a laminectomy, a surgical procedure he is neither trained nor accredited to perform."***

The statements above relate to a procedure conducted by Dr. Bernard Lee in a particular hospital after which his clinical privileges to list cases in that hospitals' operating theatres and endoscopy suites as a proceduralist was suspended for a period of three months from 1 June 2019 to 31 August 2019. A description of the events surrounding this procedure is disclosed in pages 35 and 194 of the Offer Document.

The Board after discussing the above statements with Dr. Bernard Lee wishes to highlight the following:

- (1) The Letter states that Dr. Bernard Lee had performed a laminectomy. Dr. Bernard Lee respectfully disagrees with this assessment. Dr. Bernard Lee's position is that he conducted a nucleoplasty (endoscopic lumbar disc decompression) and no laminectomy was conducted on the patient.
- (2) While the hospital group and Dr. Bernard Lee appear to have a professional disagreement as to the nature of the procedure he had performed, we would emphasize that the Offer Document discloses the contents of the May 2019 letter and sets out the full impact of the findings i.e. that Dr. Bernard Lee had his clinical privileges to list cases in all its hospitals' operating theatres and endoscopy suites as a proceduralist suspended for a period of

three months from 1 June 2019 to 31 August 2019, and that Dr. Bernard Lee was issued 20 demerit points under the hospital's compliance improvement point system. The Offer Document also further discloses that in February 2019, the hospital's group issued a circular providing that all endoscopic disc procedures had to be performed together with neurosurgeons or orthopedic surgeons.

- (3) It is further noted that Dr. Bernard Lee has performed more than 50 nucleoplasty (endoscopic lumbar disc decompression) (with an electric burr) at the said hospital since 2014.

2. **“Page 100 of the Document claims that an endoscopic lumbar disc decompression is a “type of nucleoplasty [that] decompresses a large volume of disc herniation” and page 194 of the Document states that “Dr. Bernard Lee had conducted a nucleoplasty (endoscopic lumbar disc decompression). This is misleading as (i) an endoscopic lumbar disc decompression and a nucleoplasty are different procedures, and (ii) the procedure that Dr Lee performed in March 2018 cannot be described as a nucleoplasty.”**

The Offer Document does not state that an endoscopic lumbar disc decompression and a nucleoplasty are similar procedures. Page 100 of the Offer Document explains these two procedures in separate paragraphs (differentiating endoscopic lumbar disc decompression from nucleoplasty in general).

Further, the Offer Document did not describe the procedure performed by Dr. Bernard Lee as a nucleoplasty, and instead describes the procedure as a "nucleoplasty (endoscopic lumbar disc decompression)", for which Dr. Bernard Lee has conducted more than 50 nucleoplasty (endoscopic lumbar disc decompression) (with an electric burr) at the said hospital since 2014.

3. **Page 194 of the Document states that “*the use of the electric burr was inappropriate for a laminectomy (the procedure indicated in the operating theatre listing)*”. The review committee found that Dr Lee had intended to perform a laminectomy, notwithstanding the fact that he did not indicate in the operating theatre listing that he was intending to do so. Had the procedure been listed as a laminectomy, this would likely have prompted queries from the Operating Theatre nurse-in-charge, as Dr Lee was and is not a surgeon. The review committee also found that the electric burr failed to work because it was not the correct equipment to be used for the type of surgery that Dr Lee wanted to perform. When the electric burr failed to deploy, instead of stopping the laminectomy Dr Lee continued to attempt the laminectomy with a reamer, which was inappropriate in the circumstances and was the likely reason why the patient sustained the dura tear complication.**

As discussed in the first response, Dr. Bernard Lee respectfully disagrees with the assessment that he performed a laminectomy, and his position is that he had conducted a nucleoplasty (endoscopic lumbar disc decompression).

The comment above also states that Dr. Bernard Lee did not indicate in the operating theatre listing that he was intending to conduct a laminectomy. Dr. Bernard Lee does not disagree with this statement. On page 194 of the Offer Document, it is stated that Dr. Bernard Lee had inadvertently written in the post-operative notes (as compared to the operating theatre listing) that the procedure was laminectomy although the procedure which was carried out, and which was originally quoted to the patient, was not laminectomy.

The confusion arises due to the description of a letter which Dr Bernard Lee received from the said hospital in May 2019. In the May 2019 letter, the hospital group had stated, *inter alia*, that:

“The procedure you indicated in the Operating Theatre (OT) listing was different from the actual procedure being performed (i.e. a laminectomy) based on the operation records dated 2 March 2018”.

The impression Dr. Bernard Lee had from the above sentence in the May 2019 letter was that they believed he had indicated he was performing a laminectomy in the operating theatre listing. In summarising the May 2019 letter on page 194 of the Offer Document, that impression was reflected in the description when it was stated that “the use of the electric burr was inappropriate for a laminectomy (the procedure indicated in the operating theatre listing)”.

Given the clarification provided in the Letter on the interpretation of the above statement in the May 2019 letter, Dr. Bernard Lee acknowledges the Letter’s interpretation.

4. ***Pages 36 and 195 of the Document state that “[f]or the avoidance of doubt, Dr. Bernard Lee has continued to be able to list and carry out procedures at the relevant hospital following the lifting of the Temporary Suspension”. We can confirm that the suspension of Dr Lee’s clinical privileges to list cases in the Operating Theatres and endoscopy suites of the [redacted] Hospitals ended on 31 August 2019. Dr Lee remains accredited / privileged to perform only certain core anaesthetic procedures at [redacted] Hospitals, and in relation to endoscopic disc procedures, he is only permitted to perform those procedures together with an orthopaedic spine surgeon or neurosurgeon in attendance.***

The comments made are consistent with the disclosures in the Offer Document.

The Offer Document had disclosed Dr. Bernard Lee’s temporary suspension as described above. Pages 36 and 194 of the Offer Document also state that the hospital's group issued a circular providing that all endoscopic disc procedures had to be performed together with neurosurgeons or orthopedic surgeons.

5. ***Page 36 of the Document states that “[o]ther than the said hospital, none of the other hospitals where we conduct minimally invasive procedures requires endoscopic disc procedures to be conducted by pain specialists together with neurosurgeons or orthopaedic surgeons”. We wish to clarify that all four [redacted] Hospitals require all endoscopic disc procedures to be conducted together with orthopaedic spine surgeons or neurosurgeons.***

The above comments are consistent with the disclosures in the Offer Document. Pages 36 and 194 of the Offer Document state that the hospital's group issued a circular providing that all endoscopic disc procedures had to be performed together with neurosurgeons or orthopedic surgeons. This does not apply to hospitals other than those of the hospital group.

The Board wishes to reiterate that the Offer Document has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Document and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Document constitutes full and true disclosure of all material facts about the Placement, our Company and our subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Offer Document misleading. Where information in this Offer Document has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Offer Document in its proper form and context.

Further, the Board is of the view that:

- (a) there is no false or misleading statement in the Offer Document;

- (b) there is no omission from the Offer Document that should have been included in it under Section 243 of the Securities and Futures Act (Chapter 289 of Singapore) ("**SFA**"); and
- (c) no new circumstance has arisen since the Offer Document was lodged with SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore, and would have been required by Section 243 of the SFA to be included in the Offer Document, if it had arisen before the Offer Document was lodged,

and that is materially adverse from the point of view of an investor, requiring the Company to lodge a supplementary or replacement prospectus with SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore.

BY ORDER OF THE BOARD

Singapore Paincare Holdings Limited
Dr. Lee Mun Kam Bernard
Executive Director and Chief Executive Officer
27 July 2020

This announcement 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 ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

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.

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