

## SINGAPORE PAINCARE HOLDINGS LIMITED

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

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### MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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The Board of Directors (“**Board**”) of Singapore Paincare Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s unaudited financial results announcement for the six months and full year ended 30 June 2023 (“**FY2023**”) made on 29 August 2023 via the SGXNET (“**Preliminary Unaudited Results**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board wishes to announce that subsequent to the release of the Preliminary Unaudited Results, the external auditors of the Company (“**Auditors**”) have proposed certain adjustments between the Preliminary Unaudited Results and FY2023 audited financial results (the “**Audited Financial Statements**”) in respect of the statements of financial position and consolidated statement of cash flows, which the management of the Company has adopted accordingly.

The details and explanation of the material variances between the Audited Financial Statements and the Preliminary Unaudited Results are set out in the appendix to this announcement. Shareholders of the Company (“**Shareholders**”) are advised to read the Audited Financial Statements set out in the Company’s annual report for FY2023, which will be released separately on SGXNET.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Lee Mun Kam Bernard  
Executive Director and Chief Executive Officer  
2 October 2023

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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, 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

**1. The Audited Statement of Financial Position (for the Company and the Group), together with a comparative Preliminary Unaudited Results, for FY2023**

	Group			Company			Explanatory Note
	Audited 30 June 2023	Unaudited 30 June 2023	Change %	Audited 30 June 2023	Unaudited 30 June 2023	Change %	
	\$'000	\$'000		\$'000	\$'000		
<b>ASSETS</b>							
<b>Non-current assets</b>							
Plant and equipment	7,759	7,759	-	759	759	-	
Intangible assets	13,489	13,489	-	71	71	-	
Investments in subsidiaries	-	-	-	19,609	19,682	NM	1
Investment in joint venture	4,047	4,047	-	4,080	4,080	-	
Investments in associates	396	396	-	320	320	-	
Other receivables	-	-	-	2,115	2,115	-	
Derivative financial assets	474	474	-	474	474	-	
	26,165	26,165	-	27,428	27,501	NM	
<b>Current assets</b>							
Inventories	1,277	1,277	-	-	-	-	
Trade and other receivables	2,654	2,654	-	2,398	2,398	-	
Prepayments	473	473	-	72	72	-	
Cash and bank balances	9,636	9,636	-	4,380	4,380	-	
	14,040	14,040	-	6,850	6,850	-	
<b>Total assets</b>	<b>40,205</b>	<b>40,205</b>	-	<b>34,278</b>	<b>34,351</b>	<b>NM</b>	
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Share capital	25,684	25,684	-	25,684	25,684	-	
Treasury shares	(1,731)	(1,731)	-	(1,731)	(1,731)	-	
Merger reserve	(5,553)	(5,553)	-	-	-	-	
Other reserves	177	177	-	412	412	-	
Retained earnings	3,144	3,144	-	1,801	1,801	-	
<b>Equity attributable to owners of the Company</b>	<b>21,721</b>	<b>21,721</b>	-	<b>26,166</b>	<b>26,166</b>	-	
Non-controlling interests	325	252	29	-	-	-	1
<b>Total equity</b>	<b>22,046</b>	<b>21,973</b>	<b>NM</b>	<b>26,166</b>	<b>26,166</b>	-	

NM : Not Meaningful

**1. The Audited Statement of Financial Position (for the Company and the Group), together with a comparative Preliminary Unaudited Results, for FY2023 (Continued)**

	Group			Company			Explanatory Note
	Audited 30 June 2023	Unaudited 30 June 2023	Change %	Audited 30 June 2023	Unaudited 30 June 2023	Change %	
	\$'000	\$'000		\$'000	\$'000		
<b>Non-current liabilities</b>							
Bank borrowings	774	2,070	(63)	680	1,976	(66)	2
Lease liabilities	4,582	4,582	-	1,130	1,130	-	
Derivative financial instruments	-	73	(100)	-	73	(100)	1
Other payables	154	154	-	-	-	-	
Provisions	129	129	-	21	21	-	
	5,639	7,008	(20)	1,831	3,200	(43)	
<b>Current liabilities</b>							
<b>Trade and other payables</b>	4,093	4,093	-	694	694	-	
Bank borrowings	5,373	4,077	32	5,312	4,016	32	2
Lease liabilities	1,636	1,636	-	-	-	-	
Contract liabilities	126	126	-	275	275	-	
Income tax payable	1,292	1,292	-	-	-	-	
	12,520	11,224	12	6,281	4,985	26	
<b>Total liabilities</b>	<b>18,159</b>	<b>18,232</b>	<b>NM</b>	<b>8,112</b>	<b>8,185</b>	<b>(1)</b>	
<b>Total equity and liabilities</b>	<b>40,205</b>	<b>40,205</b>	<b>-</b>	<b>34,278</b>	<b>34,351</b>	<b>NM</b>	

NM : Not Meaningful

**2. The Audited Statement of Cash Flows (for the Group), together with a comparative Preliminary Unaudited Results, for FY2023**

<b>Consolidated Statement of Cash Flows</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Change</b>	<b>Explanatory</b>
	<b>30 June 2023</b>	<b>30 June 2023</b>	<b>%</b>	<b>Note</b>
	<b>S\$'000</b>	<b>S\$'000</b>		
<b>Operating activities:</b>				
Profit before income tax	1,255	1,255	-	
Adjustments for:				
Depreciation of plant and equipment	319	319	-	
Depreciation of right-of-use assets	1,360	1,360	-	
Amortisation of intangible assets	39	39	-	
Interest income	(2)	(2)	-	
Interest expense	214	214	-	
Impairment loss in associate	731	731	-	
Fixed asset written off	2	2	-	
Fair value loss/(gain) on derivative financial instrument	2,034	2,034	-	
Provision for litigation	10	10	-	
Addition/(reversal) of loss allowance on receivables, net	165	165	-	
Share of results of associates, net of tax	(128)	(128)	-	
Share of results of joint venture, net of tax	33	33	-	
Operating cash flows before working capital changes	6,032	6,032	-	
Inventories	(247)	(247)	-	
Trade and other receivables	(116)	(116)	-	
Trade and other payables and contract liabilities	(4)	546	(101)	3
Prepayments	(300)	(300)	-	
<b>Cash generated from operations</b>	<b>5,365</b>	<b>5,915</b>	<b>(9)</b>	
Income tax paid	(921)	(921)	-	
Interest received	2	2	-	
<b>Net cash from operating activities</b>	<b>4,446</b>	<b>4,996</b>	<b>(11)</b>	
<b>Investing activities:</b>				
Acquisition of subsidiary, net of cash acquired	(2,978)	(2,978)	-	
Capital expenditure in joint venture	(4,080)	(4,080)	-	
Dividend income from an associate	327	327	-	
Proceeds from disposal of plant and equipment	1	1	-	
Purchase of plant and equipment	(762)	(1,312)	(42)	3
<b>Net cash used in investing activities</b>	<b>(7,492)</b>	<b>(8,042)</b>	<b>(7)</b>	

NM : Not Meaningful

**2. The Audited Statement of Cash Flows (for the Group), together with a comparative Preliminary Unaudited Results, for FY2023 (Continued)**

<b>Consolidated Statement of Cash Flows</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Change</b>	<b>Explanatory</b>
	<b>30 June 2023</b>	<b>30 June 2023</b>	<b>%</b>	<b>Note</b>
	<b>S\$'000</b>	<b>S\$'000</b>		
<b>Financing activities:</b>				
Dividends paid	(2,155)	(2,155)	-	
Dividend paid to non-controlling interest	(236)	(237)	NM	
Advances from non-controlling interest	352	353	NM	
Repayment to non-controlling interest	(457)	(457)	-	
Purchase of treasury shares	(1,731)	(1,731)	-	
Proceeds from bank borrowings	4,000	4,000	-	
Repayment of bank borrowings	(754)	(754)	-	
Repayment of principal portion of lease liabilities	(1,314)	(1,314)	-	
Repayment of interest portion of lease liabilities	(148)	(148)	-	
Interest paid	(48)	(48)	-	
<b>Net cash used in financing activities</b>	<b>(2,491)</b>	<b>(2,491)</b>	-	
Net change in cash and cash equivalents	(5,537)	(5,537)	-	
Cash and cash equivalents at beginning of financial year	15,173	15,173	-	
<b>Cash and cash equivalents at end of financial year</b>	<b>9,636</b>	<b>9,636</b>	-	

NM : Not Meaningful

**Explanatory Note 1:**

The variance is mainly due to the finalisation of valuation report for the derivative financial instruments held by the Company. Based on the finalised valuation report, the valuation of the derivative financial instruments held by the Company was revised from \$73,000 to Nil as at 30 June 2023.

**Explanatory Note 2:**

Some of the Company's bank loan agreements are subjected to covenant clauses, whereby the Company is required to meet certain key financial ratios. As at 30 June 2023, the Company did not fulfil a financial ratio as required by one of the banks for a credit facility of \$5,500,000, of which the Company has currently drawdown an amount of \$3,992,000. This was mainly due to an increase in bank borrowings towards the end of the financial year ended 30 June 2023, coupled with the impairment loss on investment in associate.

Due to this breach of the covenant clause, the bank is contractually entitled to request for immediate repayment of the entire outstanding loan amount. Accordingly, the outstanding balance of \$1,296,000, previously classified as non-current liabilities in the Preliminary Unaudited Results, was reclassified and presented as current liabilities as at 30 June 2023.

The bank had not requested early repayment of the loan as of the date when these financial statements were approved by the Board of Directors. The Company has sought approval from the bank for a waiver of the breach in loan covenant and is expected to receive an outcome by 31 December 2023.

**Explanatory Note 3:**

The variance is due to the reclassification of \$550,000 in relation to the purchase of plant and equipment during the financial year. The amount was classified under "net cash used in investing activities" in the Preliminary Unaudited Results, while it should have been included as changes in working capital (trade and other payable and contract liabilities) under "net cash from operating activities", as the amount was unpaid as at 30 June 2023.