



**SINGAPORE PAINCARE HOLDINGS LIMITED**  
Company Registration No. 201843233N  
(Incorporated in the Republic of Singapore)

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**Singapore Paincare Holdings Limited  
and its subsidiaries**  
(Incorporated in the Republic of Singapore)  
(UEN: 201843233N)

Unaudited Condensed Interim Financial Statements  
For the six months and full year ended 30 June 2022



**SINGAPORE PAINCARE HOLDINGS LIMITED**  
Company Registration No. 201843233N  
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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 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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**SINGAPORE PAINCARE HOLDINGS LIMITED**  
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**A. Condensed and Full Year Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	6 Months Ended 30 June		12 Months Ended 30 June	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Revenue</b>		10,531,151	6,096,202	18,836,933	10,956,104
<b>Other items of income</b>					
Other income	5	839,920	137,149	1,046,632	660,908
<b>Items of expense</b>					
Changes in inventories		327,328	(11,212)	249,170	(85,270)
Inventories and consumables used		(1,935,865)	(1,135,620)	(3,412,764)	(2,206,487)
Employee benefits expense		(4,347,614)	(1,991,277)	(7,227,060)	(3,681,356)
Depreciation and amortisation expense	6	(683,007)	(389,635)	(1,149,350)	(729,287)
Operating lease expenses		(4,005)	(2,590)	(4,760)	(2,590)
Other expenses	7	(2,419,321)	(1,029,438)	(3,386,086)	(2,339,889)
Finance costs	8	(78,934)	(52,899)	(145,774)	(228,418)
Share of results of associates, net of tax		273,887	182,290	402,383	275,439
<b>Profit before income tax</b>		2,503,540	1,802,970	5,209,324	2,619,154
Income tax expense	9	(525,779)	(272,120)	(882,741)	(460,658)
<b>Profit for the financial period/year, representing total comprehensive income</b>		1,977,761	1,530,850	4,326,583	2,158,496
<b>Profit and total comprehensive income attributable to:</b>					
Owners of the Company		1,634,631	1,524,953	3,901,373	2,199,840
Non-controlling interests		343,130	5,897	425,210	(41,344)
		1,977,761	1,530,850	4,326,583	2,158,496
<b>Earnings per share for profit for the period/year attributable to the owners of the Company</b>					
Basic (in cents)	10	0.91	0.90	2.17	1.30
Diluted (in cents)	10	0.91	0.90	2.17	1.30
<i>N.M. - Not meaningful</i>					



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## B. Condensed Full Year Statements of Financial Position

	Note	Group		Company	
		As At 30 June 2022	As At 30 June 2021	As At 30 June 2022	As At 30 June 2021
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	11	5,518,778	2,190,334	81,798	111,411
Investment in subsidiaries		-	-	15,541,153	12,276,902
Investment in associates	12	1,239,342	2,235,626	1,241,205	2,126,205
Intangible assets	13	10,406,753	6,621,463	109,677	148,387
Other receivables	14	22,079	-	2,065,084	135,209
Derivative financial instruments	15	2,508,000	1,878,405	2,508,000	1,878,405
		19,694,952	12,925,828	21,546,917	16,676,519
<b>Current assets</b>					
Inventories		1,023,401	774,231	-	-
Trade and other receivables	14	2,708,188	1,555,316	4,044,842	3,144,668
Prepayments		128,501	100,762	17,033	10,403
Cash and cash equivalents		15,173,035	15,839,538	7,714,725	11,710,975
		19,033,125	18,269,847	11,776,600	14,866,046
<b>TOTAL ASSETS</b>		38,728,077	31,195,675	33,323,517	31,542,565
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	16	25,683,684	25,683,684	25,683,684	25,683,684
Merger reserve		(5,552,876)	(5,552,876)	-	-
Other reserve		177,484	177,484	412,484	412,484
Retained earnings		5,801,353	3,247,156	2,919,106	1,638,004
		26,109,645	23,555,448	29,015,274	27,734,172
Non-controlling interests		359,593	(41,166)	-	-
<b>TOTAL EQUITY</b>		26,469,238	23,514,282	29,015,274	27,734,172
<b>Non-current liabilities</b>					
Bank borrowings	17	2,176,475	2,843,900	1,992,000	2,630,000
Lease liabilities		3,793,701	1,370,218	798,142	46,244
Other payables	18	42,484	127,867	-	-
Provisions		51,953	29,717	-	-
Derivative financial instruments	15	-	2,444	-	2,444
		6,064,613	4,374,146	2,790,142	2,678,688
<b>Current liabilities</b>					
Trade and other payables	18	2,986,068	1,010,252	600,914	321,358
Bank borrowings	17	725,424	811,758	696,000	754,000
Contract liabilities		93,252	28,501	-	-
Lease liabilities		1,200,005	661,911	221,187	54,347
Income tax payables		1,189,477	794,825	-	-
		6,194,226	3,307,247	1,518,101	1,129,705
<b>TOTAL LIABILITIES</b>		12,258,839	7,681,393	4,308,243	3,808,393
<b>TOTAL EQUITY AND LIABILITIES</b>		38,728,077	31,195,675	33,323,517	31,542,565



# SINGAPORE PAINCARE HOLDINGS LIMITED

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## C. Condensed Full Year Statements of Changes in Equity

Group	Share capital	Merger reserve	Other Reserve	Retained earnings	Total	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	13,797,282	(5,552,876)	177,484	2,178,680	10,600,570	-	10,600,570
Profit for the financial year	-	-	-	2,199,840	2,199,840	(41,344)	2,158,496
<b>Total comprehensive income for the financial year</b>	-	-	-	2,199,840	2,199,840	(41,344)	2,158,496
<b>Contribution by and distribution to owners</b>							
Issue of new shares	12,394,120	-	-	-	12,394,120	-	12,394,120
Shares issues expenses	(507,718)	-	-	-	(507,718)	-	(507,718)
Dividends paid	20	-	-	(1,131,364)	(1,131,364)	-	(1,131,364)
<b>Total transaction with owners</b>	11,886,402	-	-	(1,131,364)	10,755,038	-	10,755,038
<b>Transactions with non-controlling interests</b>							
Subscription of shares by non-controlling interest in subsidiaries	-	-	-	-	-	178	178
<b>Transactions with non-controlling interests</b>	-	-	-	-	-	178	178
<b>Balance at 30 June 2021</b>	25,683,684	(5,552,876)	177,484	3,247,156	23,555,448	(41,166)	23,514,282
<b>Balance at 1 July 2021</b>	25,683,684	(5,552,876)	177,484	3,247,156	23,555,448	(41,166)	23,514,282
Profit for the financial year	-	-	-	3,901,373	3,901,373	425,210	4,326,583
<b>Total comprehensive income for the financial year</b>	-	-	-	3,901,373	3,901,373	425,210	4,326,583
<b>Distributions to owners</b>							
Dividends paid	20	-	-	(1,347,176)	(1,347,176)	(24,500)	(1,371,676)
<b>Total transactions with owners</b>	-	-	-	(1,347,176)	(1,347,176)	(24,500)	(1,371,676)
<b>Transactions with non-controlling interests</b>							
Subscription of shares by non-controlling interest in subsidiary	-	-	-	-	-	49	49
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	49	49
<b>Balance at 30 June 2022</b>	25,683,684	(5,552,876)	177,484	5,801,353	26,109,645	359,593	26,469,238



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## C. Condensed Full Year Statements of Changes in Equity (Continued)

COMPANY	Share capital	Other reserve	Retained earnings	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	13,797,282	412,484	1,171,422	15,381,188
Profit for the financial year	-	-	1,597,946	1,597,946
<b>Total comprehensive income for the financial year</b>	-	-	1,597,946	1,597,946
<b>Contribution by and distributions to owners</b>				
Issue of shares	12,394,120	-	-	12,394,120
Share issue expenses	(507,718)	-	-	(507,718)
Dividends paid	20	-	(1,131,364)	(1,131,964)
<b>Total transactions with owners</b>	11,886,402	412,484	(1,131,364)	10,755,038
<b>Balance at 30 June 2021</b>	25,683,684	412,484	1,638,004	27,734,172
<b>Balance at 1 July 2021</b>	25,683,684	412,484	1,638,004	27,734,172
Profit for the financial year	-	-	2,628,278	2,628,278
<b>Total comprehensive income for the financial year</b>	-	-	2,628,278	2,628,278
<b>Distributions to owners</b>				
Dividends paid	20	-	(1,347,176)	(1,347,176)
<b>Total transaction with owners</b>	-	-	(1,347,176)	(1,347,176)
<b>Balance at 30 June 2022</b>	25,683,684	412,484	2,919,106	29,015,274



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**D. Consolidated Full Year Statement of Cash Flows**

	<b>Group</b>	
	<b>12 Months Ended</b>	
	<b>30 June 2022</b>	<b>30 June 2021</b>
	<b>\$</b>	<b>\$</b>
<b>Operating activities:</b>		
Profit before income tax	5,209,324	2,619,154
Adjustments for:		
Depreciation of plant and equipment	141,447	45,205
Depreciation of right-of-use assets	969,193	645,372
Amortisation of intangible assets	38,710	38,710
Interest expense	145,774	228,418
Impairment loss on investment in an associate	1,112,000	-
Fixed asset written off	1,604	-
Fair value (gain)/loss on derivative financial instrument	(632,039)	203,634
Reversal of impairment on doubtful receivables	(11,432)	(2,441)
Loss on lease modification	10,399	5,257
Gain of derecognition of right-of-use of assets	-	(1,597)
Loss allowance on doubtful receivables	-	21,328
Bad debts written-off	131	79
Share issue expense	-	340,000
Share of results of associates, net of tax	(402,383)	(275,439)
Operating cash flows before working capital changes	6,582,728	3,867,680
Inventories	(225,387)	85,270
Trade and other receivables	(927,084)	(340,925)
Trade and other payables	1,537,901	70,519
Prepayments	(27,729)	(73,289)
<b>Cash generated from operations</b>	<b>6,940,429</b>	<b>3,609,255</b>
Income tax paid	(488,089)	(553,953)
<b>Net cash from operating activities</b>	<b>6,452,340</b>	<b>3,055,302</b>
<b>Investing activities:</b>		
Acquisition of subsidiaries and business, net of cash acquired	(3,683,770)	(470,000)
Acquisition of associate	-	(2,400,000)
Dividend income from an associate	280,000	270,000
Deposit for acquisition of business	-	(58,500)
Purchase of plant and equipment	(550,312)	(297,079)
<b>Net cash used in investing activities</b>	<b>(3,954,082)</b>	<b>(2,955,579)</b>
<b>Financing activities:</b>		
Dividends paid	(1,347,176)	(1,131,364)
Share issue expenses	-	(447,719)
Advances from non-controlling interest	173,944	127,867
Repayment to non-controlling interest	(166,383)	-
Proceeds from non-controlling interest	-	178
Proceeds from issuance of shares	-	9,294,120
Proceeds from bank borrowings	-	5,000,000
Repayment of principal portion of lease liabilities	(929,223)	(629,755)
Repayment of interest portion of lease liabilities	(75,838)	(47,626)
Repayment of bank borrowings	(753,759)	(1,344,342)
Interest paid	(66,326)	(35,511)
<b>Net cash (used in)/from financing activities</b>	<b>(3,164,761)</b>	<b>10,785,848</b>
Net change in cash and cash equivalents	(666,503)	10,885,571
Cash and cash equivalents at beginning of financial year	15,839,538	4,953,967
<b>Cash and cash equivalents at end of financial year</b>	<b>15,173,035</b>	<b>15,839,538</b>



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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**1. Corporate information**

Singapore PAINCARE Holdings Limited (the “**Company**”) is a public limited company incorporated and domiciled in Singapore. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 30 July 2020. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (the “**Group**”). The figures are not audited or reviewed by the auditors.

The Company’s registered office and its principal place of business is located at 101 Cecil Street, Tong Eng Building #10-01, Singapore 069533. The registration number of the Company is 201843233N. The Group’s ultimate controlling party is Dr. Lee Mun Kam Bernard.

The principal activity of the Company is investment holding and the principal activities of the Group are operation of medical clinics and provision of medical services.

**2. Basis of preparation**

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standard Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim and full year financial statements are presented in Singapore Dollar, which is the functional currency of the Company and the presentation currency of the financial statements.

**2.1 New and amended standards adopted by the Group**

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.





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## **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022.

Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as below:

- Determination of the lease term

Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following:

- Business combinations related to acquisitions of subsidiaries and associates
- Impairment assessment of goodwill
- Impairment of investments in subsidiaries and associates
- Loss allowance on receivables
- Measurement of lease liabilities
- Fair value measurement of derivative financial instruments

## **3 Seasonal operations**

The Group's businesses are not affected by seasonal or cyclical factors during the financial period.



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**4. Segmental reporting**

**Business segment**

The management monitors the operating results of the business segment separately for the purposes of making decisions on resources to be allocated and of assessing performance. The business segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has only one primary business segment, which is the healthcare segment. Accordingly, no segmental information is prepared based on business segment as it is not meaningful.

**Geographical information**

During the financial years ended 30 June 2022 and 30 June 2021, the Group operated mainly in Singapore and all non-current assets were located in Singapore. Accordingly, an analysis of non-current assets and revenue of the Group by geographical distribution has not been presented as it is not meaningful.

**Major customers**

The Group's customers comprise mainly of individual patients. The Group is not reliant on any individual or corporate customer for its revenue and no one single customer accounted for 10% or more of the Group's total revenue for each of the reporting period.

**5. Other income**

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2022 \$	2021 \$	2022 \$	2021 \$
Government grants	168,664	106,633	264,845	344,506
Sponsorship income	5,000	6,500	22,120	15,500
Fair value gain on derivative financial instrument	632,039	-	632,039	-
Reversal of impairment on doubtful receivables	17	442	11,432	2,441
Listing grant	-	-	-	200,000
Rental rebates	25,275	-	50,075	29,312
Chronic disease consultation incentive	-	650	41,557	35,250
Interest income	368	269	680	759
Others	8,557	22,655	23,884	33,140
<b>Total other income</b>	<b>839,920</b>	<b>137,149</b>	<b>1,046,632</b>	<b>660,908</b>



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**6. Depreciation and amortisation expenses**

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2022	2021	2022	2021
	\$	\$	\$	\$
Depreciation of plant and equipment	93,336	35,609	141,447	45,205
Depreciation of right-of-use assets	570,316	334,671	969,193	645,372
Amortisation of intangible assets	19,355	19,355	38,710	38,710
<b>Total depreciation and amortisation expenses</b>	<b>683,007</b>	<b>389,635</b>	<b>1,149,350</b>	<b>729,287</b>

**7. Other expenses**

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2022	2021	2022	2021
	\$	\$	\$	\$
Audit fee				
-auditors of the company	91,200	73,590	151,200	110,000
Non-audit fee				
-auditors of the company	3,000	-	3,000	20,009
Advertising and promotion expenses	36,232	4,562	50,446	58,115
Administrative charges	169,461	124,809	306,003	218,271
Credit card fees	29,288	18,009	52,412	35,322
Entertainment expenses	19,916	11,917	41,349	20,090
Fair value loss on derivative financial instruments	-	203,634	-	203,634
Impairment loss on investment in an associate	1,112,000	-	1,112,000	-
Consultancy fees	137,000	-	188,000	-
Human resources expenses	-	37,460	6,000	70,850
Information technology expenses	46,029	12,155	76,395	34,008
Locum fee	96,048	108,908	273,787	137,318
Loss allowance on doubtful receivables	-	21,328	-	21,328
Loss on lease modification	10,399	5,257	10,399	5,257
Marketing fees	90,932	18,323	134,811	50,902
Professional fees	118,781	206,507	366,651	977,666
Printing and stationery	23,244	13,902	42,773	50,010
Small value asset written off	65,131	12,326	89,156	40,366
Subscription fees	16,701	12,219	32,407	26,163



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**8. Finance costs**

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2022	2021	2022	2021
	\$	\$	\$	\$
Term loan interest	30,670	29,511	66,326	35,511
Provision for reinstatement cost	273	96	298	187
Lease interest expense	47,991	23,292	79,150	47,626
Redeemable convertible loan	-	-	-	145,094
	<u>78,934</u>	<u>52,899</u>	<u>145,774</u>	<u>228,418</u>

**9. Income tax expense**

The Group calculates the period income tax expenses using the tax rate that would be applicable to the external total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of the profit or loss are:

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current income tax				
- current financial year	503,104	272,120	881,477	486,825
- under/ (over) provision in prior financial year	-	-	1,264	(26,167)
Deferred tax				
- current financial year	22,675	-	-	-
Total income tax expense recognised in profit or loss	<u>525,779</u>	<u>272,120</u>	<u>882,741</u>	<u>460,658</u>

**10. Earnings per share**

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2022	2021	2022	2021
<b><u>Earnings<sup>(1)</sup> per share</u></b>				
(i) Basic (cents)	0.91 <sup>(2)</sup>	0.90 <sup>(2)</sup>	2.17 <sup>(2)</sup>	1.30 <sup>(2)</sup>
(ii) On a fully diluted basis (cents)	<u>0.91<sup>(3)</sup></u>	<u>0.90<sup>(3)</sup></u>	<u>2.17<sup>(3)</sup></u>	<u>1.30<sup>(3)</sup></u>

**Notes:**

- (1) Based on net profit attributable to the owners of the Company.
- (2) For comparative and illustrative purposes, the weighted average number of ordinary shares in issue for the six months and twelve months ended 30 June 2022 were computed based on 179,623,416 and for six months and twelve months ended 30 June 2021 were computed based on 169,288,299 and 169,441,729 ordinary shares respectively.
- (3) The basic and fully dilutive earnings per share for six months and twelve months ended 30 June 2022 are the same as there are no dilutive ordinary shares in issue as at 30 June 2022.



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**11. Plant and equipment**

During the six months ended 30 June 2022, the Group and the Company acquired assets amounting to \$2,574,834 and \$Nil (30 June 2021: \$274,728 and \$121,021) respectively.

**12. Investment in associates**

	Group		Company	
	2022 \$	2021 \$	2022 \$	2021 \$
Unquoted equity investment, at cost	2,126,205	2,126,205	2,126,205	2,126,205
Less: Allowance for Impairment loss	(1,112,000)	-	(885,000)	-
Share of post-acquisition results, net of dividends and tax	225,137	109,421	-	-
	<u>1,239,342</u>	<u>2,235,626</u>	<u>1,241,205</u>	<u>2,126,205</u>

Total investment in associates were reduced by \$1.00 million from \$2.24 million in FY2021 to \$1.24 million was mainly attributed to an allowance for impairment loss of \$1.11 million, which is a non-cash item. This was mitigated with an improvement in earnings by \$0.01 million from \$0.11 million to \$0.12 million in the corresponding period.

The allowance for impairment is provided because the financial performance of Sen Med Holdings Pte Ltd (“SMH”) has yet to reach the performance level expected by the Group. Due to stiffer competition from local players, this has inevitably resulted in a negative impact on the projected value-in-use of SMH. The Group thus carried out a review on the recoverable amount of its investments in SMH as at 30 June 2022. The assessment resulted in the recognition of an impairment loss of \$1.11 million. The recoverable amount of the impaired associate was determined based on value-in-use of the associate by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows.

The key assumptions are as follows.

Associates	Revenue growth rates		Pre-tax discount rates	
	2022	2021	2022	2021
SMH	-17.6% to 46.6%	9.5% to 22.0%	14.0%	15.0%

Following the allowance for impairment loss recognised in SMH, the recoverable amount was equal to the carrying amount. Therefore, any adverse movement in a key assumption would lead to further impairment.



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**12. Investment in associates (Continued)**

**Summarised financial information of associates**

	KCS Anaesthesia Services Pte Ltd ("KCS")		SMH		TOTAL	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Net Assets	77,255	79,158	608,903	350,063		
Proportion of Group's ownership	40%	40%	45%	45%		
Group's share of interest in associate	30,902	31,663	274,006	157,529	304,908	189,192
Add: Goodwill	287,828	287,828	1,758,606	1,758,606	2,046,434	2,046,434
Less: Allowance for impairment loss	-	-	(1,112,000)	-	(1,112,000)	-
Net carrying amount	318,730	319,491	920,612	1,916,135	1,239,342	2,235,626

**13. Intangible assets**

	Computer software \$	Customer contract \$	Goodwill \$	Trademark \$	Total \$
<b>Group Cost</b>					
Balance at 1 January 2022	5,000	166,000	7,033,076	200,000	7,404,076
Additions	-	-	3,264,000	-	3,264,000
Balance at 30 June 2022	5,000	166,000	10,297,076	200,000	10,668,076
<b>Accumulated amortisation 6 months ended:</b>					
Balance at 1 January 2022	5,000	166,000	-	70,968	241,968
Amortisation charge	-	-	-	19,355	19,355
Balance at 30 June 2022	5,000	166,000	-	90,323	261,323
<b>Net carrying amount</b>					
Balance at 30 June 2022	-	-	10,297,076	109,677	10,406,753



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**13. Intangible assets (Continued)**

	Computer software \$	Customer contract \$	Goodwill \$	Trademark \$	Total \$
<b>Group</b>					
<b>Cost</b>					
Balance at 1 January 2021	5,000	166,000	6,223,176	200,000	6,594,176
Additions	-	-	249,900	-	249,900
Balance at 30 June 2021	5,000	166,000	6,473,076	200,000	6,844,076
<b>Accumulated amortisation 6 months ended:</b>					
Balance at 1 January 2021	5,000	166,000	-	32,258	203,258
Amortisation charge	-	-	-	19,355	19,355
Balance at 30 June 2021	5,000	166,000	-	51,613	222,613
<b>Net carrying amount</b>					
Balance at 30 June 2021	-	-	6,473,076	148,387	6,621,463
<b>Company</b>					
<b>Cost</b>					
Balance at 1 January 2022 and 30 June 2022				200,000	
<b>Accumulated amortisation 6 months ended:</b>					
Balance at 1 January 2022				70,968	
Amortisation charge				19,355	
Balance at 30 June 2022				90,323	
<b>Net carrying amount</b>					
Balance at 30 June 2022				109,677	
<b>Cost</b>					
Balance at 1 January 2021				-	
Addition				200,000	
Balance at 30 June 2021				200,000	
<b>Accumulated amortisation</b>					
Balance at 1 January 2021				32,258	
Amortisation charge				19,355	
Balance at 30 June 2021				51,613	
<b>Net carrying amount</b>					
Balance at 30 June 2021				148,387	



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**13. Intangible assets (Continued)**

*Impairment test for goodwill*

As at 30 June 2022, the recoverable amount of the cash-generating unit (“CGU”) has been determined based on value-in-use calculations using management-approved discounted cash flow projections covering a period of 5 years. Management assessed 5 years cash flows and projection to terminal year for the financial forecast of the CGU is appropriate considering management’s plan for its business plan in the near future. The revenue growth rates are based on management’s best estimate, average gross margin is based on past performance and discount rates that reflect current market assessment of the time value of money and the risks specific to the CGUs.

Key assumptions used for value-in-use calculations:

	Average Revenue growth rate		Average gross margin		Discount rate	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Lian Clinic Pte. Ltd.	5%	5%	75%	70%	12%	12%
HMC Medical Pte. Ltd.	5%	5%	78%	75%	12%	12%
AE Medical Sengkang Private Limited	10%	5%	70%	55%	12%	12%
AE Medical Fernvale Pte. Ltd.	15%	5%	75%	75%	12%	12%
GM Medical PAINCARE Pte. Ltd. (“GMMP”)	5%	15%	75%	75%	12%	12%
CS Yoong Anaesthesiology and Pain Services Pte. Ltd.	7%	10%	85%	95%	12%	12%
Medihealth Clinic Pte. Ltd. (“Medihealth”)	8%	-	85%	-	12%	-
Centre for Screening and Surgery	10%	-	90%	-	12%	-

Terminal growth of 1.0% (2021: 1.0%) was applied to all CGUs in the cash flows projection to terminal year.

Average revenue growth rate and average gross margin – The forecasted average revenue growth rates and average margin are based on management’s expectations for each CGU from historical trends as well as average growth rates of the industry.

Discount rate – Management estimates discount rate that reflect current market assessments of the time value of money and the risks specific to the CGUs.

With regards to the assessment of value-in-use for goodwill, management believes that no reasonably possible changes in any key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

As at the end of the reporting period, the recoverable amount of the CGU was determined to be higher than its carrying amount and thus, no impairment loss recognised.





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**13. Intangible assets (Continued)**

**Acquisition of subsidiary and business**

- (i) The Company had on 28 February 2022 acquired 51% of the total issued share capital of Centre for Screening and Surgery Pte Ltd (“**CSS**”) from Dr Kum Cheng Kiong for a cash consideration of \$3,264,051; and
- (ii) The Company’s 60% owned subsidiary, Medihealth Clinic Pte Ltd had, on 20 April 2021 entered into a conditional sale and purchase agreement with Dr Khaw Seng Ghee and Healthgivers Pte. Ltd. to acquire the general clinic operated under the style of Medihealth Bishan Clinic & Surgery as well as its assets for a cash consideration of \$585,000. The acquisition had been completed on 01 July 2021.

The fair values of the identifiable assets and liabilities of CSS and Medihealth as at the date of acquisition were:

	<b>CSS</b>	<b>Medihealth</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net identifiable assets at fair value	100	23,783	23,883
Less: Fair value of consideration paid	(3,264,051)	(583,783)	(3,847,834)
Less: Non-controlling interest	(49)	-	(49)
Goodwill arising from the acquisition	3,264,000	560,000	3,824,000

Goodwill of \$3,824,000 arising from the acquisitions is attributable to expected synergies that can be achieved in integrating these subsidiaries into the Group’s existing business such as expanding the Group’s presence in Singapore and tapping on the subsidiaries’ workforce expertise. These intangibles identified are subsumed into goodwill as they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not to be deductible for tax purposes.

Revenue or profit before tax for the financial year ended 30 June 2022 contributed by CSS and Medihealth to the Group were as follows:

	<b>CSS</b>	<b>Medihealth</b>
	<b>\$</b>	<b>\$</b>
Revenue	659,093	1,092,715
Profit before income tax	266,500	259,177



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**13. Intangible assets (Continued)**

The effect of acquisition of subsidiary and business on the consolidated statement of cash flows were as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Purchase consideration	3,847,834	470,000
Less: Cash & cash equivalents of subsidiaries acquired	(105,564)	-
Less: Deposit paid in prior financial year	(58,500)	-
Total purchase consideration in cash, represent net cash outflow from acquisitions	<u>3,683,770</u>	<u>470,000</u>

**14. Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 June 2022 \$</b>	<b>As at 30 June 2021 \$</b>	<b>As at 30 June 2022 \$</b>	<b>As at 30 June 2021 \$</b>
<b>Non-current</b>				
Other receivables- subsidiaries	-	-	1,275,891	135,209
Lease receivable	22,079	-	789,193	-
	<u>22,079</u>	<u>-</u>	<u>2,065,084</u>	<u>135,209</u>
<b>Current</b>				
Trade receivables	1,860,797	1,268,190	-	-
Less: Loss allowance on doubtful receivables	(63,697)	(75,129)	-	-
	1,797,100	1,193,061	-	-
Other receivables				
-third parties	7,607	22,470	-	8,166
-associates	166,872	160,650	166,667	160,000
-subsidiaries	-	-	3,504,598	2,960,802
Deposits	594,649	158,722	106,667	15,700
Grant receivables	113,102	-	113,102	-
Lease receivables	28,858	20,413	153,808	-
Total current trade and other receivables	<u>2,708,188</u>	<u>1,555,316</u>	<u>4,044,842</u>	<u>3,144,668</u>
<b>Total trade and other receivables</b>	<u><b>2,730,267</b></u>	<u><b>1,555,316</b></u>	<u><b>6,109,926</b></u>	<u><b>3,279,877</b></u>



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**15. Derivative financial instruments**

	Group/ Company			
	As at 30 June 2022 \$	As at 30 June 2021 \$	As at 30 June 2022 \$	As at 30 June 2021 \$
<b>Non-current assets</b>				
Call and put options	2,508,000	1,878,405	2,508,000	1,878,405
<b>Non-current liabilities</b>				
Call options	-	2,444	-	2,444

	Group/ Company			
	Derivative financial assets		Derivative financial liabilities	
	2022 \$	2021 \$	2022 \$	2021 \$
Balance at 1 January 2022/1 January 2021	1,878,405	2,147,968	(2,444)	-
Fair value gain/(loss) recognised during the financial year	629,595	(269,563)	2,444	5,857
Balance at 30 June 2022/30 June 2021	2,508,000	1,878,405	-	(2,444)

The derivative financial instruments relate to the call and put options in connection with the Company's acquisition of a subsidiary and equity interest in an associate. The vendors and the Company have granted the following options:

- (i) Call option where the vendor is required to sell his remaining issued and fully paid-up share capital of KCS based on 8 times of average earnings per share based on the audited financial statements of KCS for the financial years from 2021 to 2023.
- (ii) Put option where the vendor is required to purchase the issue and fully paid-up share capital of KCS from the Company at a sum of certain percentage of the purchase consideration paid.
- (iii) Call option where the vendor is required to sell his remaining issued and fully paid-up share capital of GMMP based on (a) number of call option shares multiply by \$200,000 over total number of share issue as at call option notice if net operating profit is less than \$200,000 or (b) 5 times of average earnings per share based on the latest audited financial statements of GMMP if net operating profit more than \$200,000.
- (iv) Call option where the Company is required to sell its remaining issued and fully paid-up share capital of GMMP based on (a) number of call option shares multiply \$200,000 over total number of share issue as at call option notice if net operating profit is less than \$200,000 or (b) 5 times of average earnings per share based on the latest audited financial statements of GMMP if net operating profit more than \$200,000.

As at the end of the reporting period, the fair value of the above option has been determined using the Monte Carlo Pricing model and are considered as level 3 recurring fair value measurements as disclosed in Note 22 to the condensed interim consolidated financial statements.



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**16. Share capital**

	<b>Group and Company</b>			
	<b>2022</b>		<b>2021</b>	
	<b>Number of shares</b>	<b>\$</b>	<b>Number of shares</b>	<b>\$</b>
Balance at 1 January 2022/2021	179,623,416	25,683,684	179,623,416	25,683,684
Balance at 30 June 2022/2021	179,623,416	25,683,684	179,623,416	25,683,684

There were no outstanding convertibles as at 30 June 2022 and 30 June 2021.

The Company had on 16 June 2020 adopted the SPCH Performance Share Plan and the SPCH Share Option Scheme. No awards or options have been granted for the financial period reported on 30 June 2022.

The Company did not hold any treasury shares or subsidiary holdings as at 30 June 2022 and 30 June 2021. There was no sale, transfer, disposal, cancellation and use of treasury shares or subsidiary holdings during, and at the end of, the six months financial period ended 30 June 2022.

**17. Bank borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Amount repayable in one year or less, or on demand</b>				
- Unsecured	725,424	811,758	696,000	754,000
<b>Amount repayable after one year</b>				
- Unsecured	2,176,475	2,843,900	1,992,000	2,630,000
<b>Total Bank borrowings</b>	2,901,899	3,655,658	2,688,000	3,384,000

The bank borrowings of the Group are unsecured.



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**18. Trade and other payables**

	Group		Company	
	As at 30 June 2022 \$	As at 30 June 2021 \$	As at 30 June 2022 \$	As at 30 June 2021 \$
<b>Non-current</b>				
Other payables				
-non-controlling interests	42,484	127,867	-	-
<b>Current</b>				
Trade payables	301,732	82,538	-	-
Goods and service tax payable, net	216,194	157,649	33,543	31,548
	517,926	240,187	33,543	31,548
Other payables				
-third parties	358,275	323,039	54,044	70,748
-non-controlling interests	392,291	-	-	-
-subsidiaries	-	-	98,984	53,346
Accrued expenses	1,717,576	447,026	414,343	165,716
Total current trade and other payables	2,986,068	1,010,252	600,914	321,358
<b>Total trade and other payables</b>	<b>3,028,552</b>	<b>1,138,119</b>	<b>600,914</b>	<b>321,358</b>

**19. Net asset value**

	Group		Company	
	As at 30 June 2022	As at 30 June 2021	As at 30 June 2022	As at 30 June 2021
Net assets value per ordinary share based on issued share capital (\$)	0.14	0.13	0.16	0.15
Number of shares in issue	179,623,416	179,623,416	179,623,416	179,623,416

**20. Dividends**

	Company	
	2022 \$	2021 \$
Ordinary dividends paid: Final exempt FY2021 dividend of \$0.0075 per share (FY2020 dividend of \$0.0070 per share)	1,347,176	1,131,364
Dividend per share (net of tax)	0.0075	0.007



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**21. Related party transactions**

	<b>Group</b>		<b>Company</b>	
	<b>12 Months Ended</b>		<b>12 Months Ended</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>With associates</b>				
Management fee income	-	-	-	-
Sales	14,768	5,468	-	-
Purchases	1,811	5,805	-	-
Dividend	-	-	286,667	430,000
<b>With subsidiaries</b>				
Expenses paid on behalf by	-	-	888,052	439,044
Expenses paid on behalf of	-	-	646,397	188,521
Management fee income	-	-	1,162,954	654,581
Salary recharge	-	-	27,000	3,000
Locum fee income	-	-	-	29,370
Advances to	-	-	1,242,979	356,450
Dividend income	-	-	3,325,500	2,500,000
<b>With related parties</b>				
Rental fee expense	420,000	397,288	-	-
<b>With non-controlling interest</b>				
Advances from	173,944	127,867	-	-
<b>With Directors of the Company</b>				
Rental fee expense	25,700	34,100	-	-

**22. Financial assets and financial liabilities**

**Fair value of financial assets and financial liabilities**

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and other financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

*Fair value hierarchy*

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:



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**22. Financial assets and financial liabilities (Continued)**

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

*Fair value of financial instruments carried at fair value*

The table below classified financial instruments carried at fair value by level of fair value hierarchy as at the end of the reporting period:

	Fair value measurements using			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	\$	\$	\$	\$
<b>Group/ Company</b>				
<b>30 June 2022</b>				
Financial assets- derivative financial instruments	-	-	2,508,000	2,508,000
<b>30 June 2021</b>				
Financial assets- derivative financial instruments	-	-	1,878,405	1,878,405
Financial liabilities- derivative financial instruments	-	-	2,444	2,444

There were no transfers between levels during the financial year and no changes in the valuation techniques of the various classes of financial assets and financial liabilities during the financial years ended 30 June 2022 and 30 June 2021.



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**22. Financial assets and financial liabilities (Continued)**

**Fair value of financial assets and financial liabilities (Continued)**

*Fair value of financial instruments that are not carried at fair value and whose carrying amounts approximate their fair values*

The carrying amounts of current financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The management estimates that the carrying amount of bank borrowings approximate its fair value as the interest rate of the borrowing approximates the market lending rate for similar types of loan as at the end of the reporting period.

*Valuation policies and procedures*

Management oversees the Group's financial reporting valuation process and is responsible for setting and documenting of the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement* guidance.

For valuations performed by external valuation experts, the management reviews the appropriateness of the valuation methodologies and assumptions adopted. The management also evaluates the appropriateness and reliability of the inputs used in the valuations.

The following table sets out the financial instruments as at the end of the reporting period:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b><u>Group</u></b>		
<b>Financial assets</b>		
At amortised cost	17,790,200	17,336,354
At fair value through profit or loss	2,508,000	1,878,405
	<hr/>	<hr/>
<b>Financial liabilities</b>		
Other financial liabilities, at amortised cost	10,707,963	6,668,257
At fair value through profit or loss	-	2,444
	<hr/>	<hr/>
<b><u>Company</u></b>		
<b>Financial assets</b>		
At amortised cost	13,711,549	14,990,852
At fair value through profit or loss	2,508,000	1,878,405
	<hr/>	<hr/>
<b>Financial liabilities</b>		
Other financial liabilities, at amortised cost	4,274,700	3,774,401
At fair value through profit or loss	-	2,444
	<hr/>	<hr/>





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**23. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of financial statements.



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**Other information required pursuant to Appendix 7C of the  
Catalist Rules**



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**Other Information**

**1. Review**

The condensed consolidated statement of financial position of Singapore Paincare Holdings Limited (the “**Company**”, and its subsidiaries, collectively, the “**Group**”) as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

**1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The audited financial statements for the financial year ended 30 June 2021 was not subjected to any adverse opinion, qualified opinion or disclaimer of opinion.

**2. Review of performance of the Group**

**Full Year ended 30 June 2022 (“FY2022”) vs Full Year ended 30 June 2021 (“FY2021”)**

The Group’s revenue increased by more than 70% from \$10.96 million in FY2021 to \$18.84 million in FY2022 mainly due to the increase in revenue from general practitioners (“**GP**”) clinics, specialist clinics and the newly acquired entity. The increase in GP revenue was mainly due to nation wide mandatory vaccination to combat against COVID-19 and improvement in revenue in our specialist clinics was due to increase in patients’ consultation with the opening of borders in April 2022.

The increase in other income by approximately \$0.39 million from \$0.66 million in FY2021 to \$1.05 million in FY2022 was mainly due to (i) fair value gain of \$0.63 million, (ii) increase of rental rebates by \$0.02 million and (iii) reversal of impairment on doubtful debts by \$0.01 million, which was partially offset by reduction in (i) government grant of \$0.08 million and (ii) absence of listing grant of \$0.20 million.

Changes in inventories and inventories and consumables used increased by approximately \$0.87 million from \$2.29 million in FY2021 to \$3.16 million in FY2022, in line with the higher revenue recorded.

Employee benefits expenses increased by approximately 96% from \$3.68 million in FY2021 to \$7.23 million in FY2022 mainly due to (i) the performance bonus given to the practitioners and staff for their efforts during the pandemic and (ii) increase in number of headcounts due to (a) an acquisition of a specialist clinic, (b) the opening of GP clinics in Bishan and Kovan and (c) the set-up a Traditional Chinese Medicine Wellness (“**TCM**”) clinic during FY2022.

Depreciation and amortisation expenses increased by approximately \$0.42 million from \$0.73 million to \$1.15 million mainly due to the increase in depreciation of right-of-use (“**ROU**”) assets and plant and equipment with the acquisition of CSS, setting up of the TCM clinic in Marina Square and new GP clinics set up in Bishan, Kovan and Tampines.



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**2. Review of performance of the Group (Continued)**

Other expenses increased by approximately \$1.05 million from \$2.34 million in FY2021 to \$3.39 million in FY2022. The increase was mainly due to the increase in (i) marketing expenses of \$0.08 million, (ii) consultancy fees of \$0.18 million, (iii) administrative charges of \$0.09 million, (iv) impairment loss on investment in an associate of \$1.11 million, (v) locum fees of \$0.14 million, (vi) entertainment expenses of \$0.02 million and (vii) increase in IT expenses of \$0.04 million. The increase in other expenses was partially offset by the decrease in professional fees of \$0.61 million.

Finance costs decreased by approximately \$0.08 million from \$0.23 million in FY2021 to \$0.15 million in FY2022 mainly due to absence of repayment of redeemable convertible loan of \$0.15 million and partially offset by the increase of interest expenses payable amounting to \$0.07 million in FY2022.

Share of results of associates improved from \$0.28 million in FY2021 to \$0.40 million in FY2022 with increased in number of patient's consultation in the clinics of our associated companies.

Income tax expense increased by \$0.42 million from \$0.46 million in FY2021 to \$0.88 million in FY2022 in tandem with the increase in net profit generated year on year comparison.

As a result of the above, the Group reported a profit after income tax of \$4.33 million in FY2022 as compared to \$2.16 million in FY2021. The net profit attributable to owners of the Company was \$3.90 million in FY2022 as compared to \$2.20 million in FY2021.

This has also resulted in profits attributable to non-controlling interests to swing to a net profit of \$0.43 million as compared to a net loss position of \$0.04 million in the corresponding period.

Excluding the impairment loss of \$1.11 million arising from our investments in an associate, the Group would have posted a net profit after tax of \$5.44 million in FY2022.

**Review of Statements of Financial Position**

**As at 30 June 2022 (FY2022) vs As at 30 June 2021 (FY2021)**

**Non-Current Assets**

The increase in plant and equipment of \$3.33 million was mainly due to (i) the recognition of addition of ROU assets of \$0.45 million and plant and equipment of \$3.99 million, which was partially offset by the depreciation of ROU assets and plant and equipment of \$1.11 million for FY2022.

The increase in intangible assets of \$3.79 million was mainly due to the goodwill arising from the acquisition of CSS and Medihealth during FY2022.

The increase in derivative financial instruments of \$0.63 million related to the call and put options in connection with the growth in one of our subsidiaries and one of our associates.



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**Review of Statements of Financial Position (Continued)**

**Current Assets**

Inventories increased mainly due to higher inventories purchased during FY2022.

Trade and other receivables comprised trade receivables and other receivables of approximately \$1.80 million and approximately \$0.91 million respectively. The increase in trade receivables of \$0.60 million from \$1.19 million in FY2021 to \$1.80 million in FY2022 was mainly due to the increase in revenue. The increase in other receivables of \$0.55 million from \$0.36 million in FY2021 to \$0.91 million in FY2022 was mainly as a result of (i) an increase in deposits of \$0.44 million arising from the rental of clinics; and (ii) government grant receivable of \$0.11 million.

Prepayments increased from \$0.10 million as at 30 June 2021 to \$0.13 million as at 30 June 2022 mainly due to payment of staff salary of \$0.05 million and partially offset by expenses of \$0.02 million incurred during FY2022.

Cash and cash equivalents of \$15.17 million as at FY2022 mainly comprise cash at bank.

**Equity**

Equity increased from \$23.51 million as at 30 June 2021 to \$26.47 million as at 30 June 2022 mainly due to the increase in profit generated during the year.

**Non-current liabilities**

The decrease in bank borrowings of \$0.67 million from \$2.84 million as at 30 June 2021 to \$2.18 million as at 30 June 2022 was due to reclassification of borrowings from non-current period to current period.

Lease liabilities increased from \$1.37 million as at 30 June 2021 to \$3.79 million as at 30 June 2022 due to acquisition of CSS, the addition of three GP clinics and setting up of the TCM clinic.

Other payables reduced from \$0.13 million as at 30 June 2021 to \$0.04 million as at 30 June 2022 mainly due to repayment of loan that was advances from non-controlling interests previously.

Provision increased from \$0.03 million as at 30 June 2021 to \$0.05 million as at 30 June 2022, which was mainly attributable to reinstatement cost for the new clinics at Kovan, Marina Square and Tampines.

**Current liabilities**

Trade and other payables increased by \$1.98 million from \$1.01 million as at 30 June 2021 to \$2.99 million as at 30 June 2022 mainly due to the increase in accrual for staff remuneration of \$1.27 million; non-controlling interest of \$0.39 million and trade payables of \$0.22 million.

The decrease in bank borrowings of \$0.08 million from \$0.81 million as at 30 June 2021 to \$0.73 million as at 30 June 2022 was due to repayment of loan during the year.

Lease liabilities increased from \$0.66 million as at 30 June 2021 to \$1.20 million as at 30 June 2022 was due to acquisition of CSS, the addition of three GP clinics and TCM.

Income tax payables increased by \$0.40 million from \$0.79 million as at 30 June 2021 to \$1.19 million as at 30 June 2022 in tandem with the growth in net profit.



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**Review of Statements of Cash Flows**

The net cash from operating activities of \$6.45 million was mainly derived from operating cash flows before working capital changes of \$6.58 million and adjusted for net working capital inflow of \$0.36 million and income tax paid of approximately \$0.49 million.

Net cash used in investing activities of approximately \$3.95 million was mainly due to (i) purchase of plant and equipment of \$0.55 million, (ii) acquisition of business of \$3.68 million which was partially offset by dividend received from an associate of \$0.28 million.

Net cash used in financing activities amounted to \$3.16 million was mainly related to payment by (i) repayment of lease liabilities (principal and interest portion) of \$1.00 million, (ii) dividends paid to the shareholders of the Company of \$1.35 million, (iii) repayment of bank borrowings of \$0.75 million and (iv) interest paid of \$0.07 million and (v) repayment to non-controlling interests of \$0.01 million, which was partially offset by \$0.02 million advances from non-controlling interests.

Overall, the Group recorded a net decrease in cash and cash equivalents of approximately \$0.67 million during FY2022 resulting in cash and cash equivalents to be recorded at \$15.2 million as at 30 June 2022.

**3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable as no specific forecast or a prospect statement has been issued previously.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

**Outlook**

Singapore has made good progress on the battle against COVID-19. With borders resumed openings in April 2022, the number of overseas patients seeking consultation with the Group has increased.

Since the Company's last interim results announcement, the Group has added a specialist clinic; setting up three GP clinics in Bishan, Kovan and Tampines and incorporated a TCM clinic to its portfolio. These corporate developments form part of the Group's effort to strengthen its value proposition as a holistic end-to-end paincare management provider.

While the COVID-19 cases have stabilised in the recent weeks, the Group remains cautious and continues to monitor the on-going challenges that arise from the COVID-19 situation, while steadily pursuing its plans to attain long-term sustainable growth.



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**5. Dividend**

If a decision regarding dividend has been made:

(a) whether an interim (final) ordinary dividend has been declared (recommended); and

Yes. The directors are recommending a final dividend, which will be subjected to shareholders' approval at the forthcoming annual general meeting in October 2022.

Name of Dividend	:	Proposed Final
Dividend Type	:	Ordinary
Dividend per Share	:	1.20 cent per ordinary share (one tier tax exempt)
Tax Rate	:	Tax exempt

(b) (i) Amount per share

Please refer to paragraph 5 (a)

(ii) Previous corresponding period

Name of Dividend	:	Final
Dividend Type	:	Ordinary
Dividend per Share	:	0.75 cent per ordinary share (one tier tax exempt)
Tax Rate	:	Tax exempt

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated).

Please refer to paragraph 5 (a)

(d) The date the dividend is payable.

The date of payment of the proposed final dividend, if approved at the annual general meeting, will be announced at a later date.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

The record date will be announced at a later date.

(f) If no dividend has been declared (recommended), a statement to that effect and the reasons for the decision.

Not applicable.



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**6. Interested persons transactions**

The Company does not have a general shareholders' for interested person transactions.

<b>Name of Interested Persons</b>	<b>Nature of relationship</b>	<b>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (\$'000)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) (\$'000)</b>
MedBridge Marketing Pte. Ltd. <sup>(1)</sup>	Associate of Dr. Lee Mun Kam Bernard, the Executive Director and Chief Executive Officer of the Company	420	-

**Note:**

- (1) Rental of the units at 290 Orchard Road, #18-03, Singapore 238859 and 38 Irrawaddy Road, #07-33, Singapore 329563 from MedBridge Marketing Pte. Ltd., which is 100% owned by Dr. Lee Mun Kam Bernard, the Executive Director and Chief Executive Officer of the Company.

**7. Use of Proceeds**

**(i) Use of IPO proceeds**

The Company refers to the net cash proceeds amounting to \$3.54 million (excluding cash listing expenses of approximately \$1.79 million) raised from the Company's listing on the Catalist board of SGX-ST on 30 July 2020.

<b>Use of net proceeds</b>	<b>Amount allocated (\$'000)</b>	<b>Amount allocated after reallocation<sup>(1)</sup> (\$'000)</b>	<b>Amount utilised as at the date of this announcement (\$'000)</b>	<b>Balance of net proceeds as at the date of this announcement (\$'000)</b>
Expand range of pain care services	1,100	1,100	-	1,100
Expand business operations locally and regionally	1,400	2,441	(2,400) <sup>(2)</sup>	41
Working capital	1,041 <sup>(1)</sup>	-	-	-
<b>Total</b>	<b>3,541</b>	<b>3,541</b>	<b>(2,400)</b>	<b>1,141</b>





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**7. Use of Proceeds (Continued)**

**Notes:**

- (1) \$1.041 million of the net proceeds initially allocated for the Group’s working capital had been reallocated to expand the Group’s business operations locally and regionally (the “**Reallocation**”). Please refer to the Company’s announcement dated 30 November 2020 for more details.
- (2) Utilised for the acquisition of 40% of the total issued share capital of KCS.

Save for the Reallocation, the above utilisation is in accordance with the intended use as stated in the Offer Document dated 13 July 2020.

**(ii) Use of proceeds from the Placement**

The Company refers to the net cash proceeds amounting to \$3.95 million (excluding cash subscription expense of approximately \$0.01 million) raised from the Company’s private placement on 27 November 2020 (the “**Placement**”). As at the date of this announcement, the net cash proceeds of \$3.95 million from the Placement has yet to be utilised. The Company will make periodic announcements on the use of the proceeds from the Placement as and when the proceeds from the Placement are materially disbursed.

**8. Review of performance of the Group - turnover and earnings**

The Group has only one primary business segment, which is the healthcare segment, and the Group only operates in Singapore. Accordingly, no segmental information is prepared based on business or geographical segment as it is not meaningful.

**A breakdown of sales**

	<b>FY2022 \$'000</b>	<b>FY2021 \$'000</b>	<b>Increase / (Decrease) %</b>
(a) Sales reported for first half year	8,306	4,860	70.9
(b) Operating profit after tax after deducting non-controlling interests reported for first half year	2,267	675	235.9
(c) Sales reported for second half year	10,531	6,096	72.8
(d) Operating profit after tax after deducting non-controlling interests reported for second half year	1,634	1,525	7.15



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9. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-**

	<b>FY2022</b>	<b>FY2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Ordinary shares (tax exempt 1-tier)		
-Interim	-	-
-Final (Proposed)	2,155 <sup>(1)</sup>	1,347 <sup>(1)</sup>
<b>Total Annual Dividend</b>	<b>2,155</b>	<b>1,347</b>

**Note:**

(1) The proposed final ordinary dividend is based on 179,623,416 (FY2021: 179,623,416) number of shares as at 30 June 2022.

10. **Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720 (1)**

The Company confirmed that it had procured undertakings from all Directors and Executive Officers under Rule 720(1).

11. **Disclosure of person occupying a managerial position who are related to a director, CEO or substantial shareholder**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Wong Jing Yi Joyce	45	Wife of Dr. Loh Foo Keong Jeffrey, the Executive Director and Chief Operating Officer of the Company	Senior Clinic Manager of Lian Clinic Pte. Ltd.  <b>Duties:</b> In charge for the operation of Lian Clinic since January 2016.	No change

**By Order of the Board**

**Lee Mun Kam Bernard,**  
**Executive Director and Chief Executive Officer**  
**23 August 2022**