



**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 Consolidated Financial Statements  
For the six-month financial period ended 31 December 2022

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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.*

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**A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Note	6 Months Ended 31 December		Change %
		2022 S\$'000	2021 S\$'000	
<b>Revenue</b>		11,001	8,306	32.4
<b>Other items of income</b>				
Other income	6.1	123	207	(40.6)
<b>Items of expense</b>				
Changes in inventories		(238)	(78)	>100
Inventories and consumables used		(1,541)	(1,477)	4.3
Employee benefits expenses		(4,833)	(2,879)	67.9
Depreciation and amortisation expenses		(747)	(466)	60.3
Other expenses	6.1	(2,102)	(968)	117.1
Finance costs		(93)	(67)	38.8
Share of profits of associates, net of tax		107	128	(16.4)
<b>Profit before income tax</b>		1,677	2,706	(38.0)
Income tax expense	7	(444)	(357)	24.4
<b>Profit for the financial period, representing total comprehensive income</b>		1,233	2,349	(47.5)
<b>Profit and total comprehensive income attributable to:</b>				
Owners of the Company		803	2,267	(64.6)
Non-controlling interests		430	82	>100
		1,233	2,349	(47.5)

**B. Condensed Interim Statements of Financial Position**

	Note	Group		Company	
		As At 31 December 2022	As At 30 June 2022	As At 31 December 2022	As At 30 June 2022
		S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	11	5,506	5,519	780	82
Investment in subsidiaries		-	-	15,541	15,541
Investment in associates	17	695	1,239	555	1,241
Intangible assets	13	10,387	10,407	90	110
Other receivables	12	26	22	1,903	2,065
Derivative financial instruments		2,508	2,508	2,508	2,508
		19,122	19,695	21,377	21,547
<b>Current assets</b>					
Inventories		1,262	1,023	-	-
Trade and other receivables	12	2,651	2,708	4,142	4,045
Prepayments		235	129	57	17
Cash and cash equivalents		11,880	15,173	5,617	7,715
		16,028	19,033	9,816	11,777
<b>TOTAL ASSETS</b>		35,150	38,728	31,193	33,324
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	15	25,684	25,684	25,684	25,684
Treasury Shares		(1,731)	-	(1,731)	-
Merger reserve		(5,553)	(5,553)	-	-
Other reserve		177	177	412	412
Retained earnings		4,449	5,801	2,388	2,919
<b>Equity attributable to owners of the parent</b>		23,026	26,109	26,753	29,015
Non-controlling interests		578	360	-	-
<b>Total equity</b>		23,604	26,469	26,753	29,015
<b>Non-current liabilities</b>					
Bank borrowings	16	1,769	2,176	1,644	1,992
Lease liabilities		3,753	3,794	1,256	798
Other payables	14	30	43	-	-
Provisions		52	52	-	-
		5,604	6,065	2,900	2,790
<b>Current liabilities</b>					
Trade and other payables	14	2,598	2,986	579	601
Bank borrowings	16	756	725	696	696
Lease liabilities		1,255	1,200	265	222
Contract liabilities		155	93	-	-
Income tax payables		1,178	1,190	-	-
		5,942	6,194	1,540	1,519
<b>TOTAL LIABILITIES</b>		11,546	12,259	4,440	4,309
<b>TOTAL EQUITY AND LIABILITIES</b>		35,150	38,728	31,193	33,324

**C. Condensed Interim Statements of Changes in Equity**

<b>Group</b>	<b>Share capital</b>	<b>Treasury Shares</b>	<b>Merger reserve</b>	<b>Other reserve</b>	<b>Retained earnings</b>	<b>Total</b>	<b>NCI</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 July 2021</b>	25,684		(5,553)	177	3,247	23,555	(41)	23,514
Profit for the period	-	-	-	-	2,267	2,267	82	2,349
Total comprehensive income for the period	-	-	-	-	2,267	2,267	82	2,349
<b>Contribution by and distribution to owners</b>								
Dividends paid	-	-	-	-	(1,347)	(1,347)	-	(1,347)
<b>Total transactions with owners</b>	25,684	-	(5,553)	177	(1,347)	24,475	41	24,516
<b>Balance as at 31 December 2021</b>	25,684	-	(5,553)	177	4,167	24,475	41	24,516
<b>Balance as at 1 July 2022</b>	25,684	-	(5,553)	177	5,801	26,109	360	26,469
Profit for the period	-	-	-	-	803	803	430	1,233
Total comprehensive income for the period	-	-	-	-	803	803	430	1,233
<b>Contribution by and distributions to owners</b>								
Purchases of treasury shares	-	(1,731)	-	-	-	(1,731)	-	(1,731)
Dividends paid	-	-	-	-	(2,155)	(2,155)	-	(2,155)
<b>Total transactions with owners</b>	-	(1,731)	-	-	(2,155)	(3,886)		(3,886)
<b>Transactions with non-controlling interests</b>								
Dividends	-	-	-	-	-	-	(212)	(212)
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	-	(212)	(212)
<b>Balance as at 31 December 2022</b>	25,684	(1,731)	(5,553)	177	4,449	23,026	578	23,604

**C. Condensed Interim Statements of Changes in Equity (Continued)**

<b>COMPANY</b>	<b>Share capital</b>	<b>Treasury Shares</b>	<b>Other reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as at 1 July 2021</b>	25,684	-	412	1,638	27,734
<b>Profit for the period</b>	-	-	-	674	674
Total comprehensive income for the period	-	-	-	674	674
<b>Contribution by and distributions to owners</b>					
Dividends paid	-	-	-	(1,347)	(1,347)
<b>Total transactions with owners</b>	-	-	-	(1,347)	(1,347)
<b>Balance as at 31 December 2021</b>	25,684	-	412	965	27,061
<b>Balance as at 1 July 2022</b>	25,684	-	412	2,919	29,015
<b>Profit for the period</b>	-	-	-	1,624	1,624
Total comprehensive income for the period	-	-	-	1,624	1,624
<b>Contributions by and distributions to owners</b>					
Purchases of treasury shares	-	(1,731)	-	-	(1,731)
Dividends paid	-	-	-	(2,155)	(2,155)
<b>Total transactions with owners</b>	-	(1,731)	-	(2,155)	(3,886)
<b>Balance as at 31 December 2022</b>	25,684	(1,731)	412	2,388	26,753

**D. Condensed Interim Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>Half year ended</b>	
	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flow from operating activities</b>		
Profit before income tax	1,677	2,706
<b>Adjustments for:</b>		
Depreciation of plant and equipment	127	48
Depreciation of right-of-use assets	600	399
Amortisation of intangible assets	20	19
Interest expense	93	67
Plant and equipment written off	1	1
Reversal of impairment on doubtful receivables	-	(11)
Impairment loss on investment in associate	651	-
Loss on lease derecognition	77	-
Share of results of associates, net of tax	(107)	(128)
<b>Operating cash flows before working capital changes</b>	3,139	3,101
Inventories	(238)	78
Trade and other receivables	(60)	(734)
Trade and other payables and contract liabilities	(146)	174
Prepayments	(107)	(81)
<b>Cash generated from operations</b>	2,588	2,538
Income tax paid	(455)	(247)
<b>Net cash from operating activities</b>	2,133	2,291
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries and business, net of cash acquired	-	(502)
Dividend income from an associate	167	160
Purchase of plant and equipment	(225)	(119)
<b>Net cash used in investing activities</b>	(58)	(461)
<b>Cash flow from financing activities</b>		
Dividends paid	(2,155)	(1,347)
Dividends paid to non-controlling interests	(25)	-
Purchase of treasury shares	(1,731)	-
Advances from non-controlling interests	-	174
Repayment to non-controlling interests	(380)	(20)
Repayment of principal portion of lease liabilities	(607)	(408)
Repayment of interest portion of lease liabilities	(65)	(31)
Repayment of bank borrowings	(377)	(377)
Interest paid	(28)	(36)
<b>Net cash used in financing activities</b>	(5,368)	(2,045)
<b>Net change in cash and cash equivalents</b>	(3,293)	(215)
Cash and cash equivalents at beginning of financial period	15,173	15,839
<b>Cash and cash equivalents at end of financial period</b>	11,880	15,624

## NOTES TO THE CONDENSED INTERIM 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 31 December 2022 comprise the Company and its subsidiaries (the “**Group**”).

The Company’s registered office and its principal place of business is located at 601 Macpherson Road, Grantral Mall #06-20/21, Singapore 368242. 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 31 December 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 audited financial statements for the financial year ended 30 June 2022.

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 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.

#### 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.



## 2.2 Use of judgements and estimates (Continued)

Estimates and underlying assumptions 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 significant 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:

- 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 were not affected by seasonal or cyclical factors during the financial period.

## 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 six-month financial period ended 31 December 2022, 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. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 30 June 2022.

	Group		Company	
	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000
<b>Financial assets</b>				
At amortised cost	14,557	17,790	11,661	13,712
At fair value through profit or loss	2,508	2,508	2,508	2,508
	<u>17,065</u>	<u>20,298</u>	<u>14,169</u>	<u>16,220</u>
<b>Financial liabilities</b>				
Other financial liabilities, at amortised cost	9,714	10,708	4,252	4,275
At fair value through profit or loss	-	-	-	-
	<u>9,714</u>	<u>10,708</u>	<u>4,252</u>	<u>4,275</u>

### 5.1 Fair value measurement

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

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included within Level 1, which 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 assets or liability that are not based on observable market data (unobservable inputs).

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

Group/ Company	Fair value measurements using			
	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<b>31 December 2022 and 30 June 2022</b>				
Derivative financial assets	-	-	2,508	2,508

There were no transfer between levels and no changes in the valuation techniques of the various classes of financial assets and financial liabilities during the reporting financial period.

**6. Profit before taxation**

**6.1 Significant items**

	<b>Group 6 Months Ended 31 December</b>	
	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
<b>Other income</b>		
Government grants	63	96
Sponsorship income	-	17
Reversal of impairment on doubtful receivables	-	11
Rental rebates	-	24
Chronic disease consultation incentive	47	42
Interest income	1	1
Others	12	16
Total other income	123	207

	<b>Group 6 Months Ended 31 December</b>	
	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
<b>Other expenses</b>		
Administrative charges	217	137
Advertising and promotion	16	14
Amortisation of trademark	20	19
Credit card fees	34	23
Consultancy fees	48	51
Donation	14	-
Depreciation of plant & equipment	127	48
Depreciation of right-of-use asset	600	399
Entertainment	21	22
GST expenses	55	27
Small Value asset expenses off	36	24
IT expenses	54	30
Impairment loss on investment in associate	651	-
Locum fees	168	178
Loss on lease derecognition	77	-
Marketing fees	62	44
Office expenses	41	17
Printing and stationery	35	20
Professional fees	342	248
Subscription fees	20	16
Short term and low asset value lease expenses :-		
Low value assets	3	-

## 7. Income tax expense

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

	<b>Group 6 Months Ended 31 December</b>	
	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
Current income tax		
- current financial period	419	379
- under provision in prior financial period	25	1
Deferred tax	444	380
- current financial period	-	(23)
Total income tax expense recognised in profit or loss	<u>444</u>	<u>357</u>

## 8. Dividends

	<b>Group 6 Months Ended 31 December</b>	
	<b>2022 S\$'000</b>	<b>2021 S\$'000</b>
Final tax-exempted dividend of S\$0.012 per ordinary share for financial year ended 30 June 2022	2,155	-
Final tax-exempted dividend of S\$0.0075 per ordinary share for financial year ended 30 June 2021	-	1,347
	<u>2,155</u>	<u>1,347</u>

## 9. Earnings per share

The calculation for earnings per share is based on:

	<b>Group 6 Months Ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
Profit attributable to owners of the company (S\$)	803,000	2,267,000
Weighted average number of ordinary shares issued during the financial period applicable to earnings per share	<u>179,140,949</u>	<u>179,623,416</u>

### **Earnings per share (in cents)**

-Basic and diluted	0.45	1.26
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The calculation of basic and diluted earnings per share is based on profit attributable to the owners of the Company divided by the weighted average number of ordinary shares outstanding during the financial period.

The Group did not have any dilutive potential ordinary shares as at 31 December 2022 and 31 December 2021.

## 10. Net Asset Value (“NAV”)

	Group		Company	
	As at 31 December 2022	As at 30 June 2022	As at 31 December 2022	As at 30 June 2022
NAV attributable to owners of the parent (S\$)	23,026,000	26,109,000	26,753,000	29,015,000
Number of ordinary shares in issue excluding treasury shares	171,006,516	179,623,416	171,006,516	179,623,416
NAV per ordinary share (in cents)	0.13	0.15	0.16	0.16

## 11. Plant and equipment

During the six months ended 31 December 2022, the Group and the Company acquired assets amounting to S\$891,441 and S\$810,379 (31 December 2021: S\$1,244,384 and S\$55,771) respectively.

## 12. Trade and other receivables

	Group		Company	
	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000
<b>Non-current</b>				
Other receivables-subidiaries	-	-	1,194	1,276
Lease receivables	26	22	709	789
	<u>26</u>	<u>22</u>	<u>1,903</u>	<u>2,065</u>
<b>Current</b>				
Trade receivables	2,332	1,861	-	-
Less: Loss allowance on doubtful receivables	(64)	(64)	-	-
	<u>2,268</u>	<u>1,797</u>	<u>-</u>	<u>-</u>
Other receivables				
-third parties	22	7	10	-
-associates	-	167	-	167
-subsidiaries	-	-	3,802	3,505
Deposits	228	595	93	106
Grant receivables	77	113	77	113
Lease receivables	56	29	160	154
Total current trade and other receivables	<u>2,651</u>	<u>2,708</u>	<u>4,142</u>	<u>4,045</u>
<b>Total trade and other receivables</b>	<u><b>2,677</b></u>	<u><b>2,730</b></u>	<u><b>6,045</b></u>	<u><b>6,110</b></u>

**13 Intangible assets**

	<b>Computer software S\$'000</b>	<b>Customer contract S\$'000</b>	<b>Goodwill S\$'000</b>	<b>Trademark S\$'000</b>	<b>Total S\$'000</b>
<b>Group</b>					
<b>Cost</b>					
Balance at 1 July 2022	5	166	10,297	200	10,668
Additions	-	-	-	-	-
Balance at 31 December 2022	<u>5</u>	<u>166</u>	<u>10,297</u>	<u>200</u>	<u>10,668</u>
<b>Accumulated amortisation 6 months ended:</b>					
Balance at 1 July 2022	5	166	-	90	261
Amortisation charge	-	-	-	20	20
Balance at 31 December 2022	<u>5</u>	<u>166</u>	<u>-</u>	<u>110</u>	<u>281</u>
<b>Net carrying amount</b>					
Balance at 31 December 2022	<u>-</u>	<u>-</u>	<u>10,297</u>	<u>90</u>	<u>10,387</u>
Balance at 30 June 2022	<u>-</u>	<u>-</u>	<u>10,297</u>	<u>110</u>	<u>10,407</u>

	<b>Trademark</b>	
	<b>As at 31 December 2022 S\$'000</b>	<b>As at 30 June 2022 S\$'000</b>
<b>Company</b>		
<b>Cost</b>		
Balance as at beginning of financial period/year	<u>200</u>	<u>200</u>
<b>Accumulated amortisation</b>		
Balance as at beginning of financial period/year	90	52
Amortisation charge	<u>20</u>	<u>38</u>
Balance as at end of financial period/year	<u>110</u>	<u>90</u>
<b>Net carrying amount</b>		
Balance as at end of financial period/year	<u>90</u>	<u>110</u>
Remaining useful life at end of financial year	2.2 years	2.8 years

Amortisation expense was included in "depreciation and amortisation expenses" line item of the condensed interim consolidated statement of profit or loss and other comprehensive income.

**14. Trade and other payables**

	Group		Company	
	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000
<b>Non-current</b>				
Other payables				
- non-controlling interests	30	43	-	-
<b>Current</b>				
Trade payables	310	302	-	-
Goods and services tax payable, net	236	216	7	34
	546	518	7	34
Other payables				
-third parties	567	358	194	54
-non-controlling interests	212	392	-	-
-subsidiaries	-	-	134	99
Accrued expenses	1,273	1,718	244	414
Total current trade and other payables	2,598	2,986	579	601
<b>Total trade and other payables</b>	<b>2,628</b>	<b>3,029</b>	<b>579</b>	<b>601</b>

**15. Share capital**

	Group		Company	
	Number of ordinary shares (including treasury shares)	Issued and paid-up share capital (S\$'000)	Number of ordinary shares (including treasury shares)	Issued and paid-up share capital (S\$'000)
Balance as at 1 July 2022/ 31 December 2022	179,623,416	25,684	179,623,416	25,684

The Company's issued and fully paid-up capital as at 31 December 2022 comprised 179,623,416 (30 June 2022: 179,623,416) ordinary shares, of which 8,616,900 (30 June 2022: Nil) were held by the Company as treasury shares. The number of issued ordinary shares, excluding treasury shares, was 171,006,516 as at 31 December 2022.

The treasury shares held represent 5.04% (31 December 2021: Nil) of the total number of issued ordinary shares (excluding treasury shares) as at 31 December 2022 (31 December 2021: Nil).

There were no outstanding convertibles and no subsidiary holdings as at 31 December 2022 and 31 December 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.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares or subsidiary holdings during, and at the end of the six months financial period ended 31 December 2022.

## 16. Borrowings

	Group		Company	
	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000
<b>Amount repayable in one year or less, or on demand</b>				
- Unsecured	756	725	696	696
<b>Amount repayable after one year</b>				
- Unsecured	1,769	2,176	1,644	1,992
<b>Total borrowings</b>	<u>2,525</u>	<u>2,901</u>	<u>2,340</u>	<u>2,688</u>

The bank borrowings of the Group are unsecured. Interest rates range from 2% - 2.5% per annum and shall be repayable over 60 months.

## 17. Investment in associates

	Group		Company	
	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000
Unquoted equity investment, at cost	2,126	2,126	2,126	2,126
Allowance for impairment loss	(1,763)	(1,112)	(1,571)	(885)
Share of post-acquisition results, net of dividends	332	225	-	-
	<u>695</u>	<u>1,239</u>	<u>555</u>	<u>1,241</u>

Movement in allowance for impairment loss was as follows:

	Group		Company	
	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000	As at 31 December 2022 S\$'000	As at 30 June 2022 S\$'000
Balance at beginning of financial year	1,112	-	885	-
Impairment loss during the financial period	651	1,112	686	885
Balance at end of financial period	<u>1,763</u>	<u>1,112</u>	<u>1,571</u>	<u>885</u>



## 17. Investment in associates (Continued)

During the financial period, the Group and the Company carried out a review of the recoverable amount of the carrying values of Sen Med Holdings Pte. Ltd. and its subsidiaries (“SMH”), as a result of indicators of impairment during the financial period. The estimates of the recoverable amounts are determined based on net tangible asset of SMH.

## 18. Related party transactions

	Group as at 31 December		Company as at 31 December	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
<b>With associates</b>				
Sales	1	11	-	-
Purchases	5	1	-	-
<b>With subsidiaries</b>				
Expenses paid on behalf by	-	-	791	387
Expenses paid on behalf of	-	-	38	51
Management fee income	18	-	608	326
Advances to	-	-	400	311
Loan to	-	-	-	584
Salary recharge	-	-	24	27
Dividend income	-	-	3,068	1,100
<b>With related parties</b>				
Rental fee expense	210	210	-	-
<b>With Directors of the Company</b>				
Rental fee expense	17	8	-	-

## 19. Subsequent events

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



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

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

## **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 31 December 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 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 2022 was not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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

#### **Six-month financial period ended 31 December 2022 (“HY2023”) vs six-month financial period ended 31 December 2021 (“HY2022”)**

##### **Revenue**

Revenue for the Group improved from S\$8.31 million in HY2022 to S\$11.00 million in HY2023. The significant improvement was mainly attributed to the increase in patients from the nation-wide vaccination programmes against the COVID-19 pandemic, arrivals through Vaccinated Travel Lanes (“**VTLs**”) and opening of borders. In addition, the acquisition of the Centre for Screening and Surgery (“**CSS**”) has further boosted the Group’s revenue by approximately 10%.

##### **Other Income**

Other income, decreased from S\$0.21 million in HY2022 to S\$0.12 million in HY2023, mainly due to a decrease in government grants of S\$0.04 million, sponsorship income of S\$0.02 million, rental rebates of S\$0.02 million and S\$0.01 million in reversal of impairment on doubtful receivables.

##### **Changes in inventories and inventories and consumables used**

Changes in inventories and inventories and consumables used have increased by S\$0.22 million from S\$1.56 million in HY2022 to S\$1.78 million in HY2023, in tandem with the increase in revenue.

##### **Employee benefits expenses**

Employee benefits expenses increased by S\$1.95 million from S\$2.88 million in HY2022 to S\$4.83 million in HY2023, mainly attributable to the expansion in operations, which has resulted in the hiring of new medical practitioners and an increase in overall headcount. Total headcount increased from 72 in HY2022 to 92 in HY2023. In addition, the raise in staff compensation packages to align with the industry standards, also resulted in an increase in employee benefits expenses.

##### **Depreciation and amortisation expenses**

Depreciation and amortisation expenses went up from S\$0.47 million in HY2022 to S\$0.75 million in HY2023. The increment was attributed to the increase in the right-of-use (“**ROU**”) assets acquired in HY2022 as a result of the acquisition of new businesses and moving of new corporate office in

December 2022 of S\$0.26 million as well as the amortisation of trademark of S\$0.02 million during the financial period.

#### **Other expenses**

Other expenses increased by approximately S\$1.13 million from S\$0.97 million in HY2022 to S\$2.10 million in HY2023. The increase was mainly due to an (i) impairment loss on investment in associate of S\$0.65 million, (ii) increase in general expenses of S\$0.16 million which include, but are not limited to, advertising and promotion, donation, GST expenses, credit card expenses, office expenses and subscription fees, (iii) increase in professional fees of S\$0.09 million, (iv) increase in administrative charges of S\$0.08 million, (v) increase in loss on lease modification of S\$0.08 million, (vi) increase in IT expenses of S\$0.02 million, (vii) increase in marketing expenses of S\$0.02 million, (viii) increase in printing and stationery expenses of S\$0.02 million, and (ix) increase in small value assets expenses off of S\$0.02 million.

#### **Finance costs**

Finance costs increased to S\$0.09 million in HY2023 as compared to S\$0.07 million in HY2022 due to an additional lease arising from the Tampines clinic during the financial period.

#### **Share of results of associates, net of tax**

Share of profits from our associated companies decreased from S\$0.13 million in HY2022 to S\$0.11 million in HY2023 due to the decrease in profit from SMH during the financial period.

#### **Profit before income tax**

Net profit decreased from S\$2.71 million in HY2022 to S\$1.68 million as a result of the above.

#### **Income tax expense**

Income tax expense increased from S\$0.36 million in HY2022 to S\$0.44 million in HY2023 as a result of tax provision arising from CSS.

### **Review of Statements of Financial Position**

#### **As at 31 December 2022 vs As at 30 June 2022**

##### **Non-Current Assets**

The decrease in plant and equipment was mainly due to (i) the depreciation charge of ROU assets and plant and equipment of S\$0.73 million, (ii) lease termination of S\$0.17 million and (iii) asset written off during the financial period of S\$0.01 million, which was partially offset by (i) the recognition of additional ROU assets of S\$0.68 million and (ii) the purchase of plant and equipment which amounted to S\$0.23 million.

The decrease in intangible assets of S\$0.02 million was mainly due to amortisation of trademark during the financial period.

The decrease in investment in associates of S\$0.54 million was mainly due to impairment on investment in one of the associates amounting to S\$0.65 million which was partially offset with share of profit from associates amounting to S\$0.11 million during the financial period.

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.

### **Current Assets**

Inventories increased by S\$0.24 million was mainly due an increase in purchases in anticipation of the increase in cost of drugs and to cater to patient demand.

Trade and other receivables comprise trade receivables and other receivables of approximately S\$2.27 million and approximately S\$0.38 million respectively as at 31 December 2022 compared to S\$1.80 million and \$0.91 million respectively recorded as at 30 June 2022. The decrease of S\$0.06 million in trade and other receivables was mainly due to:-

- (a) increase in trade receivables of S\$0.47 million, in line with the increase in revenue; and
- (b) decrease in other receivables of S\$0.53 million due to the refund of payment made for new equipment amounting to S\$0.36 million and dividend payment received from an associate of S\$0.17 million.

Prepayments increased by S\$0.11 million mainly due to the prepayment for the rental of premises.

### **Equity**

Equity decreased by approximately S\$2.87 million from S\$26.47 million as at 30 June 2022 to S\$23.60 million as at 31 December 2022. The decrease was mainly attributed to the purchase of treasury shares of S\$1.73 million, the payment of dividends amounting to S\$2.16 million and S\$0.21 million to shareholders of the Company and non-controlling interests in HY2023 respectively despite a net profit after tax of S\$1.23 million being registered during the financial period reported.

### **Liabilities**

The reduction in bank borrowings from S\$2.90 million as at 30 June 2022 to S\$2.52 million as at 31 December 2022 was due to the repayment of loan during the financial period.

Increase in lease liabilities of S\$0.01 million was related to the new lease for the corporate office and new clinics which amounted to S\$0.67 million and was partially offset by the repayment of principle amount of S\$0.61 million and lease termination of S\$0.05 million.

Trade and other payables decreased by S\$0.39 million from S\$2.99 million as at 30 June 2022 to S\$2.60 million in 31 December 2022 was mainly due to payment of annual wage supplement, amount due to doctors for share of profit and audit fee payables, which was partially offset with provision for the same expenses during the financial period.

### **Review of Statements of Cash Flows**

The net cash generated from operating activities of S\$2.13 million was mainly due to cash generated from operating cash flows before working capital changes of S\$3.14 million, partially offset by net working capital outflow of S\$0.55 million and income tax paid of S\$0.46 million.

Net cash used in investing activities of S\$0.06 million was mainly due to (i) purchase of plant and equipment of S\$0.23 million. This was partially offset by dividend income of S\$0.17 million received from an associate.

Net cash used in financing activities amounted to S\$5.37 million mainly relates to (i) dividends paid to the shareholders of the Company of S\$2.16 million, (ii) dividends paid to non-controlling interests of \$0.02 million, (iii) purchase of treasury shares of S\$1.73 million, (iv) repayment of lease liabilities (principal and interest portion) of S\$0.67 million; (v) repayment of bank borrowings (principal and interest portion) of S\$0.41 million and (iv) repayment to non-controlling interests of S\$0.38 million.

Overall, the Group recorded a net decrease in cash and cash equivalents of approximately S\$3.29 million during HY2023.

**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**

The Group is optimistic about the next 12 months. Locally, the Singapore government has announced a slew of initiatives under its Healthier SG plan, which includes the mobilisation of the local network of family doctors, or general practitioners (“GPs”), to provide more holistic care focused on prevention and improved chronic care, as well as the development of family health plans.<sup>1</sup> In addition, the government has updated its national blueprint, the “2023 Action Plan for Successful Aging”, to ensure that Singapore’s greying population ages well. The blueprint includes plans to expand the existing network of active ageing centres that will also evolve into centres for preventive care.<sup>2</sup>

The Group is well-positioned not only to support, but also to benefit from these government initiatives because of its established holistic pain care eco-system. Its growing network, which currently comprises ten pain-focused GP clinics, three specialist centres, two rehabilitation centres and one traditional Chinese medicine clinic, will be able to journey with patients from treatment to rehabilitation and wellness and maintenance.

Now that most borders have opened, the Group has resumed talks with potential and synergistic partners overseas with the intention to extend and replicate its pain care ecosystem abroad. The markets it is eyeing are those from which the bulk of its foreign patients hail from. They include China, Indonesia, the Philippines, Malaysia and Vietnam.

The Group is also exploring opportunities to broaden its treatment offerings to include pain that is related to various branches of medicine such as dermatology and orthopaedics.

**5. Dividend**

If a decision regarding dividend has been made:-

**(a) Whether an interim(final) ordinary dividend has been declared (recommended);**

No dividend has been declared or recommended for the current financial period.

**(b) (i) Amount per share**

Not applicable.

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Sources

<sup>1</sup> Healthier SG website “Key Features of Healthier SG Strategy”

<sup>2</sup> Channelnewsasia article “Active ageing centres, employment schemes part of updated plan to help Singaporeans age well” dated 30 January 2023

(ii) **Previous corresponding period**

Nil

- (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 on the hands of shareholders, this must be stated).**

Not applicable.

- (d) **The date the dividend is payable**

Not applicable

- (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**

Not applicable.

**6. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision**

No dividend has been declared or recommended for the six-month financial period ended 31 December 2022 as it is the Company's practice to declare dividends at year end.

**7. Interested persons transactions**

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

The following table sets out information on the Group's 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	210	-

**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.

## 8. Use of Proceeds

### (i) Use of IPO proceeds

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

Use of net proceeds	Amount allocated (S\$'000)	Amount allocated after reallocation <sup>(1)</sup> (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance of net proceeds as at the date of this announcement (S\$'000)
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>

#### Notes:

<sup>(1)</sup> S\$1.041 million of the net proceeds initially allocated for the Group's working capital had been allocated 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.

<sup>(2)</sup> Utilised for the acquisition of 40% of the total issued share capital of KCS Anaesthesia Services Pte. Ltd.

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 S\$3.95 million (excluding cash subscription expense of approximately S\$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 S\$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.



**9. 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 confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

**10. Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules**

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the six-month period ended 31 December 2022 to be false or misleading in any material aspect.

**On Behalf of the Board**

Lee Mun Kam Bernard  
Executive Director and Chief Executive Officer  
14 February 2023

Loh Foo Keong Jeffrey  
Executive Director