



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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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

This announcement has been prepared by the Company and reviewed by the Sponsor in compliance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

Background

The Company was incorporated on 31 December 2018 in Singapore under the Singapore Companies Act as a private company limited by shares under the name of "Singapore Paincare Holdings Pte. Ltd.". On 16 June 2020, the Company was converted into a public company and was renamed "Singapore Paincare Holdings Limited".

The Company, its subsidiaries and associated company (the "**Group**") is a medical services group primarily engaged in the provision of pain care services, primary care and other services including, among others, minimally invasive procedures, general medical consultations, management of chronic and acute conditions.

Prior to the listing on the Catalist of the SGX-ST on 30 July 2020, the Group undertook a restructuring exercise (the "**Restructuring Exercise**"). Please refer to the Company's offer document dated 13 July 2020 (the "**Offer Document**") for further details on the Restructuring Exercise.



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

	Note	6 Months Ended 30 June		12 Months Ended 30 June	
		2021 \$	2020 \$	2021 \$	2020 \$
Revenue		6,096,202	4,512,366	10,956,104	9,645,856
Other items of income					
Other income	5	137,149	853,526	660,908	914,769
Items of expense					
Changes in inventories		(11,212)	(20,797)	(85,270)	222,010
Inventories and consumables used		(1,135,620)	(978,585)	(2,206,487)	(2,417,203)
Employee benefits expense		(1,991,277)	(1,375,918)	(3,681,356)	(2,806,692)
Depreciation and amortisation expense	6	(389,635)	(369,784)	(729,287)	(780,494)
Operating lease expenses		(2,590)	(3,159)	(2,590)	(3,159)
Other expenses	7	(1,029,438)	(1,546,015)	(2,339,889)	(2,456,987)
Finance costs	8	(52,899)	(89,471)	(228,418)	(180,322)
Share of results of associates, net of tax		182,290	41,508	275,439	263,982
Profit before income tax		1,802,970	1,023,671	2,619,154	2,401,760
Income tax expense	9	(272,120)	(287,860)	(460,658)	(524,165)
Profit for the financial period/year, representing total comprehensive income		1,530,850	735,811	2,158,496	1,877,595
Profit and total comprehensive income attributable to:					
Owners of the Company		1,524,953	735,811	2,199,840	1,877,595
Non-controlling interests		5,897	-	(41,344)	-
		1,530,850	735,811	2,158,496	1,877,595
Earnings per share for profit for the period/year attributable to the owners of the Company					
Basic (in cents)	10	0.90	1.21	1.30	3.09
Diluted (in cents)	10	0.90	0.97	1.30	2.40
<i>N.M.- Not meaningful</i>					



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B. Full Year Statements of Financial Position

	Note	Group		Company	
		As At 30/06/21	As At 30/06/20	As At 30/06/21	As At 30/06/20
		\$	\$	\$	\$
ASSETS					
Non-current assets					
Plant and equipment	11	2,190,334	2,024,008	111,411	61,644
Investment in subsidiaries		-	-	12,276,902	12,026,480
Investment in associates	12	2,235,625	2,069,782	2,126,205	1,805,800
Intangible assets	13	6,621,463	6,190,273	148,387	187,097
Other receivables	14	-	-	135,209	-
Derivative financial instruments	15	1,878,405	-	1,878,405	-
		12,925,827	10,284,063	16,676,519	14,081,021
Current assets					
Inventories		774,231	859,501	-	-
Trade and other receivables	14	1,555,317	987,566	3,144,668	2,922,054
Prepayments		100,762	27,473	10,403	642
Cash and cash equivalents		15,839,538	4,953,967	11,710,975	1,286,499
		18,269,848	6,828,507	14,866,046	4,209,195
TOTAL ASSETS		31,195,675	17,112,570	31,542,565	18,290,216
EQUITY AND LIABILITIES					
Equity					
Share capital	16	25,683,684	13,797,282	25,683,684	13,797,282
Merger reserve		(5,552,876)	(5,552,876)	-	-
Other reserve		177,484	177,484	412,484	412,484
Retained earnings		3,247,156	2,178,680	1,638,004	1,171,422
		23,555,448	10,600,570	27,734,172	15,381,188
Non-controlling interest		(41,166)	-	-	-
Total equity		23,514,282	10,600,570	27,734,172	15,381,188
Non-current liabilities					
Bank borrowings	17	2,843,900	-	2,630,000	-
Lease liabilities		1,370,218	1,479,965	46,244	34,638
Other payables	18	127,867	-	-	-
Provisions		29,717	29,530	-	-
Derivative financial instruments	15	2,444	-	2,444	-
		4,374,146	1,509,495	2,678,688	34,638
Current liabilities					
Trade and other payables	18	1,038,753	968,234	321,358	293,087
Bank borrowings	17	811,758	-	754,000	-
Lease liabilities		661,911	591,243	54,347	26,397
Redeemable convertible loan		-	2,554,906	-	2,554,906
Income tax payables		794,825	888,122	-	-
		3,307,247	5,002,505	1,129,705	2,874,390
TOTAL LIABILITIES		7,681,393	6,512,000	3,808,393	2,909,028
TOTAL EQUITY AND LIABILITIES		31,195,675	17,112,570	31,542,565	18,290,216



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C. Consolidated Full Year Statements of Changes in Equity

Group	Share capital	Merger reserve	Other Reserve	Retained earnings	Total	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	6	-	-	301,085	301,091	-	301,091
Profit for the financial year	-	-	-	1,877,595	1,877,595	-	1,877,595
Total comprehensive income for the financial year	-	-	-	1,877,595	1,877,595	-	1,877,595
Contribution by and distribution to owners							
Adjustment pursuant to restructuring exercise	13,597,276	(5,552,876)	-	-	8,044,400	-	8,044,400
Issue of shares	200,000	-	-	-	200,000	-	200,000
Recognition of equity component of redeemable convertible loan	-	-	177,484	-	177,484	-	177,484
Total transaction with owners	13,797,276	(5,552,876)	177,484	-	8,421,884	-	8,421,884
Balance at 30 June 2020	13,797,282	(5,552,876)	177,484	2,178,680	10,600,570	-	10,600,570
Balance at 1 July 2020	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
Total comprehensive income for the financial year	-	-	-	2,199,840	2,199,840	(41,344)	2,158,496
Contribution by and distributions to owners							
Issue of new shares	12,394,120	-	-	-	12,394,120	-	12,394,120
Share issuance expenses	(507,718)	-	-	-	(507,718)	-	(507,718)
Dividend paid	-	-	-	(1,131,364)	(1,131,364)	-	(1,131,364)
Total transactions with owners	11,886,402	-	-	(1,131,364)	10,755,038	-	10,755,038
Transactions with non-controlling interests							
Subscription of shares by non-controlling interest in subsidiaries	-	-	-	-	-	178	178
Total transactions with non-controlling interests	-	-	-	-	-	178	178
Balance at 30 June 2021	25,683,684	(5,552,876)	177,484	3,247,156	23,555,448	(41,166)	23,514,282



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C. Full Year Statements of Changes in Equity

COMPANY	Share capital	Other reserve	Accumulated loss/ Retained earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2019	2	-	(96,106)	(96,104)
Profit for the financial year	-	-	1,267,528	1,267,528
Total comprehensive income for the financial year	-	-	1,267,528	1,267,528
Contribution by and distributions to owners				
Issue of shares	200,000	-	-	200,000
Adjustment pursuant to restructuring exercise	13,597,280	235,000	-	13,832,280
Recognition of equity component of redeemable convertible loan	-	177,484	-	177,484
Total transactions with owners	13,797,280	412,484	-	14,209,764
Balance at 30 June 2020	13,797,282	412,484	1,171,422	15,381,188
Balance at 1 July 2020	13,797,282	412,484	1,171,422	15,381,188
Profit for the financial year	-	-	1,597,946	1,597,946
Total comprehensive income for the financial year	-	-	1,597,946	1,597,946
Contributions by and distributions to owners				
Issue of shares	12,394,120	-	-	12,394,120
Share issuance expenses	(507,718)	-	-	(507,718)
Dividends	-	-	(1,131,364)	(1,131,364)
Total transaction with owners	11,886,402	-	(1,131,364)	10,755,038
Balance at 30 June 2021	25,683,684	412,484	1,638,004	27,734,172



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D. Consolidated Full Year Statement of Cash Flows

	Group	
	12 Months Ended	
	30 June 2021	30 June 2020
	\$	\$
Operating activities:		
Profit before income tax	2,619,154	2,401,760
Adjustments for:		
Depreciation of plant and equipment	45,205	29,616
Depreciation of right-of-use assets	645,372	571,975
Amortisation of intangible assets	38,710	178,903
Interest expense	228,418	180,322
Gain on derecognition of redeemable convertible loan	-	(489,516)
Fair value loss on derivative financial instrument	203,634	404,000
Reversal of impairment on doubtful receivables	(2,441)	(22,219)
(Gain)/Loss on lease modification	(1,597)	13,971
Loss of derecognition of right-of-use of assets	5,257	-
Loss allowance on doubtful receivables	21,328	-
Bad debts written-off	79	-
Share issuance expense	340,000	-
Share of results of associates, net of tax	(275,439)	(263,982)
Operating cash flows before working capital changes	3,867,680	3,004,830
Inventories	85,270	(222,010)
Trade and other receivables	(340,925)	142,515
Trade and other payables	70,516	(106,656)
Prepayments	(73,286)	(18,712)
Cash generated from operations	3,609,255	2,799,967
Income tax paid	(553,953)	(399,673)
Net cash from operating activities	3,055,302	2,400,294
Investing activities:		
Acquisition of subsidiaries and business, net of cash acquired	(470,000)	412,711
Acquisition of associate	(2,400,000)	-
Dividend income from an associate	270,000	-
Deposit for acquisition of business	(58,500)	-
Purchase of plant and equipment	(297,079)	(5,516)
Net cash (used in)/ from investing activities	(2,955,579)	407,195
Financing activities:		
Dividends paid	(1,131,364)	(630,000)
Share issuance expenses	(447,718)	-
Advances from non-controlling interest	127,867	-
Income tax indemnity	-	308,000
Subscription for shares in subsidiaries by non-controlling interest	178	-
Proceeds from issuance of shares	9,294,120	-
Proceeds from bank borrowings	5,000,000	-
Repayment from director	-	9,355
Repayment of principal portion of lease liabilities	(629,755)	(583,307)
Repayment of interest portion of lease liabilities	(47,626)	(49,992)
Repayment of bank borrowings	(1,344,343)	(839,031)
Proceeds from redeemable convertible loan	-	2,700,000
Interest paid	(35,511)	(12,242)
Net cash from financing activities	10,785,848	902,783
Net change in cash and cash equivalents	10,885,571	3,710,272
Cash and cash equivalents at beginning of financial year	4,953,967	1,243,695
Cash and cash equivalents at end of financial year	15,839,538	4,953,967



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NOTES TO THE CONDENSED INTERIM AND FULL YEAR CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

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 and full year consolidated financial statements as at and for the six and twelve months ended 30 June 2021 comprise the Company and its subsidiaries (the “**Group**”).

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 the provision of medical services.

2. Basis of preparation

The condensed interim and full year financial statements for the six and twelve months ended 30 June 2021 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 2020.

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 and full year 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 2020.

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
- 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.



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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 2021 and 30 June 2020, 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	
	2021 \$	2020 \$	2021 \$	2020 \$
Government grants	106,633	251,674	344,506	272,954
Sponsorship income	6,500	21,822	15,500	22,522
Reversal of impairment on doubtful receivables	442	12,791	2,441	22,219
Management fees	-	-	-	18,500
Gain on derecognition of redeemable convertible loan	-	489,516	-	489,516
Listing grant	-	-	200,000	-
Rental rebates	-	74,186	29,312	74,186
Chronic disease consultation incentive	650	400	35,250	400
Interest income	269	741	759	1,482
Others	22,655	2,396	33,140	12,990
Total other income	137,149	853,526	660,908	914,769



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6. Depreciation and amortisation expenses

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2021	2020	2021	2020
	\$	\$	\$	\$
Depreciation of plant and equipment	35,609	12,815	45,205	29,616
Depreciation of right-of-use assets	334,671	288,733	645,372	571,975
Amortisation of intangible assets	19,355	68,236	38,710	178,903
Total depreciation and amortisation expenses	389,635	369,784	729,287	780,494

7. Other expenses

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2021	2020	2021	2020
	\$	\$	\$	\$
Audit fee				
-auditors of the company	73,590	50,000	110,000	81,000
Non-audit fee				
-auditors of the company	-	69,300	20,009	168,300
Advertising and promotion expenses	4,562	11,566	58,115	11,926
Administrative charges	124,809	132,118	218,271	185,093
Credit card fees	18,009	15,303	35,322	29,935
Entertainment expenses	11,917	2,616	20,090	21,692
Fair value loss on derivative financial instruments	203,634	401,000	203,634	404,000
Human resources expenses	37,460	30,000	70,850	61,500
Information technology expenses	12,155	39,784	34,008	49,799
Locum fee	108,908	8,595	137,318	38,855
Loss allowance on doubtful receivables	21,328	-	21,328	-
Loss on lease modification	-	13,971	-	13,971
Loss on derecognition of right-of-use of assets	5,257	-	5,257	-
Marketing fees	18,323	14,450	50,902	39,189
Professional fees	206,507	494,327	977,666	1,127,340
Printing and stationery	13,902	12,233	50,010	36,920
Small value asset written off	12,326	8,053	40,366	14,154
Subscription fees	12,219	4,832	26,163	14,809

8. Finance costs

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2021	2020	2021	2020
	\$	\$	\$	\$
Term loan interest	29,511	70	35,511	12,242
Provision for reinstatement cost	96	90	187	182
Lease interest expense	23,292	24,405	47,626	49,992
Redeemable convertible loan	-	64,906	145,094	117,906
Total	52,899	89,471	228,418	180,322



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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 and full year consolidated statement of the profit or loss are:

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2021 \$	2020 \$	2021 \$	2020 \$
Current income tax				
- current financial year	272,120	324,433	486,825	562,709
- over provision in prior financial year	-	(26,906)	(26,167)	(9,544)
Deferred tax				
- current financial year	-	(9,667)	-	(29,000)
Total income tax expense recognised in profit or loss	272,120	287,860	460,658	524,165

10. Earnings per share

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2021	2020	2021	2020
<u>Earnings⁽¹⁾ per share</u>				
(i) Basic (cents)	0.90 ⁽²⁾	1.21 ⁽³⁾	1.30 ⁽²⁾	3.09 ⁽³⁾
(ii) On a fully diluted basis (cents)	0.90 ⁽⁴⁾	0.97 ⁽⁵⁾	1.30 ⁽⁴⁾	2.40 ⁽⁵⁾

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 2021 was computed based on 169,288,299 and 169,441,729 ordinary shares respectively, post sub-division of each existing ordinary shares into 1,095 shares ("Share Split"), adjusted for issue of (i) 6,113,385 ordinary shares (post Share Split) pursuant to Restructuring Exercise, which issued on 5 July 2019, (ii) 98,550,000 ordinary shares (post Share Split) pursuant to Restructuring Exercise, which issued on 1 April 2020, (iii) 3,786,510 ordinary shares (post Share Split) pursuant to acquisition of an intangible asset on 7 April 2020, (iv) 20,454,542 ordinary shares pursuant to conversion of redeemable shares on 13 July 2020, (v) 3,636,364 ordinary shares pursuant to consultancy fees paid in form of shares on 13 July 2020, (vi) 24,246,000 placement shares on 29 July 2020, and (vii) 18,000,000 ordinary shares pursuant to the Placement on 27 November 2020.



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10. Earnings per share (contd.)

- 3) The calculations of basic earnings per share for six months and twelve months ended 30 June 2020 were based on net profit attributable to owners of the Company for the financial year ended 30 June 2020 divided by weighted average of ordinary shares in issue for the financial year ended 30 June 2020 computed based on 60,623,484 and 60,789,576 ordinary shares respectively, assuming the share split exercise of sub-dividing each existing ordinary shares into 1,095 shares (“**Share Split**”) occurred at the beginning of FY2020, adjusted for issue of (i) 6,113,385 ordinary shares (post Share Split) pursuant to restructuring exercise, which was issued on 5 July 2019, (ii) 98,550,000 ordinary shares (post Share Split), which was issued on 1 April 2020, and (iii) 3,786,510 ordinary shares (post Share Split) pursuant to acquisition of an intangible asset on 7 April 2020.
- 4) The basic and fully dilutive earnings per share for six months and twelve months ended 30 June 2021 are the same as there are no dilutive ordinary shares in issue as at 30 June 2021.
- 5) The fully diluted earnings per share was adjusted for the impact from the redeemable convertible loan outstanding as at 30 June 2020. The weighted average number of ordinary shares in issue of 79,401,424 and 79,618,963 for six months and twelve months ended 30 June 2020 respectively, adjusted for the effect of redeemable convertible loan of 18,777,940 and 18,829,387 shares for six months and twelve months ended 30 June 2020 respectively.

11. Plant and equipment

During the six months ended 30 June 2021, the Group and the Company acquired assets amounting to \$274,728 and \$121,021 (30 June 2020: nil and nil) respectively.

12. Investment in associates

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Unquoted equity investment, at cost	2,126,205	1,805,800	2,126,205	1,805,800
Share of post-acquisition results, net of dividends	109,420	263,982	-	-
	<u>2,235,625</u>	<u>2,069,782</u>	<u>2,126,205</u>	<u>1,805,800</u>

Acquisition of equity interest in an associate

The Company had acquired 40% of the total issued share capital of KCS Anaesthesia Services Pte. Ltd. (“**KCS**”) for a cash consideration of S\$2.40 million on 2 December 2020. The Company was granted with call option to purchase remaining 60% equity interest in KCS and a put option to sell its 40% equity interest in KCS under the terms and conditions of call and put option deed in the acquisition arrangement. The management considered that the call and put option arrangement is a linked transaction to the acquisition of associate and derecognised the fair value of call and put option amounted to \$2,079,595 from the cost of investment in KCS. The fair value of the call option and put options is recognised separately as derivative financial instruments in Note 15.



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12. Investment in associates (contd.)

The fair value of the identifiable assets and liabilities of KCS as at the date of acquisition was:

	\$
Total current assets	441,701
Total current liabilities	<u>(360,258)</u>
Net assets	81,443
Proportion of equity interest in the associate	40%
Proportion of share of net assets	<u>(32,577)</u>
Purchase consideration	
-cash consideration	2,400,000
-call and put options	<u>(2,079,595)</u>
Goodwill arising from acquisition	<u>287,828</u>

13. Intangible assets

	Computer software	Customer contract	Goodwill	Trademark	Total
	\$	\$	\$	\$	\$
Group					
Cost					
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	<u>5,000</u>	<u>166,000</u>	<u>6,473,076</u>	<u>200,000</u>	<u>6,844,076</u>
Accumulated amortisation					
6 months ended:					
Balance at 1 January 2021	5,000	166,000	-	32,258	203,258
Amortisation charge	-	-	-	19,355	19,355
Balance at 30 June 2021	<u>5,000</u>	<u>166,000</u>	<u>-</u>	<u>51,613</u>	<u>222,613</u>
Net carrying amount					
Balance at 30 June 2021	<u>-</u>	<u>-</u>	<u>6,473,076</u>	<u>148,387</u>	<u>6,621,463</u>
Cost					
Balance at 1 January 2020	5,000	166,000	6,003,176	-	6,174,176
Additions	-	-	-	200,000	200,000
Balance at 30 June 2020	<u>5,000</u>	<u>166,000</u>	<u>6,003,176</u>	<u>200,000</u>	<u>6,374,176</u>
Accumulated amortisation					
6 months ended:					
Balance at 1 January 2020	5,000	110,667	-	-	115,667
Amortisation charge	-	55,333	-	12,903	68,236
Balance at 30 June 2020	<u>5,000</u>	<u>166,000</u>	<u>-</u>	<u>12,903</u>	<u>183,903</u>
Net carrying amount					
Balance at 30 June 2020	<u>-</u>	<u>-</u>	<u>6,003,176</u>	<u>187,097</u>	<u>6,190,273</u>



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13. Intangible assets (contd.)

	Trademark
	\$
Company	
Cost	
Balance at 1 January 2020/ 30 June 2021	<u>200,000</u>
Accumulated amortisation	
6 months ended:	
Balance at 1 January 2021	32,258
Amortisation charge	<u>19,355</u>
Balance at 30 June 2021	<u>51,613</u>
Net carrying amount	
Balance at 30 June 2021	<u>148,387</u>
Cost	
Balance at 1 January 2020	-
Addition	<u>200,000</u>
Balance at 30 June 2020	<u>200,000</u>
Accumulated amortisation	
6 months ended:	
Balance at 1 January 2020	-
Amortisation charge	<u>12,903</u>
Balance at 30 June 2020	<u>12,903</u>
Net carrying amount	
Balance at 30 June 2020	<u>187,097</u>

Impairment test for goodwill

As at 30 June 2021, the recoverable amount of the 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 are 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.



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13. Intangible assets (contd.)

Impairment test for goodwill (contd.)

Key assumptions used for value-in-use calculations:

	Revenue growth rate		Average gross margin		Discount rate	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Lian Clinic Pte. Ltd.	5%	5%	70%	70%	12%	12%
HMC Medical Pte. Ltd.	5%	5%	75%	75%	12%	12%
AE Medical Sengkang Private Limited	5%	0%	55%	55%	12%	12%
AE Medical Fernvale Pte. Ltd.	5%	5%	75%	68%	12%	12%
GM Medical Paincare Pte. Ltd.	15%	-	75%	-	12%	-
CS Yoong Anaesthesiology and Pain Services Pte. Ltd.	10%	-	95%	-	12%	-

Terminal growth of 1.0% (2020: 0.5%) was applied to all CGUs in the cash flows projection to terminal year.

Revenue growth rate and average gross margin – The forecasted 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.

Acquisition of subsidiary and business

- (i) The Company’s 51% owned subsidiary, GM Medical Paincare Pte. Ltd. (“**GMMP**”) had on 27 August 2020 entered into a sale and purchase agreement to acquire the business in respect of C.M.C. Wong Binjai Clinic from Dr. Wong Mei Chun for a total cash consideration of \$220,000. The acquisition had been completed on 28 August 2020.
- (ii) The Company had on 31 March 2021 acquired 100% of the total issued share capital of CS Yoong Anaesthesiology and Pain Services Pte. Ltd. (“**CSY**”) from Dr Yoong Chee Seng for a cash consideration of S\$250,000.



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13. Intangible assets (contd.)

The fair values of the identifiable assets and liabilities of GMMP and CSY as at the date of acquisition were:

	GMMP	CSY	Total
	\$	\$	\$
Total assets, represent the net identifiable assets at fair value	-	100	100
Fair value of consideration paid	220,000	250,000	470,000
Goodwill arising from the acquisition	220,000	249,900	469,900

Goodwill of \$469,900 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 are not to be deductible for tax purposes.

Revenue or loss/ profit before tax for the financial year ended 30 June 2021 contributed by GMMP and CSY to the Group were as follows:

	GMMP	CSY
	\$	\$
Revenue	263,000	157,000
(Loss)/Profit before income tax	(92,000)	33,000

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

	2021
	\$
Total purchase consideration in cash, represent net cash outflow from acquisitions	470,000



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14. Trade and other receivables

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Non-current				
Other receivables- subsidiaries	-	-	135,209	-
Current				
Trade receivables	1,268,190	847,518	-	-
Less: Loss allowance on doubtful receivables	(75,129)	(56,242)	-	-
	1,193,061	791,276	-	-
Other receivables				
-third parties	22,471	26,169	8,166	-
-associate	160,650	-	160,000	-
-subsidiaries	-	-	2,960,802	2,890,560
Deposits	158,722	17,861	15,700	5,028
Grant receivable in respect of Job Support Scheme ("JSS")	-	130,597	-	26,466
Lease receivables	20,413	21,663	-	-
Total current trade and other receivables	1,555,317	987,566	3,144,668	2,922,054
Total trade and other receivables	1,555,317	987,566	3,279,877	2,922,054

15. Derivative financial instruments

	Group/ Company			
	2021 \$	2020 \$	2021 \$	2020 \$
Non-current assets				
Call and put options	1,878,405	-	1,878,405	-
Non-current liability				
Call option	2,444	-	2,444	-

	Group/ Company			
	Derivative financial assets		Derivative financial liabilities	
	2021 \$	2020 \$	2021 \$	2020 \$
Balance at beginning of financial year	-	-	-	-
Recognition of derivative financial instruments at initial recognition through investment in associate	2,079,595	-	-	-
Recognition of derivative financial instruments at initial recognition through profit/ loss	68,373	-	(8,301)	-
Fair value (loss)/gain recognised during the financial year	(269,563)	-	5,857	-
Balance at end of financial year	1,878,405	-	(2,444)	-



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15. Derivative financial instruments (contd.)

The derivative financial instruments relate to the call and put option 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 issued 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 is 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 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 is more than \$200,000.

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

16. Share capital

	Group and Company			
	2021		2020	
	Number of shares	\$	Number of shares	\$
Balance at 1 January	179,623,416	25,683,684	10,000	13,597,282
Issuance of shares pursuant to Restructuring Exercise	-	-	90,000	-
Issuance of consideration shares for trademark acquisition	-	-	3,458	200,000
	<u>179,623,416</u>	<u>25,683,684</u>	<u>103,458</u>	<u>13,797,282</u>
Sub-division of shares ⁽¹⁾	-	-	113,286,510	13,797,282
Issuance of consultancy fee shares ⁽²⁾	-	-	3,636,364	400,000
Issuance of ordinary shares pursuant to conversion of the redeemable convertible loan ⁽³⁾	-	-	20,454,542	2,700,000
Issuance shares pursuant to the initial public offering of the Company ⁽⁴⁾	-	-	24,246,000	5,334,120
Issuance of ordinary shares for a private placement ⁽⁵⁾	-	-	18,000,000	3,960,000
	<u>179,623,416</u>	<u>25,683,684</u>	<u>179,623,416</u>	<u>26,191,402</u>
Less: share issuance expenses ⁽⁶⁾	-	-	-	(507,718)
Balance at end of financial year ⁽⁷⁾	<u>179,623,416</u>	<u>25,683,684</u>	<u>179,623,416</u>	<u>25,683,684</u>



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16. Share capital (contd.)

Notes:

- (1) On 9 July 2020, the shareholders of the Company approved the sub-division of the existing ordinary shares of 103,458 into 113,286,510 ordinary shares in the issued share capital of the Company.
- (2) On 13 July 2020, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 3,636,364 new ordinary shares at an issue price of \$0.11 per ordinary share amounting to \$400,000 as payment of consultancy fee.
- (3) On 13 July 2020, the redeemable convertible loan of \$2,700,000 ("RCL") provided by the pre-placement investors was converted into 20,454,542 new ordinary shares in the share capital of the Company at an issue price of \$0.132 per ordinary share.
- (4) On 29 July 2020, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 24,246,000 new ordinary shares at an issue price of \$0.22 per ordinary share for cash consideration of \$5,330,000 pursuant to an initial public offering.
- (5) On 27 November 2020, the Company increased its issued and fully paid-up share capital by way of allotment and issuance of 18,000,000 new ordinary shares (the "Placement Shares") at an issue price of \$0.22 per ordinary share for cash consideration of \$3,960,000 pursuant to a private placement.
- (6) Share issuance expenses consist of, among others, an allocation portion of professional fees paid to the independent auditors of the Company in respect of professional services rendered as independent reporting auditors in connection with the Company's initial public offering. The allocation portion of professional fees amounted to \$28,050.
- (7) The issued and paid-up share capital amount included fair value adjustment in share capital amounting to \$10.17 million which relates to the issue of shares on 5 July 2019 pursuant to the Restructuring Exercise in accordance with SFRS(I) 3 Business Combination.

There were no outstanding convertibles as at 30 June 2021. As at 30 June 2020, the Company had outstanding RCL convertible into 20,454,542 shares in the capital of the Company. The RCL had been converted into ordinary shares on 13 July 2020.

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.

The Company did not hold any treasury shares or subsidiary holdings as at 30 June 2021 and 30 June 2020. 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 2021.

17. Borrowings

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Amount repayable in one year or less, or on demand				
- Unsecured	811,758	-	754,000	-
Amount repayable after one year				
- Unsecured	2,843,900	-	2,630,000	-
Total borrowings	3,655,658	-	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 2021 \$	As at 30 June 2021 \$	As at 30 June 2021 \$	As at 30 June 2020 \$
Non-current				
Non-controlling interests	127,867	-	-	-
Current				
Trade payables	82,538	101,961	-	-
Goods and service tax payable, net	157,649	98,900	31,548	-
	240,187	200,861	31,548	-
Other payables				
-third parties	323,039	325,329	70,748	165,373
-subsidiaries	-	-	53,346	39,104
Deferred grant income	-	124,823	-	22,685
Accrued expenses	447,026	289,030	165,716	65,925
Contract liabilities	28,501	28,191	-	-
Total current trade and other payables	1,038,753	968,234	321,358	293,087
Total trade and other payables	1,166,620	968,234	321,358	293,087

19. Net asset value

	Group		Company	
	As at 30 June 2021	As at 30 June 2020	As at 30 June 2021	As at 30 June 2020
Net assets value per ordinary share based on issued share capital (\$)	0.13	102.46	0.15	148.67
Number of shares in issue	179,623,416	103,458	179,623,416	103,458

20. Dividends

	Company	
	2021 \$	2020 \$
Ordinary dividends paid: Final exempt FY2020 dividend of \$0.007 per share	1,131,364	-
Dividend per share (net of tax)	0.007	-



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21. Related party transactions

	Group		Company	
	12 Months Ended		12 Months Ended	
	2021	2020	2021	2020
	\$	\$	\$	\$
With associates				
Management fee income	-	18,500	-	18,500
Sales	5,468	8,299	-	-
Purchases	5,805	1,180	-	-
Locum fee income	-	-	-	1,870
Dividend	-	-	430,000	-
With subsidiaries				
Expenses paid on behalf by	-	-	186,399	331,146
Management fee income	-	-	654,581	109,400
Salary recharge	-	-	3,000	-
Locum fee income	-	-	29,370	84,740
Dividend income	-	-	2,500,000	2,850,000
With related parties				
Rental fee expense	397,288	373,414	-	-
Payment made on behalf of	-	37,912	-	-
With Directors of the Company				
Payment on behalf by	-	31,485	-	-
Rental fee expense	34,100	3,100	-	-
Assignment of bank borrowings	-	254,972	-	-

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.



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22. Financial assets and financial liabilities (contd.)

Fair value of financial assets and financial liabilities (contd.)

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:

- 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>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	\$	\$	\$	\$
Group/ Company				
30 June 2021				
Financial assets- derivative financial instruments	-	-	1,878,405	1,878,405
Financial liabilities- derivative financial instruments	-	-	2,444	2,444
<hr/>				
30 June 2020				
Financial assets- derivative financial instruments	-	-	-	-
Financial liabilities- derivative financial instruments	-	-	-	-
<hr/>				

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 2021 and 30 June 2020.



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22. Financial assets and financial liabilities (contd.)

Fair value of financial assets and financial liabilities (contd.)

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:

	2021	2020
	\$	\$
<u>Group</u>		
Financial assets		
At amortised cost	17,394,855	5,810,936
At fair value through profit/ loss	1,878,405	-
	<hr/>	<hr/>
Financial liabilities		
Other financial liabilities, at amortised cost	6,668,257	5,342,434
At fair value through profit/ loss	2,444	-
	<hr/>	<hr/>
<u>Company</u>		
Financial assets		
At amortised cost	14,990,852	4,182,087
At fair value through profit/ loss	1,878,405	-
	<hr/>	<hr/>
Financial liabilities		
Other financial liabilities, at amortised cost	3,774,401	2,886,343
At fair value through profit/ loss	2,444	-
	<hr/>	<hr/>



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23. Subsequent events

The Company together with Dr Chia Wai Tuck, Xavier, a general practitioner of the Group, had on 20 April 2021 incorporated a subsidiary in Singapore known as Medihealth Clinic Pte. Ltd. (“**MHC**”).

MHC has an issued and paid-up capital of \$100.00 comprising 100 ordinary shares of which 60% of the shares are held by the Company and the remaining 40% of the shares are held by the general practitioner.

The principal activities of MHC are in the operation of medical clinics and the provision of medical services.

MHC had on 20 April 2021 entered into a sale and purchase agreement to acquire the business and assets in respect of Medihealth Bishan Clinic & Surgery from Dr Khaw Seng Ghee and Healthgivers Pte. Ltd. (the “**Acquisition**”) for a total cash consideration of \$585,000, payable on completion of the Acquisition. The Acquisition was completed on 1 July 2021.

Please refer to the Company’s announcements dated 20 April 2021 and 1 July 2021 for more details.



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



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Other Information

1. Review

The full year statement of financial position of Singapore Paincare Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed interim and full year consolidated profit or loss and other comprehensive income for the six-month and twelve-month period then ended, the consolidated full year statement of changes in equity and the consolidated full year statement of cash flows for the twelve-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 2020 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 2021 (FY2021) vs Full Year ended 30 June 2020 (FY2020)

The Group's revenue increased by approximately \$1.31 million from \$9.65 million in FY2020 to \$10.96 million in FY2021 mainly due to the increase in revenue in general practitioners ("GP"), specialist and newly set up entities. The increase in GP revenue was mainly due to one of the GP being appointed by the Ministry of Health as a COVID-19 vaccine administrator.

The decrease in other income by approximately \$0.25 million from \$0.91 million in FY2020 to \$0.66 million in FY2021 was mainly due to (i) the absence of a gain on derecognition of RCL of \$0.49 million, (ii) decrease in rental rebates of \$0.04 million, (iii) decrease in reversal of impairment of doubtful receivables of \$0.02 million, partially offset by the increase in (a) government grants of \$0.07 million, (b) listing grant of \$0.20 million by the Monetary Authority of Singapore pursuant to the Grant for Equity Market Singapore Scheme (GEMS), and (c) chronic disease consultation incentive of \$0.03 million.

Changes in inventories and inventories and consumables used increased by approximately \$0.09 million from \$2.20 million in FY2020 to \$2.29 million in FY2021, in line with the higher revenue recorded.

Employee benefits expenses increased by approximately \$0.87 million from \$2.81 million in FY2020 to \$3.68 million in FY2021 were mainly due to a revision in the remuneration of key management personnel upon the listing of the Company on 30 July 2020 and increase in number of headcounts from 42 to 51.

Depreciation and amortisation expenses decreased by approximately \$0.05 million mainly due to the decrease in the amortisation of intangible assets in respect of customer contracts and trademarks of approximately \$0.14 million, partially offset with the increase in depreciation of right-of-use assets ("ROU") and plant and equipment of approximately \$0.09 million.



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2. Review of performance of the Group (contd.)

Full Year ended 30 June 2021 (FY2021) vs Full Year ended 30 June 2020 (FY2020) (contd.)

Other expenses decreased by approximately \$0.12 million from \$2.46 million in FY2020 to \$2.34 million in FY2021. The decrease was mainly due to the decrease in professional fees (which included listing fees) of about \$0.15 million, the decrease in fair value loss on derivative financial instruments of \$0.20 million and the absence of loss on lease modification of \$0.01 million, partially offset by the increase in (i) advertising, promotion and marketing expenses of \$0.06 million, (ii) administrative charges of \$0.03 million, (iii) locum fee of \$0.10 million, (iv) loss allowance on doubtful receivables of \$0.02 million arising from default trade receivables, and (v) small value assets written off of \$0.03 million.

Finance costs increased by approximately \$0.05 million mainly due to the increase in interest expense on RCL and bank borrowings of \$0.03 million and \$0.02 million respectively.

Share of results of associates were comparable to FY2020.

Income tax expense decreased by \$0.06 million from \$0.52 million in FY2020 to \$0.46 million in FY2021. The effective income tax rate has decreased from 21.82% in FY2020 to 17.59% in FY2021 mainly due to higher non-deductible expenses incurred by the Company (as an investment holding company) in FY2020.

As a result of the above, the Group reported a profit before income tax of \$2.62 million in FY2021 as compared to \$2.40 million in FY2020. The net profit attributable to owners of the Company was \$2.20 million in FY2021 as compared to \$1.88 million in FY2020. Excluding share issue expenses of \$0.56 million in FY2021, the Group's profit before income tax and net profit attributable to owners of the Company for FY2021 would be \$3.18 million and \$2.76 million respectively.

The net loss attributable to non-controlling interests of the Company of \$0.04 million in FY2021 was due to non-controlling interests sharing loss in certain loss-making entity.

Review of Statements of Financial Position

As at 30 June 2021 (FY2021) vs As at 30 June 2020 (FY2020)

Non-Current Assets

The increase in plant and equipment of \$0.17 million was mainly due to (i) the recognition of addition of ROU assets and plant and equipment of \$0.75 million and (ii) lease modification of \$0.15 million which was partially offset by (a) the depreciation of right-of-use assets and plant and equipment of \$0.69 million and (b) lease termination of \$0.04 million for the financial year.

The increase in investment in associates relates to the acquisition of 40% of the total issued share capital in KCS Anaesthesia Services Pte. Ltd. of \$2.40 million in December 2020 and share of results of associates of \$0.28 million, partially offset with dividend declared by associates of \$0.43 million and call and put options acquired of \$2.08 million.

The increase in intangible assets was mainly due to the goodwill arising from the acquisition of business of C.M.C. Wong Binjai Clinic and CS Yoong Anaesthesiology and Pain Services Pte. Ltd. amounted to \$0.22 million and \$0.25 million respectively.



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Review of Statements of Financial Position (contd.)

Derivative financial instruments increased as a result of the call and put options granted to the Company in connection with the Company's acquisition of a subsidiary and equity interest in an associate.

Current Assets

Inventories decreased mainly due to lower inventories purchased during the financial year.

Trade and other receivables comprise of trade receivables and other receivables of approximately \$1.19 million and approximately \$0.36 million respectively. The increase in trade and other receivables of \$0.57 million was mainly due to (a) increase in trade receivables of \$0.40 million in line with the increase in revenue, and (b) increase in other receivables of \$0.17 million was mainly as a result of the increase in amount due from an associate of \$0.16 million and increase in deposits of \$0.14 million arising from the rental of clinics and deposit for acquisition of business, which are partially offset by the absence of government grant receivable in respect of JSS of \$0.13 million.

Prepayments increased mainly due to the prepayments made for the rental of premise and purchase of medicine.

Cash and bank balances of \$15.84 million mainly comprise of cash at bank.

Equity

Share capital increased by approximately \$11.88 million from \$13.80 million as at 30 June 2020 to \$25.68 million as at 30 June 2021 following the (i) conversion of the RCL of \$2.70 million, (ii) issuance of new ordinary shares as payment for consultancy fee of \$0.40 million, (iii) issuance of new ordinary shares of \$5.33 million in relation to the initial public offering, and (iv) issuance new ordinary shares for the Placement Shares of \$3.96 million and partially offset by the capitalisation of listing expenses of \$0.51 million.

Liabilities

The increase in bank borrowings of \$3.66 million was due to the drawdown of new banking facilities procured by the Group for its working capital purposes.

Overall decrease in lease liabilities due to payment made for lease rental.

Trade and other payables increased by \$0.20 million mainly due to the increase in accrual of director fees and audit fees of \$0.10 million and increase in amount due to non-controlling interests of \$0.13 million.

The decrease in RCL of \$2.55 million was due to the conversion of the RCL into the ordinary shares of the Company on 13 July 2020.

Derivative financial instruments increased as a result of the call option granted to the vendor where the Company will be required to sell its issued and fully paid-up share capital of GMMP to the vendor provided that the Company does not exercise the call option to acquire the remaining issued and fully paid-up share capital of GMMP.



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Review of Statements of Cash Flows

The net cash from operating activities of \$3.06 million was mainly derived from operating cash flows before working capital changes of \$3.87 million, and adjusted for net working capital outflow of \$0.26 million and income tax paid of approximately \$0.55 million.

Net cash used in investing activities of approximately \$2.96 million was mainly due to (i) purchase of plant and equipment of \$0.30 million, (ii) acquisition of subsidiary and business of \$0.47 million, (iii) acquisition of an associate of \$2.40 million and (iv) deposit paid for acquisition of business of \$0.06 million which was partially offset by dividend received from an associate of \$0.27 million.

Net cash from financing activities amounted to \$10.79 million was mainly related to proceeds from the issuance of shares of \$9.29 million, advances from non-controlling interests of \$0.13 million and proceeds from bank borrowings of \$5.00 million. These amounts were partially offset by (i) the payment of share issue expenses of \$0.45 million, (ii) repayment of lease liabilities (principal and interest portion) of \$0.68 million, (iii) dividends paid to the shareholders of the Company of \$1.13 million, (iv) repayment of bank borrowings of \$1.34 million and (v) interest paid of \$0.04 million.

Overall, the Group recorded a net increase in cash and cash equivalents of approximately \$10.89 million during FY2021.

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 is making good progress vaccinating the entire population. However, significant risks and uncertainties in the COVID-19 situation remains, considering the larger than usual degree of uncertainty over the course of the COVID-19 pandemic globally.

Since the Company's last results announcement, the Group has added a primary care clinic and a specialist to its portfolio. These corporate developments form part of the Group's effort to strengthen its value proposition of a holistic end-to-end paincare management.

The Group will remain cautious and alert towards the continuous and rapidly changing nature of the challenge that arise from the COVID-19 situation while steadily pursuing its plans for long-term sustainable growth.



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5. Dividend

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on?

Yes.

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

The Directors are pleased to declare a tax exempt one-tier final cash dividend of 0.75 cent per share (2020: tax exempt one tier cash dividend of 0.70 cent per share) in respect of the full year ended 30 June 2021.

(b) Corresponding period of the immediate preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	:	Proposed Final
Dividend Type	:	Ordinary
Dividend per Share	:	0.70 cent per ordinary share (one tier tax)
Tax Rate	:	Tax exempt

(c) Date payable

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

(d) Book closure date

The book closure date will be announced at a later date.

(e) 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.

Name of Interested Persons	Nature of relationship	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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (S\$'000)
MedBridge Marketing Pte. Ltd. ⁽¹⁾	Associate of Dr. Lee Mun Kam Bernard, the Executive Director and Chief Executive Officer of the Company	397	-

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 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.

Use of net proceeds	Amount allocated (\$'000)	Amount allocated after reallocation ⁽¹⁾ (\$'000)	Amount utilised as at the date of this announcement (\$'000)	Balance of net proceeds as at the date of this announcement (\$'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) ⁽²⁾	41
Working capital	1,041	-	-	-
Total	3,541	3,541	(2,400)	1,141



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7. Use of Proceeds (contd.)

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 Anaesthesia Services Pte. Ltd..

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

(ii) Use of proceeds from 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

	FY2021 \$'000	FY2020 \$'000	Increase / (Decrease) %
(a) Sales reported for first half year	4,860	5,134	(5.34)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	675	1,142	(40.89)
(c) Sales reported for second half year	6,096	4,512	35.11
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	1,525	736	107.20



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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:-**

	FY2021	FY2020
	\$'000	\$'000
Ordinary shares (tax exempt 1-tier)		
-Interim	-	-
-Final (Proposed)	1,347 ⁽¹⁾	1,131 ⁽¹⁾
Total Annual Dividend	1,347	1,131

Note:-

(1) The proposed final ordinary dividend is based on 179,623,416 (FY2020: 161,623,416) number of shares as at 30 July 2021.

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 (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Wong Jing Yi Joyce	44	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. Duties: 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
20 August 2021