



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

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 2021



SINGAPORE PAINCARE HOLDINGS LIMITED
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*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 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.



SINGAPORE PAINCARE HOLDINGS LIMITED
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A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Group Half year ended 31 December		
		2021	2020	Change
Note		\$	\$	
Revenue		8,305,782	4,859,902	70.9%
Other items of income				
Other income	6.1	206,712	523,759	(60.5%)
Items of expense				
Changes in inventories		(78,158)	(74,058)	5.5%
Inventories and consumables used		(1,476,899)	(1,070,867)	37.9%
Employee benefits expenses		(2,879,446)	(1,690,079)	70.4%
Depreciation and amortisation expenses		(466,343)	(339,652)	37.3%
Operating lease expenses		(755)	-	*n.m.
Other expenses	6.1	(966,765)	(1,310,451)	(26.2%)
Finance costs		(66,840)	(175,519)	(61.9%)
Share of results of associates, net of tax		128,496	93,149	37.9%
Profit before income tax		2,705,784	816,184	231.5%
Income tax expense	7	(356,962)	(188,538)	89.3%
Profit for the financial period, representing total comprehensive income		2,348,822	627,646	274.2%
Profit and total comprehensive income attributable to				
Owners of the Company		2,266,742	674,887	235.9%
Non-controlling interests		82,080	(47,241)	*n.m.
		2,348,822	627,646	274.2%
* n.m. - Not meaningful				



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B. Condensed Interim Statements of Financial Position

	Note	Group		Company	
		As At 31 December 21	As At 30 June 21	As At 31 December 21	As At 30 June 21
		\$	\$	\$	\$
ASSETS					
Non-current assets					
Plant and equipment	11	2,986,126	2,190,334	135,548	111,411
Investment in subsidiaries		-	-	12,277,102	12,276,902
Investment in associates		2,364,120	2,235,626	2,126,205	2,126,205
Intangible assets	13	7,162,108	6,621,463	129,032	148,387
Other receivables	12	-	-	532,769	135,209
Deferred tax assets		22,675	-	-	-
Derivative financial instruments		1,878,405	1,878,405	1,878,405	1,878,405
		14,413,434	12,925,828	17,079,061	16,676,519
Current assets					
Inventories		696,073	774,231	-	-
Trade and other receivables	12	2,116,925	1,555,316	2,141,488	3,144,668
Prepayments		182,192	100,762	103,860	10,403
Cash and cash equivalents		15,624,006	15,839,538	11,179,661	11,710,975
		18,619,196	18,269,847	13,425,009	14,866,046
TOTAL ASSETS		33,032,630	31,195,675	30,504,070	31,542,565
EQUITY AND LIABILITIES					
Equity					
Share capital	15	25,683,684	25,683,684	25,683,684	25,683,684
Merger reserve		(5,552,876)	(5,552,876)	-	-
Other reserve		177,484	177,484	412,484	412,484
Retained earnings		4,166,722	3,247,156	965,264	1,638,004
Equity attributable to owners of the parent		24,475,014	23,555,448	27,061,432	27,734,172
Non-controlling interests		40,914	(41,166)	-	-
Total equity		24,515,928	23,514,282	27,061,432	27,734,172
Non-current liabilities					
Bank borrowings	16	2,524,475	2,843,900	2,340,000	2,630,000
Lease liabilities		1,907,774	1,370,218	38,179	46,244
Other payables	14	107,865	127,867	-	-
Provisions		29,742	29,717	-	-
Derivative financial instruments		2,444	2,444	2,444	2,444
		4,572,300	4,374,146	2,380,623	2,678,688
Current liabilities					
Trade and other payables	14	1,386,764	1,038,753	290,151	321,358
Bank borrowings	16	754,484	811,758	696,000	754,000
Lease liabilities		841,067	661,911	75,864	54,347
Income tax payables		962,087	794,825	-	-
		3,944,402	3,307,247	1,062,015	1,129,705
TOTAL LIABILITIES		8,516,702	7,681,393	3,442,638	3,808,393
TOTAL EQUITY AND LIABILITIES		33,032,630	31,195,675	30,504,070	31,542,565



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C. Condensed Interim Statements of Changes in Equity

Group	Share capital	Merger reserve	Other reserve	Retained earnings	Total	NCI	Total equity
	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2020	13,797,282	(5,552,876)	177,484	2,178,680	10,600,570	-	10,600,570
Profit for the period	-	-	-	674,887	674,887	(47,241)	627,646
Total comprehensive income for the period	-	-	-	674,887	674,887	(47,241)	627,646
Contribution by and distribution to owners							
Issue of new shares	12,394,120	-	-	-	12,394,120	-	12,394,120
Share issue expenses	(507,718)	-	-	-	(507,718)	-	(507,718)
Dividend paid	-	-	-	(1,131,364)	(1,131,364)	-	(1,131,364)
Total transaction 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	-	-	-	-	-	98	98
Total transactions with non-controlling interests	-	-	-	-	-	98	98
Balance as at 31 December 2020	25,683,684	(5,552,876)	177,484	1,722,203	22,030,495	(47,143)	21,983,352
Balance as at 1 July 2021	25,683,684	(5,552,876)	177,484	3,247,156	23,555,448	(41,166)	23,514,282
Profit for the period	-	-	-	2,266,742	2,266,742	82,080	2,348,822
Total comprehensive income for the period	-	-	-	2,266,742	2,266,742	82,080	2,348,822
Contribution by and distributions to owners							
Issue of new shares	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-
Dividend paid	-	-	-	(1,347,176)	(1,347,176)	-	(1,347,176)
Total transactions with owners	-	-	-	(1,347,176)	(1,347,176)	-	(1,347,176)
Transactions with non-controlling interests							
Subscription of shares by non-controlling interest in subsidiaries	-	-	-	-	-	-	-
Total transactions with non-controlling interests	-	-	-	-	-	-	-
Balance as at 31 December 2021	25,683,684	(5,552,876)	177,484	4,166,722	24,475,014	40,914	24,515,928



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C. Condensed Interim Statements of Changes in Equity (Contd.)

COMPANY	Share capital	Other reserve	Retained earnings	Total
	\$	\$	\$	\$
Balance as at 1 July 2020	13,797,282	412,484	1,171,422	15,381,188
Profit for the period	-	-	211,294	211,294
Total comprehensive income for the period	-	-	211,294	211,294
Contribution by and distributions to owners				
Issue of shares	12,394,120	-	-	12,394,120
Share issue expenses	(507,718)	-	-	(507,718)
Dividends	-	-	(1,131,364)	(1,131,364)
Total transactions with owners	11,886,402	-	(1,131,364)	10,755,038
Balance as at 31 December 2020	25,683,684	412,484	251,352	26,347,520
Balance as at 1 July 2021	25,683,684	412,484	1,638,004	27,734,172
Profit for the period	-	-	674,436	674,436
Total comprehensive income for the period	-	-	674,436	674,436
Contributions by and distributions to owners				
Issue of shares	-	-	-	-
Share issue expenses	-	-	-	-
Dividends	-	-	(1,347,176)	(1,347,176)
Total transaction with owners	-	-	(1,347,176)	(1,347,176)
Balance as at 31 December 2021	25,683,684	412,484	965,264	27,061,432



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D. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	Half year ended	
	31 December 2021	31 December 2020
Cash flow from operating activities	\$	\$
Profit before income tax	2,705,784	816,184
Adjustments for:		
Depreciation of plant and equipment	48,111	9,596
Depreciation of right-of-use assets	398,877	310,701
Amortisation of intangible assets	19,355	19,355
Interest expense	66,840	175,519
Fixed asset written off	1,604	-
Reversal of impairment on doubtful receivables	(11,415)	(1,999)
Bad debts written-off	131	-
Share issue expense	-	556,594
Share of results of associates, net of tax	(128,496)	(93,149)
Operating cash flows before working capital changes	3,100,791	1,792,801
Inventories	78,158	74,040
Trade and other receivables	(733,623)	(95,898)
Trade and other payables	174,064	173,260
Prepayments	(81,430)	(92,079)
Cash generated from operations	2,537,960	1,852,124
Income tax paid	(247,375)	(225,971)
Net cash from operating activities	2,290,585	1,626,153
Cash flow from investing activities		
Acquisition of associate	-	(2,400,000)
Acquisition of business	(501,500)	(220,000)
Incorporation of subsidiaries	(200)	(102)
Dividend income from an associate	160,000	135,000
Purchase of plant and equipment	(119,293)	(187,263)
Net cash used in investing activities	(460,993)	(2,672,365)
Cash flow from financing activities		
Dividends paid	(1,347,176)	(1,131,364)
Share issue expenses	-	(664,312)
Proceeds from issuance of shares	-	9,294,120
Advances from non-controlling interests	173,945	-
Repayment to non-controlling interests	(20,000)	-
Proceeds from bank borrowings	-	300,000
Repayment of principal portion of lease liabilities	(408,379)	(301,666)
Repayment of interest portion of lease liabilities	(31,159)	(24,334)
Repayment of bank borrowings	(376,698)	-
Interest paid	(35,657)	(6,000)
Net cash (used in)/from financing activities	(2,045,124)	7,466,444
Net change in cash and cash equivalents	(215,532)	6,420,232
Cash and cash equivalents at beginning of financial period	15,839,538	4,953,967
Cash and cash equivalents at end of financial period	15,624,006	11,374,199



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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. Corporate information

Singapore Pincare 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 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.

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

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 December 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 2021.

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

The condensed interim 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.



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Use of judgements and estimates (Cont'd)

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 2021.

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 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:

- 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.

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

Major customers

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



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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 2021 and 30 June 2021.

	Group as at		Company as at	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	\$	\$	\$	\$
Financial Asset				
At amortised cost	17,740,931	17,336,354	13,853,918	14,990,852
Financial asset at FVTPL	<u>1,878,405</u>	<u>1,878,405</u>	<u>1,878,405</u>	<u>1,878,405</u>
	<u>19,619,336</u>	<u>19,214,759</u>	<u>15,732,323</u>	<u>16,869,257</u>
Financial Liabilities				
Other financial liabilities, at amortised cost	7,242,280	6,668,257	3,435,073	3,774,401
Financial liabilities at FVTPL	<u>2,444</u>	<u>2,444</u>	<u>2,444</u>	<u>2,444</u>
	<u>7,244,724</u>	<u>6,670,701</u>	<u>3,437,517</u>	<u>3,776,845</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

	Fair value measurement using			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Group and Company				
31 December 2021 and 30 June 2021				
Derivative financial assets	-	-	1,878,405	1,878,405
Derivative financial liabilities			<u>2,444</u>	<u>2,444</u>

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.



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6. Profit before taxation

6.1 Significant items

	Group	
	Half year ended	
	31 December 2021	31 December 2020
	\$	\$
Other Income		
Government grants	96,181	237,873
Listing grant	-	200,000
Sponsor Income	17,120	9,000
Reversal of impairment on doubtful debts	11,415	1,999
Interest Income	312	490
Rental rebates	24,800	29,312
Chronic disease consultation incentive	41,557	34,600
Others	15,327	10,485
	<u>206,712</u>	<u>523,759</u>
Other Expenses		
Administrative charges	136,542	93,462
Advertising & promotion	14,214	53,553
Amortisation of intangible assets	19,355	19,355
Credit cards fees	23,124	17,313
Consultancy fees	51,000	-
Depreciation of plant & equipment	48,111	9,596
Depreciation of right-of-use asset	398,877	310,701
Entertainment	21,433	8,173
Finance cost	66,840	175,519
Small value asset expense off	24,025	28,040
IT expenses	30,366	21,853
Locum fees	177,739	28,410
Marketing fees	43,879	86,553
Printing & stationery	19,529	36,108
Professional fees	247,870	860,968
Subscription fees	15,706	13,944



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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 :

	Group	
	Half year ended	
	31 December 2021	31 December 2020
Current income tax expense	\$	\$
- current financial period	378,373	214,706
- (over)/under provision in prior period	1,264	(26,168)
	<u>379,637</u>	<u>188,538</u>
Deferred tax		
- current financial period	(22,675)	-
	<u>356,962</u>	<u>188,538</u>
Total income tax expense recognised in profit or loss	<u>356,962</u>	<u>188,538</u>

8. Dividends

	Group	
	Half year ended	
	31 December 2021	31 December 2020
Final tax exempt dividend for the financial year ended 30 June 2021 and 30 June 2020	<u>1,347,176</u>	<u>1,131,364</u>

9. Earnings per share

The calculation for earnings per share is based on:

	Group	
	Half year ended	
	31 December 2021	31 December 2020
Profit attributable to owners of the Company - \$	2,266,742	674,887
Weighted average number of ordinary shares issued during the financial period applicable to earnings per share	<u>179,623,416</u>	<u>159,545,684</u>

Earnings per share (in cents)

-Basic and diluted	1.26	0.42
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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 2021 and 31 December 2020.



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10. Net Asset Value

Net Asset Value ("NAV")	Group Half year ended		Company Half year ended	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	\$	\$	\$	\$
NAV	24,515,928	23,514,282	27,061,432	27,734,172
Number of ordinary shares in issue	179,623,416	179,623,416	179,623,416	179,623,416
Net Asset Value per ordinary share	0.14	0.13	0.15	0.15

11. Plant and equipment

During the six months ended 31 December 2021, the Group and the Company acquired assets amounting to \$1,244,384 and \$55,771 (31 December 2020: \$472,211 and \$ NIL) respectively.

12. Trade and other receivables

	Group as at		Company as at	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	\$	\$	\$	\$
Non-Current				
Other receivables				
Subsidiaries	-	-	532,769	135,209
Current				
Trade receivables				
Non-related parties	1,495,439	1,268,190	-	-
Less allowance	(63,714)	(75,129)	-	-
	1,431,725	1,193,061	-	-
Other receivables				
Non related parties	68,910	22,470	28,823	8,166
Subsidiaries	-	-	2,042,473	2,960,802
Associates	7,427	160,650	-	160,000
Deposits	252,021	100,222	70,192	15,700
Advance payment	350,000	58,500	-	-
Lease receivables	6,842	20,413	-	-
	2,116,925	1,555,316	2,141,488	3,144,668
Total	2,116,925	1,555,316	2,674,258	3,279,877



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13 Intangible assets

Group Cost	Computer Software	Customer Contract	Goodwill	Trademark	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2021	5,000	166,000	6,473,076	200,000	6,844,076
Additions	-	-	560,000	-	560,000
Balance as at 31 December 2021	5,000	166,000	7,033,076	200,000	7,404,076
Accumulated Depreciation					
Balance as at 1 July 2021	5,000	166,000	-	51,613	222,613
Additions	-	-	-	19,355	19,355
Balance as at 31 December 2021	5,000	166,000	-	70,968	241,968
Net Carrying Amount					
Balance as at 31 December 2021	-	-	7,033,076	129,032	7,162,108
Balance as at 30 June 2021	-	-	6,473,076	148,387	6,621,463

Company Cost	Trademark	
	31 December 2021 \$	30 June 2021 \$
Balance as at beginning of financial period/year	200,000	200,000
Accumulated amortisation		
Balance as at beginning of financial period/year	51,613	12,903
Addition	19,355	38,710
Balance as at end of financial period/year	70,968	51,613
Net carrying amount		
Balance at end of financial period/year	129,032	148,387
Remaining useful life at end of financial year	3.2 years	3.8 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.



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13 Intangible assets (cont'd)

Goodwill arising from the business combinations was related to acquisition of subsidiaries and business, of which, each subsidiary is an individual cash-generating unit ("CGU") that are expected to benefit from the business combinations. The carrying amount of goodwill had been allocated as follows:

Name of subsidiaries	Group as at	
	31 December 2021 \$	30 June 2021 \$
Lian Clinic Pte. Ltd ("LCPL")	3,295,421	3,295,421
HMC Medical Pte.Ltd. ("HMC")	1,421,822	1,421,822
AE Medical Sengkang Pte. Ltd. ("AESK")	643,741	643,741
AE Medical Fernvale Pte. Ltd. ("AEFV")	642,192	642,192
CS Yoong Anaesthesiology and Pain Services Pte. Ltd. ("CSY")	249,900	249,900
GM Medical PAINCARE Pte.Ltd. ("GMMP")	220,000	220,000
Medihealth Clinic Pte. Ltd. ("MHC")	560,000	-
	<u>7,033,076</u>	<u>6,473,076</u>

14. Trade and other payables

	Group as at		Company as at	
	31 December 2021 \$	30 June 2021 \$	31 December 2021 \$	30 June 2021 \$
Non-Current				
Other payables				
Non-controlling interests	107,867	127,867	-	-
Current				
Trade payables				
Non-related parties	-	-	-	-
Goods and services tax payable	230,794	82,538	-	-
	182,210	157,649	5,121	31,548
	<u>413,003</u>	<u>240,187</u>	<u>5,121</u>	<u>31,548</u>
Other payables				
Non related parties	251,966	323,039	22,235	70,748
Subsidiaries	-	-	133,476	53,346
Non-controlling interests	173,945	-	-	-
Accrued expenses	449,910	447,026	129,319	165,716
Contract liabilities	97,939	28,501	-	-
	<u>1,386,764</u>	<u>1,038,753</u>	<u>290,151</u>	<u>321,358</u>
Total	<u>1,494,630</u>	<u>1,166,620</u>	<u>290,151</u>	<u>321,358</u>



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15. Share capital

	Group		Company	
	Number of ordinary shares	Issued and paid-up share capital (\$)	Number of ordinary shares	Issued and paid-up share capital (\$)
Balance as at 1 July 2021	179,623,416	25,683,684	179,623,416	25,683,684
Balance as at 31 December 2021	179,623,416	25,683,684	179,623,416	25,683,684

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 31 December 2021 and 31 December 2020. 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 2021.

There were no outstanding convertibles as at 31 December 2021 and 31 December 2020.

16. Borrowings

	Group		Company	
	As at 31 December 2021	As at 30 June 2021	As at 31 December 2021	As at 30 June 2021
	\$	\$	\$	\$
Amount repayable in one year or less, or on demand				
- Unsecured	754,484	811,758	696,000	754,000
Amount repayable after one year				
- Unsecured	2,524,475	2,843,900	2,340,000	2,630,000
Total borrowings	3,278,959	3,655,658	3,036,000	3,384,000

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



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17. Related party transactions

	Group as at 31 December		Company as at 31 December	
	2021	2020	2021	2020
	\$	\$	\$	\$
With associates				
Management fee income				
Sales	11,532	1,769	-	-
Purchases	851	3,119	-	-
Locum fee income	-	-	-	-
Dividend	-	-	-	135,000
With subsidiaries				
Expenses paid on behalf by	-	-	387,143	172,517
Expenses paid on behalf of	-	-	51,258	-
Management fee income	-	-	326,400	58,200
Advances to	-	-	310,902	356,450
Locum fee income	-	-	-	29,370
Loan to	-	-	583,783	-
Dividend income	-	-	1,100,000	1,100,000
With related parties				
Rental fee expense	210,000	187,288	-	-
With Directors of the Company				
Rental fee expense	8,300	15,500	-	-

18. Subsequent events

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



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



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Other Information

1. Review

The condensed consolidated statement of financial position of Singapore Paincare Holdings Limited (the “**Company**” and its subsidiaries, collectively, the “**Group**”) as at 31 December 2021 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 2021 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 2021 (“HY2022”) vs six-month financial period ended 31 December 2020 (“HY2021”)

Revenue

Revenue for the Group improved from \$4.86 million in HY2021 to \$8.31 million in HY2022. 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 the opening of 2 new clinics.

Other Income

Other income, comprising mainly government grants and other reliefs, decreased from \$0.52 million to \$0.21 million, mainly due to the reduction of government grants.

Changes in inventories and inventories and consumables used

Changes in inventories and inventories and consumables used have increased by \$0.41 million from \$1.15 million in HY2021 to \$1.56 million in HY2022, in line with the increase in revenue.

Employee benefits expenses

Employee benefits expenses increased by \$1.19 million from \$1.69 million in HY2021 to \$2.88 million in HY2022, mainly attributable to the expansion in operations, which has resulted in the hiring of new medical practitioners and the increase in overall headcount. Total headcount increased from 42 in HY2021 to 72 in HY2022.

Depreciation and amortisation expenses

Depreciation and amortisation expenses went up from \$0.34 million in HY2021 to \$0.47 million in HY2022. 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.



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Other expenses

Other expenses decreased by approximately \$0.34 million from \$1.31 million in HY2021 to \$0.97 million in HY2022. This was mainly due to the decrease in IPO-related expenses recorded in HY2021.

Finance costs

Finance costs decreased to \$0.07 million in HY2022 as compared to \$0.18 million in HY2021 due to the reduction in loan payable as a result of the redeemable convertible loan being converted to equity.

Share of results of associates, net of tax

Share of profits from our associated companies increased from \$0.09 million in HY2021 to \$0.13 million in HY2022 due to the increased revenue generated by these clinics.

Profit before income tax

In tandem with the increase in revenue, net profit surged to \$2.71 million in HY2022 as compared to \$0.82 million in HY2021.

Income tax expense

Income tax expense increased from \$0.19 million in HY2021 to \$0.36 million in HY2022, in line with the increase in net profit.

Review of Statements of Financial Position

As at 31 December 2021 vs As at 30 June 2021

Non-Current Assets

The increase in plant and equipment was mainly due to the recognition of additional ROU assets of \$1.13 million and the purchase of plant and equipment which amounted to \$0.11 million. These were partially offset by the depreciation charge of ROU assets and plant and equipment of \$0.45 million.

The increase in intangible assets of \$0.54 million was mainly due to goodwill arising from the acquisition of business of Medihealth Clinic Pte Ltd ("**MHC**") in July 2021.

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 decreased by \$0.08 million was mainly due to faster inventory turnover as a result of the increase in business activities.

Trade and other receivables comprise of trade receivables and other receivables of approximately \$1.43 million and approximately \$0.69 million respectively. The increase of \$0.56 million in trade and other receivables was mainly due to:-

- (a) increase in trade receivables of \$0.24 million, in line with the increase in revenue; and
- (b) increase in other receivables of \$0.32 million due to the advance payment made for new equipment amounting to \$0.35 million and the deposits made for 2 new clinics and the new flagship outlet at Marina Square amounting to \$0.15 million. The increase was partially offset by



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the payment of \$0.06 million for the acquisition of MHC and the dividend of \$0.16 million received from associate companies.

Prepayments increased by \$0.08 million mainly due to the prepayments for the rental of premises.

Equity

Equity increased by approximately \$1.0 million from \$23.5 million as at 30 June 2021 to \$24.5 million as at 31 December 2021, which was mainly attributed to the increase in profit registered during HY2022. It was partially offset by the payment of dividend amounted to \$1.35 million in HY2022.

Liabilities

The reduction in bank borrowings from \$3.66 million in June 2021 to \$3.28 million as at 31 December 2021 was due to the repayment of loan during the financial period.

Increase in lease liabilities of \$0.72 million was related to the opening of 2 new clinics which amounted to \$1.13 million, and was partially offset by the repayment of principle amount of \$0.41 million.

Trade and other payables increased by \$0.35 million and was mainly due to the increase in trade-related payables and amount owing to a director.

Review of Statements of Cash Flows

The net cash from operating activities of \$2.29 million was mainly derived from operating cash flows before working capital changes of \$3.10 million, adjusted for net working capital outflow of \$0.56 million and income tax paid of \$0.25 million.

Net cash used in investing activities of \$0.46 million was mainly due to (i) acquisition of business of \$0.50 million and (ii) purchase of plant and equipment of \$0.12 million. This was partially offset by dividend of \$0.16 million received from associates.

Net cash used in financing activities amounted to \$2.05 million mainly related to (i) repayment of lease liabilities (principal and interest portion) of \$0.45 million; (ii) repayment of bank borrowings (principal and interest portion) of \$0.40 million and (iii) dividends paid to the shareholders of the Company of \$1.35 million. These amounts were partially offset by net advances from non-controlling interests of \$0.15 million.

Overall, the Group recorded a net decrease in cash and cash equivalents of approximately \$0.22 million during HY2022.

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.



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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 Company expects the next 12 months to remain challenging with the prolonged COVID-19 situation and the possible emergence of new variants. However, the Group is cautiously optimistic that the Singapore government's stringent COVID-19 containment measures and aggressive vaccination programme may continue to provide stability and gradual improvement to contain the local situation. The Group is also cautiously optimistic that the government's expressed intention to launch more VTLs with more countries¹ will lead to the gradual return of more medical tourists from the region, which will bode well for the private healthcare industry, and for its business.

Meanwhile, the Group has expanded its services and revenue stream to include a Traditional Chinese Medicine ("TCM") arm under its new Singapore Paincare TCM Wellness brand. Its first TCM clinic will be part of its new integrated pain care centre that is scheduled to open in Marina Square in late February 2022.

To pursue long term and sustainable growth, the Company remains on the lookout for opportunities for organic growth through the incorporation of new clinics or the expansion of our existing clinics, or inorganically through franchising, joint ventures, acquisitions or strategic alliances. Since the Group's listing in July 2020, the Group has expanded its Singapore network. It now has 13 locations including two pain care specialist clinics, eight general practitioner (including one with health screening) clinics that offer pain care services, one exclusive health screening clinic, one physiotherapy centre and an integrated pain care centre.

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.

- (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

¹ The Business Times article "Singapore aims for quarantine-free travel for all vaccinated travellers: Iswaran", 10 January 2022.



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- (e) **The date on which Registrable transfers received by the Company (up to 5.00pm) 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 2021 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.

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 \$100,000) (\$'000)
MedBridge Marketing Pte. Ltd. ⁽¹⁾	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.



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8. 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 (\$'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)	41
Working capital	1,041	-	-	-
Total	3,541	3,541	(2,400)	1,141

Notes:

- (1) \$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.
- (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

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



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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 2021 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 2022

Loh Foo Keong Jeffrey
Executive Director