

SINGAPORE PAINCARE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201843233N)

ENTRY INTO A JOINT VENTURE AGREEMENT

1. INTRODUCTION

The board of Directors (the "**Board**" or "**Directors**") of Singapore Paincare Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that on 4 July 2023, the Company entered into a joint venture agreement (the "**JVA**") with Beijing Puxiang Hospital Investment Management Co., Ltd ("**BPXHI**", and collectively with the Company, the "**Parties**"). Under the JVA, the Parties intend to establish a joint venture company, PuXin Pain Technology Hospital Management Company Limited ("**JV Company**"), to be incorporated in China to perform technical services related to pain care, training services, health consulting services or such other businesses as the Parties may agree from time to time (the "**Joint Venture**").

2. JOINT VENTURE

2.1 INFORMATION ON THE JOINT VENTURE PARTNER

BPXHI was incorporated on 21 June 2004 with a paid-up capital of RMB 50.0 million. It is a wholly-owned subsidiary of Puxiang Healthcare Holding Limited ("**PUXH**"). BPXHI owns and operates 15 community hospitals in the Chinese cities of Beijing, Hebei and Tianjin.

BPXHI's principal business activities include ownership and the operation of community hospitals, sales of and the provision of technical assistance in medical devices.

Prior to the Joint Venture, SPCH had through its 51%-owned subsidiary, Singapore Paincare Capital Pte Ltd, invested in PUXH as announced on 13 June 2023. This Joint Venture is entered into further to the memorandum of understanding ("**MOU**") dated 12 June 2023, as referred to in the announcement of 13 June 2023.

2.2 FRAMEWORK AND SALIENT TERMS OF THE JVA

2.2.1 Formation of the JV Company and Share Capital

Upon satisfaction of the condition precedent and pursuant to the JVA, each of the Parties shall subscribe for such number of new shares in the JV such that upon completion of the subscription (the "**Proposed Subscription**"), the JV Company will have a registered capital of RMB1,000,000 divided into 1,000,000 Shares. In connection with the incorporation of the JV Company, the Parties shall pay the registered capital of the JV Company and the shareholding proportion of the JV company shall be as follows:

Name of shareholder	Registered capital (RMB '000)	Shareholding ratio
BPXHI	510	51%
SPCH	490	49%
Total	1,000	100%

Upon incorporation, the JV Company will become a 49% owned associated company of the Company. The term of the JV Company is 50 years from the date of issuance of the business license of the JV Company, where such period may be extended six months before the expiration if approved by shareholders, where the JV Company applies to the relevant authority for an extension.

2.2.2 Business of the JV Company

The purpose of the Joint Venture is for the JV Company to carry out the business by offering the following services:

1. Provision and development of pain treatment systems, technical services, technology introduction and other related services for BPXHI's hospitals and other external hospitals.
2. Set up a group for doctors specialising in pain management to provide pain management and other related services for BPXHI's hospitals and other external hospitals.
3. Provide professional skills training related to pain treatment and nursing for doctors in BPXHI's hospitals or other external hospitals.

2.2.3 Board Composition and Control

The board of directors of the JV Company shall comprise of five (5) directors, as follows:

1. BPXHI shall have the right to appoint three (3) directors to the board of the JV Company ("**BPXHI Director**"); and
2. SPCH shall have the right to appoint two (2) directors to the board of the JV Company ("**SPCH Director**").

No business shall be transacted at a board meeting unless a quorum is present. The quorum for all meetings of the board shall be any four (4) directors. All resolutions of the board of directors of the JV Company shall be passed by a majority of votes of the directors of the JV Company.

For the avoidance of doubt, the chairman of the board of directors of the JV Company shall not be entitled to a second or casting vote at any board meeting.

3. RATIONALE FOR THE JOINT VENTURE

The Board believes that the proposed Joint Venture will enable the Group to increase its presence and involvement in pain-care related services in China.

The Joint Venture will enable SPCH to tap into China's healthcare market through BPXHI's group of hospitals where it intends to establish its pain care ecosystem that comprises primary healthcare, specialist pain care as well as rehabilitative services.

The Group will, among others, train the JV Company's core clinical team to carry out pain care services in their community hospitals.

BPXHI shall recruit and guide the team of doctors for the JV Company, provide advice on the business strategy and development, seek funding for the JV Company if required, and identify strategic partners as necessary.

The Board is of the view that this Joint Venture will be able to unlock potential opportunities arising from the China market in view of their ageing population. BPXHI medical practitioners will be able to pick up new skills from SPCH and to provide the treatment to their patients.

Accordingly, the Board believes that the entry into the JVA is in the best interests of the Company.

4. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The Proposed Subscription will be funded through internal resources and, at present, is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ended 30 June 2023.

5. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Joint Venture other than through their respective shareholdings (if any) in the Company.

6. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the JVA is available for inspection at the registered office of the Company at 601 Macpherson, #06-20/21, Grantral Mall, Singapore 368242 during normal business hours for a period of three (3) months commencing from the date of this announcement.

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements on SGXNet in compliance with the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst on the Joint Venture as appropriate or when there are material developments in respect of the same.

By Order of the Board

Lee Mun Kam Bernard
Executive Director and Chief Executive Officer

6 July 2023

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**") in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

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

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