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

Unaudited Condensed Interim Financial Statements
For the six months and full year ended 30 June 2023

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

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

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

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
Company Registration No. 201843233N
(Incorporated in the Republic of Singapore)

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

		6 Months Ended 30 June		Change	12 Months Ended 30 June		Change
	Note	2023 S$'000	2022 S$'000	%	2023 S$'000	2022 S$'000	%
Revenue		11,080	10,531	5.2	22,081	18,837	17.2
Other items of income							
Other income	5	220	840	(73.8)	343	1,035	(66.9)
Reversal of loss allowance of receivables, net		-	-	n.m.	-	11	n.m.
Items of expense							
Changes in inventories		16	328	(95.1)	254	249	2.0
Inventories and consumables used		(2,044)	(1,936)	5.6	(4,061)	(3,413)	19.0
Employee benefits expense		(4,919)	(4,348)	13.1	(9,752)	(7,227)	34.9
Depreciation and amortisation expense	6	(971)	(683)	42.1	(1,718)	(1,149)	49.5
Operating lease expenses		-	(4)	n.m.	-	(5)	n.m.
Loss allowance on receivables, net		(165)	-	n.m.	(165)	-	n.m.
Impairment loss in associate		(80)	(1,112)	(92.8)	(731)	(1,112)	(34.2)
Other expenses	7	(3,425)	(1,307)	162.1	(4,877)	(2,274)	114.4
Finance costs	8	(121)	(79)	53.2	(214)	(146)	46.6
Share of results of associates, net of tax		21	274	(92.3)	128	403	(68.2)
Share of results of joint venture, net of tax		(34)	-	n.m.	(33)	-	n.m.
(Loss)/Profit before income tax		**(422)**	**2,504**	**n.m.**	**1,255**	**5,209**	**(75.9)**
Income tax expense	9	(565)	(526)	7.4	(1,009)	(883)	14.3
(Loss)/Profit for the financial period/year, representing total comprehensive income		**(987)**	**1,978**	**n.m.**	**246**	**4,326**	**(94.3)**
(Loss)/profit and total comprehensive income attributable to:							
Owners of the Company		(1,305)	1,635	n.m.	(502)	3,901	(109.5)
Non-controlling interests		318	343	(7.3)	748	425	75.8
		(987)	**1,978**	**n.m.**	**246**	**4,326**	**(94.3)**
(Loss)/Earnings per share for (loss)/profit for the financial period/year attributable to the owners of the Company							
Basic (in cents)	10	(0.76)	0.91	n.m.	(0.29)	2.17	n.m.
Diluted (in cents)	10	(0.76)	0.91	n.m.	(0.29)	2.17	n.m.

**n.m.- not meaningful*

B. Condensed Full Year Statements of Financial Position

		Group		Company	
		As At 30 June 2023	As At 30 June 2022	As At 30 June 2023	As At 30 June 2022
ASSETS	**Note**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Non-current assets					
Plant and equipment	11	7,759	5,519	759	82
Intangible assets	14	13,489	10,407	71	110
Investment in subsidiaries		-	-	19,682	15,541
Investment in associates	12	396	1,239	320	1,241
Investment in joint venture	13	4,047	-	4,080	-
Other receivables	15	-	22	2,115	2,065
Derivative financial assets	16	474	2,508	474	2,508
		26,165	19,695	27,501	21,547
Current assets					
Inventories		1,277	1,023	-	-
Trade and other receivables	15	2,654	2,708	2,398	4,045
Prepayments		473	129	72	17
Cash and cash equivalents		9,636	15,173	4,380	7,715
		14,040	19,033	6,850	11,777
TOTAL ASSETS		**40,205**	**38,728**	**34,351**	**33,324**
EQUITY AND LIABILITIES					
Equity					
Share capital	17	25,684	25,684	25,684	25,684
Treasury shares		(1,731)	-	(1,731)	-
Merger reserve		(5,553)	(5,553)	-	-
Other reserve		177	177	412	412
Retained earnings		3,144	5,801	1,801	2,919
Equity attributable to owners of the parents		21,721	26,109	26,166	29,015
Non-controlling interests		252	360	-	-
TOTAL EQUITY		21,973	26,469	26,166	29,015
Non-current liabilities					
Bank borrowings	18	2,070	2,176	1,976	1,992
Lease liabilities		4,582	3,794	1,130	798
Derivative financial instruments		73	-	73	-
Other payables	19	154	43	-	-
Provisions		129	52	21	-
		7,008	6,065	3,200	2,790
Current liabilities					
Trade and other payables	19	4,093	2,986	694	601
Bank borrowings	18	4,077	725	4,016	696
Contract liabilities		126	93	-	-
Lease liabilities		1,636	1,200	275	222
Income tax payables		1,292	1,190	-	-
		11,224	6,194	4,985	1,519
TOTAL LIABILITIES		18,232	12,259	8,185	4,309
TOTAL EQUITY AND LIABILITIES		**40,205**	**38,728**	**34,351**	**33,324**

C. Condensed Full Year Statements of Changes in Equity

Group	Note	Share capital	Treasury shares	Merger reserve	Other Reserve	Retained earnings	Total	Non-controlling interests	Total equity
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 July 2021		25,684	-	(5,553)	177	3,247	23,555	(41)	23,514
Profit for the financial year		-	-	-	-	3,901	3,901	425	4,326
Total comprehensive income for the financial year		-	-	-	-	3,901	3,901	425	4,326
Distributions to owners									
Dividends	21	-	-	-	-	(1,347)	(1,347)	-	(1,347)
Total transaction with owners		-	-	-	-	(1,347)	(1,347)	-	(1,347)
Transactions with non-controlling interests									
Dividends		-	-	-	-	-	-	(24)	(24)
Total transactions with non-controlling interests		-	-	-	-	-	-	(24)	(24)
Balance at 30 June 2022		**25,684**	**-**	**(5,553)**	**177**	**5,801**	**26,109**	**360**	**26,469**
Balance at 1 July 2022		25,684	-	(5,553)	177	5,801	26,109	360	26,469
(Loss)/Profit for the financial year		-	-	-	-	(502)	(502)	748	246
Total comprehensive income for the financial year		-	-	-	-	(502)	(502)	748	246
Distributions to owners									
Purchases of treasury shares		-	(1,731)	-	-	-	(1,731)	-	(1,731)
Dividends	21	-		-	-	(2,155)	(2,155)	-	(2,155)
Total transactions with owners		-	(1,731)	-	-	(2,155)	(3,886)	-	(3,886)
Transactions with non-controlling interests									
Dividends		-	-	-	-	-	-	(783)	(783)
Acquisition of a subsidiary		-	-	-	-	-	-	(73)	(73)
Total transactions with non-controlling interests		-	-	-	-	-	-	(856)	(856)
Balance at 30 June 2023		**25,684**	**(1,731)**	**(5,553)**	**177**	**3,144**	**21,721**	**252**	**21,973**

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

COMPANY	Note	Share capital	Treasury shares	Other reserve	Retained earnings	Total
		S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 July 2021		25,684	-	412	1,638	27,734
Profit for the financial year		-	-	-	2,628	2,628
Total comprehensive income for the financial year		-	-	-	2,628	2,628
Distributions to owners						
Dividends	21	-	-	-	(1,347)	(1,347)
Total transactions with owners		-	-	-	(1,347)	(1,347)
Balance at 30 June 2022		**25,684**	**-**	**412**	**2,919**	**29,015**
Balance at 1 July 2022		25,684	-	412	2,919	29,015
Profit for the financial year		-	-	-	1,037	1,037
Total comprehensive income for the financial year		-	-	-	1,037	1,037
Distributions to owners						
Purchases of treasury shares		-	(1,731)	-	-	(1,731)
Dividends	21	-	-	-	(2,155)	(2,155)
Total transaction with owners		-	(1,731)	-	(2,155)	(3,886)
Balance at 30 June 2023		**25,684**	**(1,731)**	**412**	**1,801**	**26,166**

D. Consolidated Full Year Statement of Cash Flows

	Group	
	12 Months Ended	
	30 June 2023	30 June 2022
Operating activities:	**S$'000**	**S$'000**
Profit before income tax	1,255	5,209
Adjustments for:		
Depreciation of plant and equipment	319	141
Depreciation of right-of-use assets	1,360	969
Amortisation of intangible assets	39	39
Bad debts written off	-	1
Interest income	(2)	(1)
Interest expense	214	146
Impairment loss in associate	731	1,112
Fixed asset written off	2	2
Fair value loss/(gain) on derivative financial instrument	2,034	(632)
Provision for litigation	10	-
Addition/(reversal) of loss allowance on receivables, net	165	(12)
Loss on lease modification	-	11
Share of results of associates, net of tax	(128)	(403)
Share of results of joint venture, net of tax	33	-
Operating cash flows before working capital changes	6,032	6,582
Inventories	(247)	(226)
Trade and other receivables	(116)	(927)
Trade and other payables	513	1,538
Contract liabilities	33	-
Prepayments	(300)	(28)
Cash generated from operations	5,915	6,939
Income tax paid	(921)	(488)
Interest received	2	1
Net cash from operating activities	**4,996**	**6,452**
Investing activities:		
Acquisition of subsidiary, net of cash acquired	(2,978)	(3,684)
Capital expenditure in joint venture	(4,080)	-
Dividend income from an associate	327	280
Proceeds from disposal of plant and equipment	1	-
Purchase of plant and equipment	(1,312)	(550)
Net cash used in investing activities	**(8,042)**	**(3,954)**
Financing activities:		
Dividends paid	(2,155)	(1,347)
Dividend paid to non-controlling interest	(237)	-
Advances from non-controlling interest	353	174
Repayment to non-controlling interest	(457)	(166)
Purchase of treasury shares	(1,731)	-
Proceeds from bank borrowings	4,000	-
Repayment of bank borrowings	(754)	(754)
Repayment of principal portion of lease liabilities	(1,314)	(929)
Repayment of interest portion of lease liabilities	(148)	(76)
Interest paid	(48)	(67)
Net cash used in financing activities	**(2,491)**	**(3,165)**
Net change in cash and cash equivalents	(5,537)	(667)
Cash and cash equivalents at beginning of financial year	15,173	15,840
Cash and cash equivalents at end of financial year	**9,636**	**15,173**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Singapore Paincare Holdings Limited (the "**Company**") is a public limited company incorporated and domiciled in Singapore. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 30 July 2020. These condensed interim consolidated financial statements as at and for the six months and twelve months ended 30 June 2023 comprise the Company and its subsidiaries (the "**Group**"). The figures have not been audited or reviewed by the auditors.

The Company's registered office and its principal place of business is located at 601 Macpherson Road,#06-20/21 Grantral Mall Singapore 368242. The registration number of the Company is 201843233N. The Group's ultimate controlling party is Dr. Lee Mun Kam Bernard.

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

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2022.

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

The condensed interim 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. All values in the tables are rounded to the nearest thousand (S$'000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

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

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

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

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

- Note 8 - 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:

- Note 14 - Business combinations related to acquisitions of subsidiary
- Note 14 - Impairment assessment of goodwill
- Note 12 - Impairment assessment of investments in subsidiaries and associates
- Note 15 - Loss allowance on receivables
- Note 8 - Measurement of lease liabilities
- Note 16 - Fair value measurement of derivative financial instruments

3 Seasonal operations

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

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 2023 and 30 June 2022, the Group operated mainly in Singapore and all non-current assets were located in Singapore. Accordingly, an analysis of non-current assets and revenue of the Group by geographical distribution has not been presented as it is not meaningful.

Major customers

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

5. Other income

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Government grants	177	169	240	265
Sponsorship income	1	5	1	22
Fair value gain on derivative financial instrument	-	632	-	632
Rental income	23	-	23	-
Rental rebates	-	25	-	50
Chronic disease consultation incentive	-	-	47	41
Interest income	-	-	2	1
Others	19	9	30	24
Total other income	220	840	343	1,035

6. Depreciation and amortisation expenses

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Depreciation of plant and equipment	192	94	319	141
Depreciation of right-of-use assets	760	570	1,360	969
Amortisation of intangible assets	19	19	39	39
Total depreciation and amortisation expenses	971	683	1,718	1,149

7. Other expenses

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Audit fee				
-auditors of the Company	104	91	198	151
Non-audit fee				
-auditors of the Company	-	3	-	3
Advertising and promotion expenses	14	36	30	50
Administrative charges	279	169	496	306
Consultancy fees	83	137	131	188
Credit card fees	37	29	70	52
Entertainment expenses	21	19	42	41
Fair value loss on derivative financial instruments	2,034	-	2,034	-
GST expenses	26	47	81	74
Human resources expenses	-	-	-	6
Information technology expenses	40	46	95	76
Locum fee	150	96	317	274
Loss on lease modification	-	11	-	11
Marketing fees	104	91	167	135
Office expenses	31	26	73	43
Professional fees	317	119	504	367
Provision for litigation claim	10	-	10	-
Printing and stationery	26	23	61	43
Small value asset written off	84	65	120	89
Subscription fees	33	17	54	32

8. Finance costs

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Term loan interest	37	31	65	66
Provision for reinstatement cost	1	-	1	-
Lease interest expense	83	48	148	80
	121	79	214	146

The Group and the Company lease office space and clinic premises from third parties and related parties. Included in the lease arrangement, there are extension and termination option held and exercisable only by the Group and the Company. In determining the lease term, management considers the likelihood of either to exercise the extension option, or not to exercise the termination option. Management considers all facts and circumstances that create an economic incentive to extend and economic penalty or costs relating to the termination of lease.

9. Income tax expense

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

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Current income tax				
- current financial year	554	503	973	882
- under provision in prior financial year	11	-	36	1
Deferred tax				
- current financial year	-	23	-	-
Total income tax expense recognised in profit or loss	565	526	1,009	883

10. Earnings per share

	Group			
	6 Months Ended 30 June		12 Months Ended 30 June	
	2023	2022	2023	2022
(Loss)/Earnings[(1)] per share				
(i) Basic (cents)	(0.76)[(2)]	0.91[(2)]	(0.29)[(2)]	2.17[(2)]
(ii) On a fully diluted basis (cents)	(0.76)[(3)]	0.91[(3)]	(0.29)[(3)]	2.17[(3)]

Notes:

(1) Based on net (loss)/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 2023 were computed based on 175,024,726 and 171,006,516 respectively. The weighted average number of ordinary shares in issue for six months and twelve months ended 30 June 2022 were computed based on 179,623,416 ordinary shares.

(3) The basic and fully dilutive earnings per share for six months and twelve months ended 30 June 2023 are the same as there are no dilutive ordinary shares in issue as at 30 June 2022.

11. Plant and equipment

During the six months ended 30 June 2023, the Group acquired assets amounting to $1.09 million (30 June 2022: $2.57 million). The depreciation expense of plant and equipment for the six months amounted to $0.95 million, mainly due to the additions of right-of-use assets.

12. Investment in associates

	Group 2023 S$'000	Company 2023 S$'000
Unquoted equity investment, at cost		
Balance at 1 January and 30 June	2,126	2,126
Allowance for impairment loss		
Balance at 1 January	1,763	1,571
Impairment loss	137	235
Balance at 30 June	1,900	1,806
Share of post-acquisition results, net of dividends and tax		
Balance at 1 January	332	-
Share of post-acquisition results, net of dividends and tax	(162)	-
Balance at 30 June	170	-
	396	**320**

Investment in associates decreased by $0.30 million during the six months, mainly due to an increase in allowance for impairment loss of S$0.14 million, coupled with share of post-acquisition results, net of dividends and tax of $0.16 million during the financial period.

The allowance for impairment is provided because the financial performance of Sen Med Holdings Pte Ltd ("**SMH**") has yet to reach the performance level expected by the Group. Due to stiffer competition from local players, this has inevitably resulted in a negative impact on the projected value-in-use of SMH. The Group thus carried out a review on the recoverable amount of its investments in SMH as at 30 June 2023. The assessment resulted in the recognition of an impairment loss on associate of $0.14 million for the six months ended 30 June 2023. The recoverable amount of the impaired associate was determined based on value-in-use.

Summarised financial information of associates

	KCS Anaesthesia Services Pte Ltd ("KCS")		Sen Med Holdings Pte. Ltd. ("SMH")		TOTAL	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Net Assets	270	77	314	609		
Proportion of Group's ownership	40%	40%	45%	45%		
Group's share of interest in associate	108	31	141	274	249	305
Add: Goodwill	288	288	1,759	1,759	2,047	2,046
Less: Allowance for impairment loss	-	-	(1,900)	(1,112)	(1,900)	(1,112)
Net carrying amount	396	319	-	921	396	1,239

13. Investment in joint venture

	2023 S$'000	2022 S$'000
Unquoted equity investment, at cost	-*	-
Amount due from joint venture	4,080	-
Group's share of interest in joint venture	(33)	-
	4,047	-

**Amounts less than S$1,000*

The details of the joint venture is as follows:

	Place of business/country of incorporation	% of ownership interest 2023	% of ownership interest 2022
Singapore Paincare Capital Pte Ltd	Singapore	51	-

The Company had on 30 January 2023 incorporated a subsidiary in Singapore known as Singapore Paincare Capital Pte. Ltd. ("SGPC").

SGPC was incorporated with a total issued and paid-up capital of S$100.00 comprising 100 ordinary shares at S$1.00 each.

The principal activity of SGPC is that of an investment holding company.

The Company had on 5 June 2023, sold 5 shares and 44 shares of SGPC to Glory Partners Capital Pte. Ltd. ("**GPC**") and Trident Investment Pte. Ltd. ("**TI**") respectively, at S$1 per share. As a result, GPC and TI each hold 5% and 44% of the total issued capital of SGPC respectively.

On 24 March 2023, the Group entered into an investment agreement (the "**Subscription Agreement**") via Singapore Paincare Capital Pte Ltd to invest RMB 40.0 million in PuXiang Healthcare Holding Limited ("**PUXH**") as supplemented by a confirmation letter dated 25 May 2023, confirming the effective date of the Subscription Agreement to be 8 June 2023. The subscription is for 2,777,778 Series A+ preferred shares of PUXH, representing 2.26% assuming a fully diluted basis, of the total issued share capital of PUXH, immediately after closing, on the terms and conditions of the Subscription Agreement.

13. Investment in joint venture (Continued)

Summarised financial information of joint venture

	Singapore Paincare Capital Pte Ltd	
	2023	**2022**
	S$'000	**S$'000**
Net Liabilities	(65)	-
Proportion of Group's ownership	51%	51%
Group's share of interest in associate	(33)	-
Add: Amount due from joint venture	4,080	-
Net carrying amount	4,047	-

14. Intangible assets

	Computer software S$'000	Customer contract S$'000	Goodwill S$'000	Trademark S$'000	Total S$'000
Group					
Cost					
Balance at 1 January 2023	5	166	10,297	200	10,668
Additions	-	-	3,121	-	3,121
Write-off	-	(166)	-	-	(166)
Balance at 30 June 2023	5	-	13,418	200	13,623
Accumulated amortisation 6 months ended:					
Balance at 1 January 2023	5	166	-	110	281
Amortisation charge	-	-	-	19	19
Write-off	-	(166)	-	-	(166)
Balance at 30 June 2023	5	-	-	129	134
Net carrying amount					
Balance at 30 June 2023	-	-	13,418	71	13,489

14. Intangible assets (Continued)

	Computer software S$'000	Customer contract S$'000	Goodwill S$'000	Trademark S$'000	Total S$'000
Group					
Cost					
Balance at 1 January 2022	5	166	7,033	200	7,404
Additions	-	-	3,264	-	3,264
Write-off	-	(166)	-	-	(166)
Balance at 30 June 2022	5	-	10,297	200	10,502
Accumulated amortisation					
6 months ended:					
Balance at 1 January 2022	5	166	-	71	242
Amortisation charge	-	-	-	19	19
Write-off	-	(166)	-	-	(166)
Balance at 30 June 2022	5	-	-	90	95
Net carrying amount					
Balance at 30 June 2022	-	-	10,297	110	10,407

	Trademark S$'000
Company	
Cost	
Balance at 1 January 2023 and 30 June 2023	200
Accumulated amortisation	
6 months ended:	
Balance at 1 January 2023	110
Amortisation charge	19
Balance at 30 June 2023	129
Net carrying amount	
Balance at 30 June 2023	71
Cost	
Balance at 1 January 2022 and 30 June 2022	200
Accumulated amortisation	
Balance at 1 January 2022	71
Amortisation charge	19
Balance at 30 June 2022	90
Net carrying amount	
Balance at 30 June 2022	110

14. Intangible assets (Continued)

Impairment test for goodwill

As at 30 June 2023, the recoverable amount of the cash-generating unit ("**CGU**") has been determined based on value-in-use calculations using management-approved discounted cash flow projections covering a period of 5 years. Management assessed 5 years cash flows and projection to terminal year for the financial forecast of the CGU is appropriate considering management's plan for its business plan in the near future. The revenue growth rates are based on management's best estimate, average gross margin is based on past performance and discount rates that reflect current market assessment of the time value of money and the risks specific to the CGUs.

Key assumptions used for value-in-use calculations:

	Average Revenue growth rate		Average gross margin		Discount rate	
	30 June 2023	**30 June 2022**	**30 June 2023**	**30 June 2022**	**30 June 2023**	**30 June 2022**
Lian Clinic Pte. Ltd.	5%	5%	75%	75%	12%	12%
HMC Medical Pte. Ltd.	3%	5%	78%	78%	12%	12%
AE Medical Sengkang Private Limited	6%	10%	65%	70%	12%	12%
AE Medical Fernvale Pte. Ltd.	7%	15%	75%	75%	12%	12%
GM Medical Paincare Pte. Ltd. ("**GMMP**")	5%	5%	75%	75%	12%	12%
CS Yoong Anaesthesiology and Pain Services Pte. Ltd.	10%	7%	85%	85%	12%	12%
Medihealth Clinic Pte. Ltd. ("**Medihealth**")	15%	8%	85%	85%	12%	12%
Centre for Screening and Surgery	5%	10%	90%	90%	12%	12%
PTL Spine & Orthopaedic Pte Ltd ("**PTL**")	11%	-	80%	-	12%	-

Terminal growth of 2.0% (2022: 1.0%) was applied to all CGUs in the cash flows projection to terminal year.

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

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

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

14. Intangible assets (Continued)

Acquisition of subsidiary

The Company had on 14 March 2023 acquired 100% of the equity interest of PTL Spine & Orthopaedics Private Limited ("**PTL**") from Dr. Thing Leong Keng Paul and Ms. Ong Geok Kim for a cash consideration of $3.12 million.

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

	PTL **$'000**
Net identifiable assets at fair value	1
Less: Fair value of consideration paid	(3,122)
Less: Non-controlling interest	-
Goodwill arising from the acquisition	3,121

Goodwill of $3.12 million arising from the acquisitions is attributable to expected synergies that can be achieved in integrating these subsidiaries into the Group's existing business such as expanding the Group's presence in Singapore and tapping on the subsidiaries' workforce expertise. These intangibles identified are subsumed into goodwill as they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not to be deductible for tax purposes.

Revenue or loss before tax for the financial year ended 30 June 2023 contributed by PTL to the Group were as follows:

	PTL **$'000**
Revenue	394
Loss before income tax	(41)

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

	2023 **$'000**	**2022** **$'000**
Purchase consideration	3,122	3,847
Less: Cash & cash equivalents of subsidiary acquired	(144)	(106)
Less: Deposit paid in prior financial year	-	(59)
Total purchase consideration in cash, represent net cash outflow from acquisitions	2,978	3,682

15. Trade and other receivables

	Group		Company	
	As at 30 June 2023 S$'000	As at 30 June 2022 S$'000	As at 30 June 2023 S$'000	As at 30 June 2022 S$'000
Non-current				
Other receivables				
-subsidiaries	-	-	1,492	1,276
Lease receivable	-	22	623	789
	-	**22**	**2,115**	**2,065**
Current				
Trade receivables	2,413	1,861	-	-
Less: Loss allowance on doubtful receivables	(229)	(64)	-	-
	2,184	1,797	-	-
Other receivables				
-third parties	23	7	18	-
-associates	80	167	80	167
-joint venture	29	-	29	-
-subsidiaries	-	-	2,016	3,504
Deposits	316	595	89	107
Grant receivables	-	113	-	113
Lease receivables	22	29	166	154
Total current trade and other receivables	2,654	2,708	2,398	4,045
Total trade and other receivables	**2,654**	**2,730**	**4,513**	**6,110**

16. Derivative financial assets

	Group/ Company			
	As at 30 June 2023 S$'000	As at 30 June 2022 S$'000	As at 30 June 2023 S$'000	As at 30 June 2022 S$'000
Non-current assets				
Call and put options	474	2,508	474	2,508

	Group/ Company			
	Derivative financial assets		Derivative financial liabilities	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Balance at 1 January 2023/1 January 2022	2,508	1,878	-	(2,444)
Fair value (loss)/gain recognised during the financial period	(2,034)	630	-	2,444
Balance at 30 June 2023/30 June 2022	474	2,508	-	-

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

(i) Call option where the vendor is required to sell his remaining issued and fully paid-up share capital of KCS based on 8 times of average earnings per share based on the audited financial statements of KCS for the financial years from 2021 to 2023.

(ii) Put option where the vendor is required to purchase the issue and fully paid-up share capital of KCS from the Company at a sum of certain percentage of the purchase consideration paid.

(iii) Call option where the vendor is required to sell his remaining issued and fully paid-up share capital of GMMP based on (a) number of call option shares multiply by $200,000 over total number of share issue as at call option notice if net operating profit is less than $200,000 or (b) 5 times of average earnings per share based on the latest audited financial statements of GMMP if net operating profit more than $200,000.

(iv) Call option where the Company is required to sell its remaining issued and fully paid-up share capital of GMMP based on (a) number of call option shares multiply $200,000 over total number of share issue as at call option notice if net operating profit is less than $200,000 or (b) 5 times of average earnings per share based on the latest audited financial statements of GMMP if net operating profit more than $200,000.

During the six months ended 30 June 2023, the Group recognised a fair value loss on derivative financial instruments of $2.23 million arising from the expiration of the KCS call and put options, offset by a fair value gain on derivative financial instruments in GM Medical Paincare Pte. Ltd. of $0.19 million.

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

17. Share capital and treasury shares

	Group and Company			
	2023		2022	
	Number of shares	S$'000	Number of shares	S$'000
Balance at 1 January 2023/2022	179,623,416	25,684	179,623,416	25,684
Balance at 30 June 2023/2022	179,623,416	25,684	179,623,416	25,684

The Company's issued and fully paid-up capital as at 30 June 2023 comprised 179,623,416 (30 June 2022: 179,623,416) ordinary shares, of which 8,616,900 (30 June 2022: Nil) were held by the Company as treasury shares. The number of issued ordinary shares, excluding treasury shares, was 171,006,516 as at 30 June 2023 (30 June 2022: 179,623,416).

The treasury shares held represent 5.04% (30 June 2022: Nil) of the total number of issued ordinary shares (excluding treasury shares) as at 30 June 2023 (30 June 2022: Nil).

There were no outstanding convertibles and no subsidiary holdings as at 30 June 2023 and 30 June 2022.

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 year ended 30 June 2023.

There was no sale, transfer, disposal, cancellation and/or use of treasury shares or subsidiary holdings during, and at the end of the financial year ended 30 June 2023.

18. Bank borrowings

	Group		Company	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
Amount repayable in one year or less, or on demand				
- Unsecured	4,077	725	4,016	696
Amount repayable after one year				
- Unsecured	2,070	2,176	1,976	1,992
Total bank borrowings	**6,147**	**2,901**	**5,992**	**2,688**

The bank borrowings of the Group are unsecured. Interest rates range from 2% - 6.24% per annum for Group and Company (2022: 2% - 2.5%) and shall be repayable between 6 to 60 months (2022: 60 months).

19. Trade and other payables

	Group		Company	
	As at 30 June 2023 S$'000	As at 30 June 2022 S$'000	As at 30 June 2023 S$'000	As at 30 June 2022 S$'000
Non-current				
Other payables				
-non-controlling interests	154	43	-	-
Current				
Trade payables	727	302	-	-
Goods and service tax payable, net	237	216	21	34
	964	518	21	34
Other payables				
-third parties	278	358	42	54
-non-controlling interests	915	392	-	-
-subsidiaries	-	-	118	99
Accrued expenses	1,936	1,718	513	414
Total current trade and other payables	4,093	2,986	694	601
Total trade and other payables	**4,247**	**3,029**	**694**	**601**

20. Net asset value

	Group		Company	
	As at 30 June 2023	As at 30 June 2022	As at 30 June 2023	As at 30 June 2022
Net assets value attributable to owners of the parents (S$'000)	21,721	26,109	26,166	29,015
Number of shares in issue excluding treasury shares	171,006,516	179,623,416	171,006,516	179,623,416
Net assets value per ordinary share based on issued share capital ($)	0.13	0.15	0.15	0.16

21. Dividends

	Company	
	2023 S$'000	2022 S$'000
Ordinary dividends paid: Final exempt FY2022 dividend of $0.012 per share (FY2021 dividend of $0.0075 per share)	2,155	1,347
Dividend per share (in cents)	0.012	0.0075

22. Related party transactions

	Group		Company	
	12 Months Ended		12 Months Ended	
	2023 S$'000	2022 S$'000	2023 S$'000	2022 S$'000
With associates				
Sales	1	15	-	-
Purchases	5	2	-	-
Dividend	-	-	240	287
With joint venture				
Acquisition loan	4,080	-	4,080	-
With subsidiaries				
Expenses paid on behalf by	-	-	1,324	888
Expenses paid on behalf of	-	-	618	646
Salary recharge to	-	-	51	-
Management fee income	-	-	1,264	1,163
Salary recharge from	-	-	176	27
Advances from	-	-	1,100	-
Advances to	-	-	795	1,243
Dividend income	-	-	5,227	3,325
With related parties				
Rental fee expense	420	420	-	-
With non-controlling interest				
Advances from	498	174	-	-
With Directors of the Company				
Rental fee expense	35	26	-	-

23. 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.

23. Financial assets and financial liabilities (Continued)

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			
	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
Group/ Company				
30 June 2023				
Financial assets- derivative financial instruments	-	-	474	474
Financial liabilities- derivative financial instruments	-	-	73	73
30 June 2022				
Financial assets- derivative financial instruments	-	-	2,508	2,508

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 2023 and 30 June 2022.

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.

23. Financial assets and financial liabilities (Continued)

Fair value of financial assets and financial liabilities (Continued)

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:

	2023 S$'000	2022 S$'000
Group		
Financial assets		
At amortised cost	12,290	17,790
At fair value through profit or loss	474	2,508
Financial liabilities		
Other financial liabilities, at amortised cost	15,627	10,708
At fair value through profit or loss	73	-
Company		
Financial assets		
At amortised cost	8,893	13,712
At fair value through profit or loss	474	2,508
Financial liabilities		
Other financial liabilities, at amortised cost	8,070	4,275
At fair value through profit or loss	73	-

24. Subsequent events

The Company acquired Boon Lay Clinic and Surgery Pte Ltd on 1st July 2023. Other than this acquisition, there are no known other events which have led to adjustments to this set of financial statements**.**

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

<u>Other Information</u>

1. Review

The condensed consolidated statement of financial position of Singapore Paincare Holdings Limited (the "**Company**", and its subsidiaries, collectively, the "**Group**") as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—
(a) Updates on the efforts taken to resolve each outstanding audit issue.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.
This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The audited financial statements for the financial year ended 30 June 2022 were not subjected to any adverse opinion, qualified opinion or disclaimer of opinion.

2. Review of performance of the Group

<u>Full Year ended 30 June 2023 ("FY2023") vs Full Year ended 30 June 2022 ("FY2022")</u>

The Group's revenue increased by 17.2% from $18.84 million in FY2022 to $22.08 million in FY2023 mainly due to the increase in revenue from general practitioners ("**GP**") clinics, specialist clinics and the newly acquired and newly incorporated clinics. The increase in revenue was mainly due to an increase in consultations arising from increased community awareness of our clinics. During the financial year, the Group acquired and incorporated the following new clinics:

- Dermatology & Laser Specialist Clinic Pte. Ltd.
- East Coast Medical and Paincare Clinic Pte Ltd
- Hougang Medical and Paincare Clinic Pte Ltd
- PTL Spine & Orthopaedics Private Limited

The decrease in other income by approximately $0.69 million from $1.04 million in FY2022 to $0.34 million in FY2023 was mainly due to decrease in (i) fair value gain on derivative financial instruments of $0.63 million, (ii) rental rebates of $0.05 million and (iii) government grant and sponsorship income of $0.05 million, which was partially offset by an increase in rental income of $0.02 million.

Changes in inventories as well as inventories and consumables used, increased approximately $0.64 million from $3.16 million in FY2022 to $3.80 million in FY2023, in line with the higher revenue recorded.

Employee benefits expenses increased approximately $2.53 million from $7.23 million in FY2022 to $9.75 million in FY2023 mainly due to (i) increase in number of headcount due to the acquisition and incorporation of the new clinics in FY2023, and ii) increase in remuneration given to the practitioners and staff for the additional hours worked.

Depreciation and amortisation expenses increased by approximately $0.57 million from $1.15 million in FY2022 to $1.72 million in FY2023 mainly due to the increase in amortization of right-of-use ("**ROU**") assets and depreciation of plant and equipment with the acquisition and incorporation of the new clinics.

2. Review of performance of the Group (Continued)

Impairment loss in associate decreased approximately $0.38 million from $1.11 million in FY2023 to $0.73 million in FY2022. The impairment loss in associate was mainly because the financial performance of Sen Med Holdings Pte Ltd ("SMH") has yet to reach the performance level expected by the Group. Due to stiffer competition from local players, this has inevitably resulted in a negative impact on the projected value-in-use of SMH. The Group thus carried out a review on the recoverable amount of its investments in SMH as at 30 June 2023. The assessment resulted in the recognition of an impairment loss on associate of $0.73 million.

Other expenses increased approximately $2.60 million from $2.28 million in FY2022 to $4.88 million in FY2023. The increase was mainly due to (i) net fair value loss on derivative financial instrument of $2.03 million which arose mainly from the expiration of options in one of our associates (ii) increase in administrative charges of $0.19 million, and (iii) increase in professional fees of $0.14 million.

Finance costs increased by approximately $0.07 million from $0.15 million in FY2022 to $0.21 million in FY2023 mainly due to the increase of new lease during the financial year.

Share of results of associates decreased from $0.40 million in FY2022 to $0.10 million in FY2023 due to decline in SMH profit during the financial year.

Income tax expense increased by approximately $0.13 million from $0.88 million in FY2022 to $1.01 million in FY2023 in tandem with the increase in net operating profit generated during the financial year.

As a result of the above, the Group reported a net profit after income tax of $0.25 million in FY2023 as compared to $4.33 million in FY2022. The net loss attributable to owners of the Company is $0.50 million in FY2023 as compared to net profit attributable to owners of the Company of $3.90 million in FY2022. Net profits attributable to non-controlling interests increased to $0.75 million in FY2023 as compared to $0.43 million in the corresponding period.

Excluding the net fair value loss on derivative financial instruments of $2.03 million, impairment loss on associate of $0.73 million, the Group would have posted a net profit after tax of $3.01 million in FY2023.

Review of Statements of Financial Position

<u>As at 30 June 2023 (FY2023) vs As at 30 June 2022 (FY2022)</u>

Non-Current Assets

The increase in plant and equipment of $2.24 million was mainly due to (i) the recognition of addition of ROU assets of $2.50 million and plant and equipment of $1.31 million, and (ii) lease termination of $0.41 million, which was partially offset by the depreciation of ROU assets and plant and equipment of $1.68 million for FY2023.

The increase in intangible assets of $3.08 million was mainly due to the goodwill arising from the acquisition of PTL $3.12 million and partially offset by amortization of trademark of $0.04 million during financial year of FY2023.

Review of Statements of Financial Position (Continued)

Non-Current Assets (Continued)

Investment in associates decreased $0.84 million, mainly due to an increase in allowance for impairment loss of S$0.78 million, coupled with decrease in share of post-acquisition results, net of dividends and tax of $0.06 million during the year.

The decrease in derivative financial instruments of $2.03 million was due to the expiration of the call and put options for KCS of $2.23 million and partially offset by a fair value gain on derivative financial instruments in GMMP of $0.13 million.

Current Assets

Inventories increased mainly due to higher inventories purchased during FY2023.

Trade and other receivables comprised trade receivables of $2.18 million and other receivables of $0.47 million. The increase in trade receivables of $0.39 million from $1.80 million in FY2022 to $2.18 million in FY2023 was mainly due to the increase in revenue. The decrease in other receivables of $0.44 million from $0.91 million in FY2022 to $0.47 million in FY2023 was mainly a result of (i) a
(ii) an absence of grants receivable of S$0.11 million and (iii) dividend payment received from associate of $0.17 million partially offset by dividend payable of S$0.11 million in FY2023.

Prepayments increased by $0.34 million from $0.13 million as at 30 June 2022 to $0.47 million as at 30 June 2023 mainly due to prepayment of medical equipment of $0.07 million for the setting up of the Derm clinic as well as the prepayment of other expenses of $0.25 million incurred during FY2023.

Cash and cash equivalents of $9.64 million as at FY2023 mainly comprise cash at bank.

Equity

Equity decreased from $26.47 million as at 30 June 2022 to $21.97 million as at 30 June 2023 mainly due to dividend paid to owners of the parent and non-controlling interest of $2.16 million and $0.78 million respectively, purchase of shares to be held as treasury shares of $1.73 million, acquisition of a subsidiary amounting to $0.08 million, offset by net profit after income tax of $0.25 during the year.

Non-current liabilities

The decrease in bank borrowings of $0.11 million from $2.18 million as of 30 June 2022 to $2.07 million as at 30 June 2023 was due to reclassification of borrowings from non-current period to current period of $0.67 million and partially offset by a new loan of $0.56 million.

Lease liabilities increased from $3.79 million as at 30 June 2022 to $4.58 million as at 30 June 2023 due to acquisition of PTL, the addition of two GP clinics and the setting up of the Derm clinic.

Other payables increased from $0.04 million as at 30 June 2022 to $0.15 million as at 30 June 2023 mainly due to dividend payable to non-controlling interests

Provision increased from $0.05 million as at 30 June 2022 to $0.13 million as at 30 June 2023, which was mainly attributable to provision for reinstatement cost for the new clinics at East Coast, Hougang, PTL and Derm.

Review of Statements of Financial Position (Continued)

Current liabilities

Trade and other payables increased by $1.11 million from $2.99 million as at 30 June 2022 to $4.09 million as at 30 June 2023 mainly due to increase in trade payables, provision of staff bonus and annual wage supplement, amount due to doctors for share of profit and audit fee payables, which was partially offset with provision for the same expenses during the financial period.

The increase in bank borrowings of $3.35 million from $0.73 million as at 30 June 2022 to $4.08 million as at 30 June 2023 was mainly due to additional loans for the investment in associate, offset with repayment of loan during the year.

Lease liabilities increased from $1.20 million as at 30 June 2022 to $1.64 million as at 30 June 2023 was due to acquisition of PTL, the addition of two GP clinics and Derm.

Income tax payables increased by $0.10 million from $1.19 million as at 30 June 2022 to $1.29 million as at 30 June 2023.

Review of Statements of Cash Flows

Net cash from operating activities of $5.00 million was mainly derived from operating cash flows before working capital changes of $6.03 million and adjusted for net working capital outflow of $0.12 million and income tax paid of approximately $0.92 million.

Net cash used in investing activities of approximately $8.04 million was mainly due to (i) purchase of plant and equipment of $1.31 million, (ii) acquisition of business of $2.98 million, and (iii) loan to joint venture of $4.08 million, offset by dividend received from an associate of $0.33 million.

Net cash used in financing activities amounted to $2.49 million mainly related to (i) dividends paid to the shareholders of the Company of $2.16 million (ii) purchase of treasury shares of $1.73 million (iii) repayment of lease liabilities (principal and interest portion) of $1.46 million, (iii) repayment of bank borrowings of $0.76 million (iv) interest paid of $0.04 million and (v) repayment and dividend paid to non-controlling interests of $0.69 million, which was partially offset by proceeds from bank borrowings of $4.00 million and advances from non-controlling interests of $0.35 million.

Overall, the Group recorded a net decrease in cash and cash equivalents of approximately $5.54 million during FY2023 resulting in cash and cash equivalents to be recorded at $9.64 million as at 30 June 2023.

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

The Group believes the outlook for its business remains positive because of the essential nature of the medical services it provides. In FY2023, the Group expanded its network and broadened its medical capabilities, which strengthened its ability to provide primary and specialist healthcare services as well as ongoing wellness and maintenance.

As at 30 June 2023, the Group's Singapore network stands at 21 clinics and centres compared to 17 as at 30 June 2022. These include 11 GP clinics, 5 specialist clinics, 2 physiotherapy centres and 1 Traditional Chinese Medicine centre.

In July 2023, the Group added one more specialist practice – Sports Medicine to its services as well as one more GP clinic to its network. These two most recent additions are expected to make partial contributions in FY2024, while the clinics that were added in FY2023 are expected to make full-year contributions.

Other positive developments include the slew of healthcare initiatives that the Singapore government has launched. These initiatives include the updated blueprint "2023 Action Plan for Successful Aging", to encourage seniors to embrace active aging by setting up more centres where they can participate in suitable activities. These centres will eventually evolve into centres for preventive healthcare. Another initiative is the "Healthier SG" plan that seeks to develop family health plans for all households that will focus on prevention and improved chronic care. With its network and capabilities, the Group believes it is well-positioned to capitalise on and actively participate in these government initiatives.

In March 2023, the Group via Singapore Paincare Capital Pte Ltd, made its first overseas foray through a share subscription in China's PuXiang Healthcare Holding Limited ("**PUXH**"). The parties have since established a joint venture company to introduce pain care services in PUXH's group of 15 community hospitals in the Chinese cities of Beijing, Hebei and Tianjin. This development is in line with the Group's vision to replicate its pain care ecosystem abroad and is expected to raise the Group's profile in the China market.

Moving forward, the Group is optimistic that the synergies and financial contributions derived from its expanded network and capabilities will enhance its top and bottom lines. The Group will continue to keep a lookout on seizing new opportunities so as to deliver more value to all stakeholders.

5. Dividend

If a decision regarding dividend has been made:

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

Yes. The directors are recommending a final dividend, which will be subject to shareholders' approval at the forthcoming annual general meeting in October 2023.

Name of Dividend	:	Proposed Final
Dividend Type	:	Ordinary
Dividend per Share	:	0.35 cent per ordinary share (one tier tax exempt)
Tax Rate	:	Tax exempt

5. Dividend (Continued)

(b) (i) Amount per share

Please refer to paragraph 5 (a)

(ii) Previous corresponding period

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

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

Please refer to paragraph 5 (a)

(d) The date the dividend is payable.

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

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

The record date will be announced at a later date.

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

Not applicable.

6. Interested persons transactions

The Company does not have a general shareholders' mandate 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 $100,000) ($'000)
MedBridge Marketing Pte. Ltd.(1)	Associate of Dr. Lee Mun Kam Bernard, the Executive Director and Chief Executive Officer of the Company	420	-

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

7. Use of Proceeds

(i) Use of IPO proceeds

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

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

Notes:

(1) (a) $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, and (b) $1.0 million of the net proceeds initially allocated for the Group's expansion of its range of pain care services had been reallocated to expand the Group's business operations locally and regionally. Please refer to the Company's announcements dated 30 November 2020 and 1 July 2023 for more details.

(2) (a) Utilized for the acquisition of 40% of the total issued share capital of KCS amounting to $2.4 million, and (b) the acquisition of 100% of the total issued share capital of Boon Lay Clinic and Surgery Pte. Ltd amounting to $1.0 million.

Save for the reallocation, the above utilization of the net proceeds from the Company's listing is in accordance with the intended use as stated in the Company's IPO offer document dated 13 July 2020.

7. Use of Proceeds (Continued)

(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, a portion of the net cash proceeds of $3.95 million from the Placement has been reallocated and utilized to fund the acquisition of PTL Spine and Orthopedics Private Limited (the "**Reallocation**") on 14 March 2023.

	Amount allocated (S$'000)	Amount allocated pursuant to the Reallocation (S$'000)	Amount Utilised (S$'000)	Balance (S$'000)
To expand the range of pain care services	1,975	828	-	828
To expand business operations locally and regionally	1,975	3,122	(3,122)	-
Total	**3,950**	**3,950**	**(3,122)**	**828**

Save for the Reallocation, the use of the net proceeds from the Placement is in accordance with the intended use as stated in the announcement dated 17 November 2020.

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 primarily operates in Singapore. Accordingly, no segmental information is prepared based on business or geographical segment as it is not meaningful.

A breakdown of sales

	FY2023 $'000	FY2022 $'000	Increase / (Decrease) %
(a) Sales reported for first half year	11,001	8,306	32.4
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	1,233	2,349	(47.5)
(c) Sales reported for second half year	11,080	10,531	5.2
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(987)	1,978	n.m.*

**n.m.- not meaningful*

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:-

	FY2023 $'000	**FY2022 $'000**
Ordinary shares (tax exempt 1-tier)		
-Interim	-	-
-Final (Proposed)	599[(1)]	2,155[(1)]
Total Annual Dividend	**599**	**2,155**

Note:

(1) The proposed final ordinary dividend is based on 171,006,516 (FY2022: 179,623,416) number of shares as at 30 June 2023.

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

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

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

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	46	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 of the operations of Lian Clinic since January 2016.	No change

By Order of the Board

Lee Mun Kam Bernard,
Executive Director and Chief Executive Officer
29 August 2023