

SINGAPORE PAINCARE HOLDINGS LIMITED

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

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE CATALIST RULES

The Board of Directors (“**Board**”) of Singapore Paincare Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce the following transactions that occurred during the six-month financial period from 1 January 2023 to 30 June 2023, pursuant to Rule 706A of the SGX-ST Listing Manual Section B: Rules of Catalist:-

A. INCORPORATION OF A SUBSIDIARY, SINGAPORE PAINCARE CAPITAL PTE. LTD., AND SUBSEQUENT SALE OF SHARES

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 incorporation of SGPC was funded through internal resources of the Group and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ended 30 June 2023. The net asset value represented by the shares of SGPC was S\$1.00 per share.

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, and SGPC is a 51% subsidiary of the Company.

The consideration for each share was S\$1.00 and was arrived at on a willing-buyer, willing-seller basis, after taking into consideration the paid up capital of SGPC at the point of sale. The net asset value represented by the shares of SGPC was S\$1.00 per share.

B. INCORPORATION OF A SUBSIDIARY, EAST COAST MEDICAL AND PAINCARE CLINIC PTE. LTD.

The Company and Dr. Kwong Seh Meng (“**Dr. Kwong**”) had on 24 February 2023 incorporated a subsidiary in Singapore known as East Coast Medical and Paincare Clinic Pte. Ltd. (“**ECMP**”).

ECMP has a total issued and paid-up capital of S\$100.00 comprising 100 ordinary shares at S\$1.00 each, of which 55% of the issued share capital of ECMP are held by the Company and the remaining 45% of the issued share capital are held by Dr. Kwong. ECMP is a 55% subsidiary of the Company.

The principal activity of ECMP is the provision of general western medical services.

The incorporation of ECMP was funded through internal resources of the Group and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ended 30 June 2023. The net asset value represented by the shares of ECMP was S\$1.00 per share.

C. INCORPORATION OF A SUBSIDIARY, HOUGANG MEDICAL AND PAINCARE CLINIC PTE. LTD., AND SUBSEQUENT SALE OF SHARES

The Company had on 18 January 2023 incorporated a subsidiary in Singapore known as Hougang Medical and Paincare Clinic Pte. Ltd. ("**HGMC**").

HGMC has a total issued and paid-up capital of S\$100.00 comprising 100 ordinary shares at S\$1.00 each.

The principal activity of HGMC is the provision of general western medical services.

The incorporation of HGMC was funded through internal resources of the Group and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ended 30 June 2023. The net asset value represented by the shares of HGMC was S\$1.00 per share.

The Company had on 29 May 2023, sold 45 shares of HGMC to Dr. Lam Ho Hon Moses. Accordingly, HGMC is now a 55% subsidiary of the Company.

The consideration for each share was S\$1.00 and was arrived at on a willing-buyer, willing-seller basis, after taking into consideration the paid up capital of HGMC at the point of sale. The net liability value represented by the shares of HGMC was S\$501.06 per share.

D. ACQUISITION OF SHARES OF PTL SPINE & ORTHOPAEDICS PRIVATE LIMITED

The Company had on 14 March 2023 acquired 100% of the total issued share capital of PTL Spine & Orthopaedics Private Limited ("**PTL**") from Dr. Paul Thng Keng Leong ("**Dr. Paul**") and Ms. Ong Geok Kim ("herein known as "**Vendors**") for a consideration of S\$3,121,668.00 (the "**Purchase Price**"). PTL has a total issued and paid-up capital of S\$1,000.00 comprising 1,000 ordinary shares at S\$1.00 each.

The Purchase Price, which was satisfied in full on completion of the acquisition, was arrived at on a willing-buyer, willing-seller basis, after negotiations which were conducted at arm's length between the Company and the Vendors and taking into consideration factors such as the net asset value, and past revenue and net profit of PTL, and the synergies between PTL, Dr Paul and the Group.

Based on the unaudited management accounts of PTL for the six-month financial period from 1 July 2022 to 31 December 2022 ("**PTL HY2022**"), the net profit before income tax of PTL for HY2022 was S\$34,911; and the net tangible asset value and net asset value of PTL as at 31 December 2022 were both S\$99,300.

The Company wishes to highlight that it had conducted its evaluation on the Purchase Price with reference to PTL's most recent four years financials (namely the financial years ended 31 December ("**FY**") 2019, FY2020, FY2021 and FY2022). The Company had made the necessary adjustments to each of the financial years and obtained an estimated average net profit before tax of approximately S\$364,000 ("**Estimated PBT**") over the four financial years. Accordingly, based on the Estimated PBT, the Purchase Price represented an implied price-to-earning ("**PE**") multiple of 8.6 times. The implied PE of 8.6 times is lower than the average PE multiple of comparable listed specialist healthcare companies.

The principal activity of PTL is the provision of specialized orthopaedic services especially in relation neck, bone, spine, knee and other joints.

The acquisition of PTL was funded through internal resources of the Group and is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ended 30 June 2023.

None of the Directors or the substantial shareholders or their respective associates has any interest, direct or indirect, in the transactions set out above (other than through their respective shareholding interests in the Company, if any).

By Order of the Board
Lee Mun Kam Bernard
Executive Director and Chief Executive Officer
29 August 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.

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.