

SINGAPORE PAINCARE HOLDINGS LIMITED

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

DISPOSAL OF TWO SUBSIDIARY COMPANIES IN SEN MED HOLDINGS PTE LTD, AN ASSOCIATE COMPANY

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 the Company’s associate company, Sen Med Holdings Pte Ltd (“**Sen Med**”) has, on 29 December 2023, entered into a sale and purchase agreement (the “**SPA**”) to dispose 100% of the total equity interest in The Family Clinic @Towner Pte Ltd (“**TFC**”) as well as 100% of the total equity interest in X-ray + Medical Screening Pte Ltd (“**X-ray**”, together with TFC, collectively, the “**Target Companies**”) (the “**Disposal**”) to Stellark Health Pte Ltd (the “**Purchaser**”). Subsequent to the completion of the Disposal (the “**Completion**”), Sen Med will no longer hold any equity interest in the Target Companies.

2. INFORMATION ON SEN MED AND THE TARGET COMPANIES

- 2.1 The Company acquired 45% of the total issued and paid-up share capital of Sen Med on 5 July 2019, with Sen Med holding 100% of the total issued and paid-up share capital of TFC, X-ray and Express Medical Pte. Ltd.
- 2.2 TFC is a company incorporated under the laws of the Republic of Singapore on 14 February 2006 and, as at the date of this announcement, has an issued and paid-up share capital of S\$2.00, comprising 2 ordinary shares, which are held by Sen Med.
- 2.3 X-ray is a company incorporated under the laws of the Republic of Singapore on 16 February 2006 and, as at the date of this announcement, has an issued and paid-up share capital of S\$100, comprising 100 ordinary shares, which are held by Sen Med.
- 2.4 TFC and X-ray, collectively provide, among others, the following services:
 - (a) health screening packages;
 - (b) diagnostic and x-ray services, pre-employment check-ups and medical reviews for employment pass, student pass and work permit;
 - (c) vaccination services;
 - (d) customised healthcare plans for organisations’ needs; and
 - (e) comprehensive healthcare at a general practice level.
- 2.5 Based on the unaudited consolidated management accounts of the Target Companies for the 3 months ended 30 September 2023, the net loss before tax for the Target Companies was S\$104,838 and the net tangible asset and net asset value of the Target Companies as at 30 September 2023 was S\$192,866.

3. INFORMATION ON THE PURCHASER

The Purchaser is a private company that was incorporated under the laws of the Republic of Singapore on 30 July 2020, is an independent third party and is not related to any Directors or substantial shareholders of the Company.

4. SALE CONSIDERATION

The aggregate consideration for the Disposal of 100% equity interest in the Target Companies is S\$80,000.00 (the “**Sale Consideration**”) and will be payable by the Purchaser to Sen Med fully in cash. Upon the execution of the SPA, the Purchaser would make a partial payment of S\$20,000.00 with the remaining S\$60,000 to be payable on the date of completion. The Sale Consideration was arrived after arms’ length negotiations between Sen Med and the Purchaser on a willing-seller, willing-buyer basis, taking into account the financial position of the Target Companies. No valuation was conducted.

5. RATIONALE FOR THE DISPOSAL OF SHARES

The Target Companies recorded a loss before tax amounting to S\$104,838 for the 3 months ended 30 September 2023. Hence, the Board is of the view that the Disposal is in the best interests of the Group and the shareholders of the Company, as it will enable the Group to reduce and stem any further losses incurred by the Target Companies.

6. GAIN ON DISPOSAL AND USE OF PROCEEDS

In view that the investment in Sen Med was fully written off by the Company in the financial year ended 30 June 2023 (“**FY2023**”), the sale will result in a gain on disposal of approximately S\$36,000 (calculated based on the Company’s 45% indirect equity interest in the Target Companies).

The Group intends to use the proceeds for general working capital purposes.

7. PRINCIPAL TERMS OF THE SPA

7.1 Conditions Precedent

Completion of the Disposal is subject to, *inter alia*, the following conditions (“**Conditions**”):

- (a) each of the warranties given by the Purchaser and Sen Med contained in the SPA remaining true and not misleading in any respect at the Completion, as if repeated at the Completion and at all times between the date of the SPA and Completion;
- (b) the Purchaser and Sen Med having performed all of the covenants and agreements required to be performed or caused to be performed by it under the SPA on or before the date of Completion (the “**Completion Date**”);
- (c) all necessary or desirable actions, notifications, filings and registrations, approvals, permits and consents having been taken, given to, made with and obtained from the relevant governmental, regulatory and administrative departments, authorities and bodies in Singapore or elsewhere in respect of the sale and purchase of the Target Companies and the compliance in full to the satisfaction of the relevant governmental, regulatory and administrative departments, authorities and bodies in Singapore or elsewhere of all conditions (if any) attaching or in relation thereto, where such conditions are required to be complied with by the Completion Date;
- (d) Sen Med having received the written approval from the board of directors of each of the Target Companies, authorising the sale of the Target Companies from Sen Med to the Purchaser;
- (e) Completion of a due diligence by the Purchaser and/or its duly authorized representatives on each of the Target Companies on or before 29 December 2023; and

- (f) Sen Med and the Purchaser hereby acknowledge and agree that the allocation of responsibility as between the Sen Med and the Purchaser for Tax matters shall be set out in Clause 3.1(g) of the SPA.

7.2 Completion

Subject to the terms and conditions set out in the SPA, on Completion, Sen Med shall deliver to the Purchaser:

- (a) the share certificate in respect of the ordinary shares in the share capital of each of the Target Companies (the "**Sale Shares**"), together with instruments of transfer in respect of the Sale Shares, duly executed by the Sen Med in favour of the Purchaser together with (where applicable) such other documents required to be attached thereto for the purposes of assessment and/or payment of stamp duty or otherwise in connection with the transfer of the Sale Shares;
- (b) the written resignations of all the existing directors and secretaries of the Target Companies from their directorships and/or offices in the Target Companies, such resignations to take effect from and on Completion and to include a confirmation that he/she has no claim against the Target Companies;
- (c) such waivers or consents as may be necessary to enable the Purchaser to be registered as holder(s) of any and all of the Sale Shares;
- (d) certified true copy of resolutions of the board of directors of the Target Companies (i) approving the transfer of the Sale Shares to the Purchaser and directing the registration of the Purchaser as the registered holder of the Sale Shares in each of the Target Companies' register of members in place of Sen Med, (ii) accepting the resignation of all the existing directors and secretaries of the Target Companies and appointment of such person(s) as the Purchaser may nominate, and (iii) revoking the existing authorities to bankers in respect of the operation of the Target Companies' bank accounts and giving authority in favour of such person(s) as the Purchaser may nominate;
- (e) historical servicing and maintenance records for the equipment (if any) specifically pertaining to the X-ray machine and digital radiography hardware, documentation for complete regulatory compliance, picture archiving and communications system (PACS) records, documentation and records pertaining to Radiology Information System (RIS), records of the necessary licenses for the premise used for radiological services, record of the approved documentation of the comprehensive standard operating procedures in compliance of Singapore's Ministry of Health's (MOH) annual assessment for the place to be fit for X-Ray radiological services;
- (f) a list of the physical inventory and equipment in each of the Target Companies as set out in Schedule 2 of the SPA. For the sake of clarity, Schedule 2 excludes any medicines and/or medical supplies or at all;
- (g) the audited financial statements of each of the Target Companies as of 31st March 2023, (duly signed off by its respective auditors);
- (h) cheque books and business licenses of the Target Companies (duly written up-to-date);
- (i) all copies of any records, provided that the Sen Med (if applicable) may retain after Completion copies of any records necessary for it to comply with any applicable Law (including, without limitation, any applicable tax Law), to prepare Tax or other returns required of it by Law or in relation to any acts or omissions occurring on or before the Completion Date;

- (j) if applicable, the originals of the certificates of title, tenancy agreement and all other title documents in instruments in respect of each property, together with all relevant certificates of stamp duty;
- (k) a copy of each of the Target Companies management accounts as of completion date signed off by directors of the Target Companies, and any other related records or supporting documents as requested by the Purchaser;
- (l) bank statements of all bank accounts of the Target Companies as at the close of business on the Completion Date, together with directions, in the agreed form, varying and/or replacing the mandates given to such banks by the Target Companies;
- (m) an acknowledgment in the agreed form from Sen Med that all outstanding owings and or payables to other entities have been extinguished, and no further related obligations and accountability for enquiries pertaining to such shall burden the Purchaser as of Completion Date;
- (n) evidence that all the banks in which the Target Companies maintain bank accounts with are notified of the change in shareholders and directors, and respectively for each of the banks to be instructed to replace all approved persons and approved signatories with the banks;
- (o) a receivables aging list for each of the Target Companies, detailed exactly by Sen Med for amounts to be received from other parties, such that the Purchaser is able to account and redirect the funds as designated by Sen Med;
- (p) all keys and codes required to gain access to the Target Companies and their respective electronic systems at 34 Whampoa West, #01-55, Singapore 330034; and
- (q) bank account details for any receivables to be redirected to from the Target Companies.

8. RELATIVE FIGURES

Based on the Group's latest audited consolidated financial statements for FY2023, the relative figures of the Disposal computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), based on the Company's 45% indirect equity interest in the Target Companies, are as follows:

Catalist Rules	Relative Figures
1006(a)	
The net asset value of the assets to be disposed of, compared with the Group's net asset value.	0.61% ⁽¹⁾
1006(b)	
The net profits/(loss) ⁽²⁾ attributable to the assets disposed of, compared with the Group's net profits.	-5.21% ⁽³⁾
1006(c)	
The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	0.64% ⁽³⁾
1006(d)	
The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable

1006(e)	
The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not applicable.

Notes:

- (1) Computed based on (a) 45% of the net asset value attributable to the Target Companies as at 30 June 2023 being, S\$133,967 and (b) net asset value of the Group as at 30 June 2023 of S\$22,045,978.
- (2) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Computed based on (a) the Company's 45% share of unaudited net loss before income tax of the Target Companies for the period 1 July 2022 to 30 June 2023 amounting to approximately S\$65,340; and (b) the audited net profit before income tax of the Group for FY2023 being, S\$1,254,614.
- (4) Computed based on 45% of the Sale Consideration of S\$80,000 (i.e. the portion which the Company is entitled to) and the market capitalisation of the Company of approximately S\$30,815,374 which is determined by multiplying the number of ordinary shares in the issued share capital of the Company ("**Shares**") (excluding treasury shares) of 171,006,516 shares by the volume weighted average price of S\$0.1802 per Share on 27 December 2023, being the last market day immediately preceding the date of the SPA on which the Shares were traded.

Pursuant to Catalist Rule 1007(1), if any of the relative figures computed pursuant to Catalist Rule 1006 involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules. Accordingly, having considered paragraph 4.4(e) of Practice Note 10A of the Catalist Rules, none of the absolute relative figures of Rules 1006(a) and Rule 1006(c) exceeds 50% and there is no loss on disposal, hence the Disposal is considered a "discloseable transaction" as defined in Chapter 10 of the Catalist Rules.

9. FINANCIAL EFFECTS

The financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual financial position of the Group after Completion.

For illustrative purposes only, the financial effects of the Disposal have been prepared based on the audited consolidated financial statements of the Group for FY2023 and the unaudited management accounts for the twelve-month period from 1 July 2022 to 30 June 2023 of the Target Companies, and based on the following assumption:

- (a) the Disposal had been completed on 30 June 2023 for the purposes of illustrating the financial effects on the net tangible assets ("**NTA**") per share of the Group; and
- (b) the Disposal had been completed on 1 July 2022 for the purposes of illustrating the financial effects on the earnings/(loss) per share ("**EPS**") of the Group.

9.1. NTA

	Before the Disposal	After the Disposal
NTA (S\$'000)	8,232	8,268
Number of issued ordinary shares, excluding treasury shares	171,006,516	171,006,516
NTA per share (Singapore cents)	4.81	4.83

9.2. Earnings/(Loss) Per Share

	Before the Disposal	After the Disposal
Loss attributable to shareholders (S\$'000)	(502)	(436)
Number of issued ordinary shares, excluding treasury shares	171,006,516	171,006,516
Earnings/(Loss) Per Share (Singapore cents)	(0.29)	(0.26)

10. INTERESTS 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 Disposal other than through their respective shareholdings (if any) in the Company.

11. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

12. DOCUMENTS FOR INSPECTION

A copy of the SPA will be available for inspection during normal business hours at the Company's registered office at 601 Macpherson Road #06-20/21 Grantral Mall Singapore 368242, for a period of three months commencing from the date of this announcement.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts on the Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board

Lee Mun Kam Bernard
Executive Director and Chief Executive Officer

30 December 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, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.