



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

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**UNAUDITED HALF-YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

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*Singapore Paincare Holdings Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 30 July 2020. The initial public offering of the Company was sponsored by Novus Corporate Finance Pte. Ltd. (the "**Sponsor**").*

*This announcement has been prepared by the Company and reviewed by the Sponsor, in compliance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalist.*

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

*The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 9 Raffles Place, #17-05 Republic Plaza Tower 1, Singapore 048619, telephone (65) 6950 2188.*

## **Background**

The Company was incorporated on 31 December 2018 in Singapore under the Singapore Companies Act as a private company limited by shares under the name of "Singapore Paincare Holdings Pte. Ltd.". On 16 June 2020, the Company was converted into a public company and was renamed "Singapore Paincare Holdings Limited".

The Company, its subsidiaries and associated company (the "**Group**") is a medical services group primarily engaged in the provision of pain care services, primary care and other services including, among others, minimally invasive procedures, general medical consultations, management of chronic and acute conditions.

Prior to the listing on the Catalist of the SGX-ST on 30 July 2020, the Group undertook a restructuring exercise (the "**Restructuring Exercise**"). Please refer to the Company's offer document dated 13 July 2020 (the "**Offer Document**") for further details on the Restructuring Exercise.



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**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS QUARTERLY (Q1, Q2, Q3), AND FULL YEAR RESULTS**

1(a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	6 Months Ended 31 December		Change
		2020	2019	
<b>Revenue</b>		<b>\$</b>	<b>\$</b>	<b>%</b>
		4,859,902	5,133,490	(5.33)
<b>Other items of income</b>				
Other income	1	523,759	61,243	>100
<b>Items of expense</b>				
Changes in inventories		(74,058)	242,807	(>100)
Inventories and consumables used		(1,070,867)	(1,438,618)	(25.56)
Employee benefits expenses		(1,690,079)	(1,430,774)	18.12
Depreciation and amortisation expenses	2	(339,652)	(410,710)	(17.30)
Other expenses	3	(1,310,451)	(910,972)	43.85
Finance costs	4	(175,519)	(90,851)	93.19
Share of profits of associates, net of tax		93,149	222,474	(58.13)
Profit before income tax		816,184	1,378,089	(40.77)
Income tax expense	5	(188,538)	(236,305)	(20.21)
<b>Profit for the financial period, representing total comprehensive income</b>		<b>627,646</b>	<b>1,141,784</b>	(45.03)
<b>Profit and total comprehensive income attributable to:</b>				
- Owners of the Company		<b>674,887</b>	<b>1,141,784</b>	(40.89)
- Non-controlling interests		<b>(47,241)</b>	-	N.M.
		<b>627,646</b>	<b>1,141,784</b>	(45.03)
<i>N.M.- Not meaningful</i>				



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## (a) (ii) Notes to Income Statement

### (1) Other income

	Group	
	6 Months Ended	
	2020	2019
	\$	\$
Government grants	237,873	21,280
Listing grant	200,000	-
Sponsorship income	9,000	700
Reversal of impairment on doubtful receivables	1,999	9,428
Management fees	-	20,800
Interest income	490	741
Rental rebates	29,312	-
Chronic disease consultation incentive	34,600	-
Others	10,485	8,294
<b>Total other income</b>	<b>523,759</b>	<b>61,243</b>

### (2) Depreciation and amortisation expenses

	Group	
	6 Months Ended	
	2020	2019
	\$	\$
Depreciation of plant and equipment	9,596	16,801
Depreciation of right-of-use assets	310,701	283,242
Amortisation of intangible assets	19,355	110,667
<b>Total depreciation and amortisation expenses</b>	<b>339,652</b>	<b>410,710</b>

### (3) Other expenses mainly comprise the following:

	Group	
	6 Months Ended	
	2020	2019
	\$	\$
Professional fees	860,968	633,013
Administrative charges	93,462	52,975
Marketing expenses	86,553	24,739
Credit card fees	17,313	14,632
Small value assets expense off	28,040	6,100
Printing and stationery	36,108	24,686
Locum fees	28,410	30,260



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## 1(a) (ii) Notes to Income Statement (Contd.):

### (4) Finance costs

	Group	
	6 Months Ended	
	2020	2019
	\$	\$
Term loan interest	-	12,172
Provision for reinstatement cost	91	92
Lease interest expense	24,334	25,587
Redeemable convertible loan	145,094	53,000
Bank charges	6,000	-
	175,519	90,851

### (5) Income tax expense

	Group	
	6 Months Ended	
	2020	2019
	\$	\$
Current income tax		
- current financial period	214,706	238,275
- (over)/under provision in prior financial period	(26,168)	17,363
	188,538	255,638
Deferred tax		
- current financial period	-	(19,333)
Total income tax expense recognised in profit or loss	188,538	236,305



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1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

## Statements of Financial Position

	Note	Group		Company	
		As At 31/12/20	As At 30/06/20	As At 31/12/20	As At 30/06/20
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment		2,175,923	2,024,008	48,315	61,644
Investment in subsidiaries		-	-	12,026,582	12,026,480
Investment in associates		4,427,930	2,069,782	4,205,800	1,805,800
Intangible assets		6,390,918	6,190,273	167,742	187,097
		12,994,771	10,284,063	16,448,439	14,081,021
<b>Current assets</b>					
Inventories		785,461	859,501	-	-
Trade and other receivables	1	1,085,465	987,566	2,393,468	2,922,054
Prepayments		119,553	27,473	49,770	642
Cash and bank balances		11,374,199	4,953,967	7,921,475	1,286,499
		13,364,678	6,828,507	10,364,713	4,209,195
<b>TOTAL ASSETS</b>		26,359,449	17,112,570	26,813,152	18,290,216
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital		25,683,684	13,797,282	25,683,684	13,797,282
Merger reserve		(5,552,876)	(5,552,876)	-	-
Other reserve		177,484	177,484	412,484	412,484
Retained earnings		1,722,203	2,178,680	251,352	1,171,422
		22,030,495	10,600,570	26,347,520	15,381,188
Non-controlling interest		(47,143)	-	-	-
<b>Total equity</b>		21,983,352	10,600,570	26,347,520	15,381,188
<b>Non-current liabilities</b>					
Bank borrowing		240,000	-	-	-
Lease liabilities		1,418,315	1,479,965	21,772	34,638
Provision		29,621	29,530	-	-
		1,687,936	1,509,495	21,772	34,638
<b>Current liabilities</b>					
Trade and other payables	2	1,141,295	968,234	417,173	293,087
Bank borrowing		60,000	-	-	-
Lease liabilities		636,177	591,243	26,687	26,397
Redeemable convertible loan		-	2,554,906	-	2,554,906
Current income tax payables		850,689	888,122	-	-
		2,688,161	5,002,505	443,860	2,874,390
<b>TOTAL LIABILITIES</b>		4,376,097	6,512,000	465,632	2,909,028
<b>TOTAL EQUITY AND LIABILITIES</b>		26,359,449	17,112,570	26,813,152	18,290,216



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### Notes to Statements of Financial Position

#### (1) Trade and other receivables

	Group	
	As At 31/12/20	As At 30/06/20
	\$	\$
<b>Current</b>		
Trade receivables	978,882	847,518
Less: Loss allowance on doubtful receivables	(54,243)	(56,242)
	924,639	791,276
Other receivables		
-third parties	26,396	26,169
-associate	1,110	-
Deposits	39,360	17,861
Grant receivable in respect of Job Support Scheme ("JSS")	86,698	130,597
Lease receivables	7,262	21,663
<b>Total trade and other receivables</b>	<b>1,085,465</b>	<b>987,566</b>

#### (2) Trade and other payables

	Group	
	As At 31/12/20	As At 30/06/20
	\$	\$
Trade payables	201,708	101,961
Goods and service tax payable, net	109,375	98,900
	311,083	200,861
Other payables		
-third parties	472,517	325,329
Deferred income on JSS	39,035	124,823
Accrued expenses	292,593	289,030
Contract liabilities	26,067	28,191
<b>Total trade and other payables</b>	<b>1,141,295</b>	<b>968,234</b>



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- 1(b) (ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	Group	
	As At 31/12/20	As At 30/06/20
	\$	\$
<b>Amount repayable in one year or less, or on demand</b>		
- Secured	-	-
- Unsecured	60,000	2,554,906
	60,000	2,554,906
<b>Amount repayable after one year</b>		
- Secured	-	-
- Unsecured	240,000	-
	240,000	-
<b>Total borrowings</b>	300,000	2,554,906

**Details of any collateral:**

Not applicable.



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## 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	6 Months Ended 31 December	
	2020	2019
<b>Operating activities:</b>		
Profit before income tax	\$ 816,184	\$ 1,378,089
Adjustments for:		
Depreciation of plant and equipment	9,596	16,801
Depreciation of right-of-use assets	310,701	283,242
Amortisation of intangible assets	19,355	110,667
Interest expense	175,519	90,851
Fair value loss on derivative financial instrument	-	3,000
Reversal of impairment on doubtful receivables	(1,999)	(9,428)
Share issue expenses	556,594	-
Share of profit of associates, net of tax	(93,149)	(222,474)
Operating cash flows before working capital changes	1,792,801	1,650,748
Inventories	74,040	(242,807)
Trade and other receivables	(95,898)	(17,491)
Trade and other payables	173,260	64,758
Prepayments	(92,079)	(6,082)
<b>Cash generated from operations</b>	<b>1,852,124</b>	<b>1,449,126</b>
Income tax paid	(225,971)	(216,292)
<b>Net cash from operating activities</b>	<b>1,626,153</b>	<b>1,232,834</b>
<b>Investing activities:</b>		
Acquisition of subsidiaries, net of cash acquired	-	412,711
Acquisition of an associate	(2,400,000)	-
Acquisition of business	(220,000)	-
Incorporation of subsidiaries	(102)	-
Dividend received	135,000	-
Purchase of plant and equipment	(187,263)	(7,669)
<b>Net cash (used in)/from investing activities</b>	<b>(2,672,365)</b>	<b>405,042</b>
<b>Financing activities:</b>		
Dividends paid to a director	-	(630,000)
Dividends paid to shareholders	(1,131,364)	-
Share issue expenses	(664,312)	-
Proceeds from issuance of shares	9,294,120	-
Repayment from director	-	9,355
Repayment of principal portion of lease liabilities	(301,666)	(291,713)
Repayment of interest portion of lease liabilities	(24,334)	(25,587)
Proceeds from/(Repayment of) bank borrowings	300,000	(839,031)
Proceeds from redeemable convertible loan	-	2,700,000
Financing expense paid	(6,000)	(12,241)
<b>Net cash from financing activities</b>	<b>7,466,444</b>	<b>910,783</b>
Net change in cash and cash equivalents	6,420,232	2,548,659
Cash and cash equivalents at beginning of financial period	4,953,967	1,243,695
<b>Cash and cash equivalents at end of financial period</b>	<b>11,374,199</b>	<b>3,792,354</b>



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

### Statements of Changes in Equity

Group	Share capital	Merger reserve	Other Reserve	Retained earnings	Total	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	6	-	-	301,085	301,085	-	301,091
Profit for the financial period	-	-	-	1,141,784	1,141,784	-	1,141,784
Total comprehensive income for the period	-	-	-	1,141,784	1,141,784	-	1,141,784
<b>Contributions by owners</b>							
Adjustment pursuant to restructuring exercise	13,597,276	(5,552,876)	-	-	8,044,400	-	8,044,400
<b>Total transaction with owners</b>	13,597,276	(5,552,876)	-	-	8,044,400	-	8,044,400
<b>Balance at 31 December 2019</b>	13,597,282	(5,552,876)	-	1,442,869	9,487,275	-	9,487,275
<b>Balance at 1 July 2020</b>	13,797,282	(5,552,876)	177,484	2,178,680	10,600,570	-	10,600,570
Profit for the financial period	-	-	-	674,887	674,887	(47,241)	627,646
Total comprehensive income for the period	-	-	-	674,887	674,887	(47,241)	627,646
<b>Contribution by owners</b>							
Issue of new shares	12,394,120	-	-	-	12,394,120	-	12,394,120
Share issue expenses	(507,718)	-	-	-	(507,718)	-	(507,718)
Dividend paid	-	-	-	(1,131,364)	(1,131,364)	-	(1,131,364)
<b>Total transaction with owners</b>	11,886,402	-	-	(1,131,364)	10,755,038	-	10,755,038
<b>Transactions with non-controlling interests</b>							
Subscription of shares by non-controlling interest in subsidiaries	-	-	-	-	-	98	98
<b>Total transactions with non-controlling interests</b>	-	-	-	-	-	98	98
<b>Balance at 31 December 2020</b>	25,683,684	(5,552,876)	177,484	1,722,203	22,030,495	(47,143)	21,983,352



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- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

### Statements of Changes in Equity (Contd.)

COMPANY	Share capital	Other reserve	(Accumulated Loss)/ Retained earnings	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	2	-	(96,106)	(96,104)
Loss for the financial period	-	-	(706,566)	(706,566)
Total comprehensive income for the period	-	-	(706,566)	(706,566)
<b>Contributions by and distributions to owners</b>				
Adjustment pursuant to restructuring exercise	13,597,280	235,000	-	13,832,280
<b>Total transaction with owners</b>	13,597,280	235,000	-	13,832,280
<b>Balance at 31 December 2019</b>	13,597,282	235,000	(802,672)	13,029,610
<b>Balance at 1 July 2020</b>	13,797,282	412,484	1,171,422	15,381,188
Profit for the financial period	-	-	211,294	211,294
Total comprehensive income for the period	-	-	211,294	211,294
<b>Contributions by and distributions to owners</b>				
Issue of shares	12,394,120	-	-	12,394,120
Share issue expenses	(507,718)	-	-	(507,718)
Dividends	-	-	(1,131,364)	(1,131,364)
<b>Total transaction with owners</b>	11,886,402	-	(1,131,364)	10,755,038
<b>Balance at 31 December 2020</b>	25,683,684	412,484	251,352	26,347,520



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**1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

**Share capital - ordinary shares**

	Number of issued shares	Issued and paid up share capital <sup>(6)</sup> (\$)
Total as at 30 June 2020	103,458	3,631,898
Share Split <sup>(1)</sup>	113,286,510	3,631,898
Issue of shares for consultancy fees <sup>(2)</sup>	3,636,364	400,000
Issue of the conversion shares upon the conversion for the Redeemable Convertible Loan <sup>(3)</sup>	20,454,542	2,700,000
Issue of shares pursuant to the initial public offering (“ <b>IPO</b> ”) of the Company <sup>(4)</sup>	24,246,000	5,334,120
Issuance for private placement <sup>(5)</sup>	18,000,000	3,960,000
Total as at 31 December 2020	179,623,416	16,026,018

*Notes:*

- (1) On 9 July 2020, the shareholders of the Company approved the sub-division of the existing ordinary shares of 103,458 into 113,286,510 ordinary shares in the issued share capital of the Company.
- (2) On 13 July 2020, 3,636,364 new ordinary shares in the share capital of the Company were issued to Tan Lee Meng as payment for his consultancy fees in relation to the IPO.
- (3) On 13 July 2020, the redeemable convertible loan of \$2,700,000 (the “**Redeemable Convertible Loan**”) provided by the pre-placement investors was converted into 20,454,542 new ordinary shares in the share capital of the Company.
- (4) On 29 July 2020, the Company allotted and issued 24,246,000 new ordinary shares in the share capital of the Company for a consideration of approximately \$5.33 million as part of its IPO exercise.
- (5) On 27 November 2020, the Company had issued 18,000,000 shares (the “**Placement Shares**”), at an issue price of S\$0.22 per Placement Share, to Sin Chay Medical Institution (the “**Placee**”) in respect of a subscription agreement entered into between the Company and the Placee on 17 November 2020 (the “**Placement**”).



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- (6) *The issued and paid-up share capital amount excluded fair value adjustment in share capital amounting to \$10.17 million which relates to the issue of shares on 5 July 2019 pursuant to the Restructuring Exercise in accordance with SFRS(I) 3 Business Combination.*

**Convertibles**

The Company did not have any outstanding redeemable convertible loans as at 31 December 2020. As at 31 December 2019, the Company had the Redeemable Convertible Loan which was convertible into 20,454,542 new shares in the share capital of the Company. The Redeemable Convertible Loan had been converted into ordinary shares on 13 July 2020. Please refer to the Offer Document for more details on the Redeemable Convertible Loan.

The Company had on 16 June 2020 adopted the SPCH Performance Share Plan and the SPCH Share Option Scheme. No awards or options had been granted for the financial period reported on.

**Treasury shares and subsidiary holdings**

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2020 and 31 December 2019.

- 1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued ordinary shares as at 31 December 2020 was 179,623,416 (30 June 2020: 103,458).

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. The Company did not have any treasury shares during, and as at the end of, the financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during, and as at the end of the current financial period reported on.

- 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

Not applicable.



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- 3A. 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, and (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 a going concern.**

The audited financial statements for the financial year ended 30 June 2020 was not subjected to any adverse opinion, qualified opinion or disclaimer opinion.

- 4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation adopted in the financial statements for the reporting period are consistent with those disclosed in the audited financial statements for the financial year ended 30 June 2020.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no changes in the accounting policies and methods of computation for the current financial period reported on.

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

- (a) based on the weighted average number of ordinary shares in issue; and  
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	<b>Group</b>	
	<b>6 Months ended 31 December</b>	
<b><u>Earnings<sup>(1)</sup> per share</u></b>	<b>2020</b>	<b>2019</b>
(i) Basic (cents)	0.42 <sup>(2)</sup>	1.01 <sup>(3)</sup>
(ii) On a fully diluted basis (cents)	0.42 <sup>(4)</sup>	0.92 <sup>(5)</sup>

(1) Based on net 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 financial year ended 31 December 2020 was computed based on 159,545,684 ordinary shares post the sub-division of each existing ordinary shares into 1,095 shares (“**Share Split**”), adjusted for issue of (i) 6,113,385 ordinary shares (post Share Split) pursuant to Restructuring Exercise, which issued on 5 July 2019, (ii)



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98,550,000 ordinary shares (post Share Split) pursuant to Restructuring Exercise, which issued on 1 April 2020, (iii) 3,786,510 ordinary shares (post Share Split) pursuant to acquisition of an intangible asset on 1 April 2020, (iv) 20,454,542 ordinary shares pursuant to conversion of redeemable shares on 13 July 2020, (v) 3,636,364 ordinary shares pursuant to consultancy fees paid in form of shares on 13 July 2020, (vi) 24,246,000 placement shares on 29 July 2020, and (vii) 18,000,000 ordinary shares pursuant to the Placement on 27 November 2020.

- (3) For comparative and illustrative purposes, the weighted average number of ordinary shares in issue for the financial year ended 31 December 2019 was computed based on 113,286,510 ordinary shares post Share Split.
- (4) The basic and fully dilutive earnings per share were the same as there are no dilutive ordinary shares in issue as at 31 December 2020.
- (5) The fully diluted EPS was adjusted for the impact from the Redeemable Convertible Loan outstanding as at 31 December 2019. The weighted average number of ordinary shares in issue of 130,499,622 included the adjustment of the effect of Redeemable Convertible Loan of 17,213,112 shares.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	As at 31/12/20	As at 30/06/20	As at 31/12/20	As at 30/06/20
Net assets value per ordinary share based on issued share capital (\$)	0.12	102.46	0.15	148.67
Number of shares in issue	179,623,416	103,458	179,623,416	103,458

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - (b) any material factors that affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.



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**Review on Group's Financial Results**

**Half Year ended 31 December 2020 ("HY2021") vs Half Year ended 31 December 2019 ("HY2020")**

The Group's revenue decreased by \$0.27 million from \$5.13 million in HY2020 to \$4.86 million in HY2021 mainly due to the temporary closure of one of the Group's specialist clinics from March 2020 to July 2020 as a result of the cross institutional movement control on healthcare workers including specialist doctors as a precautionary move against the COVID-19 pandemic. The cross institutional movement control has since been lifted in August 2020, and the specialist clinic has recommenced operations.

The increase in other income by \$0.46 million from \$0.06 million in HY2020 to \$0.52 million in HY2021 was mainly due to the increase in government grants including Job Support Scheme ("JSS") of approximately \$0.22 million, listing grant of \$0.20 million, and rental rebates and chronic disease consultation incentive of approximately S\$0.06 million.

Changes in inventories and inventories and consumables used decreased by \$0.06 million from \$1.20 million in HY2020 to \$1.14 million in HY2021, in line with the lower revenue recorded.

Employee benefits expenses increased by \$0.26 million from \$1.43 million in HY2020 to \$1.69 million in HY2021 was mainly due to a revision in the remuneration of key management personnel upon the listing of the Company on 30 July 2020.

Depreciation and amortisation expenses decreased by approximately \$0.07 million from \$0.41 million to \$0.34 million mainly due to the decrease in the amortisation of intangible assets in respect of customer contracts of approximately \$0.09 million and partially offset with the increase in depreciation of right-of-use assets ("ROU") and plant and equipment of approximately \$0.02 million.

Other expenses increased by approximately \$0.40 million from \$0.91 million in HY2020 to \$1.31 million in HY2021. The increase was mainly due to (i) increase in professional fees which included listing expenses of \$0.23 million, (ii) increase in marketing expenses of \$0.06 million, (iii) increase in administrative charges of \$0.04 million, (iv) increase in small value assets expense of \$0.02 million, and (v) increase in printing and stationery expenses which included the printing of the Offer Document of \$0.01 million.

Finance costs increased by \$0.09 million from \$0.09 million to \$0.18 million mainly due to the increase in interest expense on Redeemable Convertible Loan of \$0.09 million.

Share of profits of associates decreased by \$0.13 million due to the decrease in revenue from the operations of the X-ray laboratories and clinics of our associate as a result of the COVID-19 pandemic.

Income tax expense decreased by \$0.05 million from \$0.24 million in HY2020 to \$0.19 million in HY2021. The effective income tax rate has increased from 17.15% in HY2020 to 23.10% in HY2021 mainly due to non-deductible expenses incurred by the Company (as an investment holding company).

As a result of the above, the Group reported a profit before income tax of \$0.82 million in HY2021 as compared to \$1.38 million in HY2020. The net profit attributable to owners of the Company was \$0.67 million in HY2021 as compared to \$1.14 million in HY2020. Excluding IPO expenses (net of capitalisation) of \$0.56 million in HY2021, the Group's profit before income tax and net profit



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attributable to owners of the Company for HY2021 would be \$1.38 million and \$1.23 million respectively.

## **Review of Statements of Financial Position**

### **As at 31 December 2020 vs As at 30 June 2020**

#### **Non-Current Assets**

The increase in plant and equipment of \$0.15 million was mainly due to the recognition of addition of ROU assets and plant and equipment of \$0.47 million which was partially offset by the depreciation of \$0.32 million for the financial period.

The increase in investment in associates relates to the acquisition of 40% of the total issued share capital in KCS Anaesthesia Services Pte. Ltd. of \$2.40 million in December 2020.

The increase in intangible assets was mainly due to the goodwill arising from the acquisition of business of C.M.C. Wong Binjai Clinic amounted to \$0.22 million.

#### **Current Assets**

Inventories decreased mainly due to lower inventories purchased during the financial period.

Trade and other receivables comprise of trade receivables and other receivables of approximately \$0.92 million and approximately \$0.17 million respectively. The increase in trade and other receivables of \$0.10 million was mainly due to increase in trade receivables of \$0.13 million which was partially offset by a decrease in other receivables of \$0.04 million as a result of the decrease in JSS grant receivable.

Prepayment increased mainly due to prepayment made for professional fees and medicine.

Cash and bank balances of \$11.37 million as at 31 December 2020 mainly comprise of cash at bank.

#### **Equity**

Share capital increased by approximately \$11.88 million from \$13.80 million as at 30 June 2020 to \$25.68 million as at 31 December 2020 following the (i) conversion of the Redeemable Convertible Loan of \$2.70 million, (ii) issuance of new ordinary shares for consultancy fee of \$0.40 million, (iii) issuance of new ordinary shares of \$5.33 million in relation to the IPO exercise, and (iv) issuance new ordinary shares for the Placement of \$3.96 million and partially offset with the capitalisation of listing expenses of \$0.51 million.

#### **Liabilities**

The increase in bank borrowings of \$0.30 million was due to the drawdown of new banking facilities procured by a newly incorporated subsidiary for its working capital purposes.

Trade and other payables increased by \$0.17 million mainly due to the increase in trade payables of \$0.11 million, amount due to the directors of the Company's subsidiaries for renovation costs incurred



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to set up a new clinic and the physiotherapy centre of \$0.13 million and partially offset by the decrease in deferred income in JSS of \$0.09 million.

The decrease in Redeemable Convertible Loan of \$2.55 million was due to the conversion of the Redeemable Convertible Loan into the ordinary shares of the Company on 13 July 2020.

**Review of Statements of Cash Flows**

The net cash from operating activities of approximately \$1.63 million was mainly derived from operating cash flows before working capital changes of \$1.79 million, net working capital inflow of \$0.06 million and adjusted for income tax paid of approximately \$0.23 million.

Net cash used in investing activities of approximately \$2.67 million was mainly due to (i) purchase of plant and equipment of \$0.19 million, (ii) acquisition of business of \$0.22 million, and (iii) acquisition of an associate of \$2.40 million which was partially offset by dividend received from an associate of \$0.14 million.

Net cash from financing activities amounted to \$7.47 million was mainly related to proceeds from the issuance of shares of \$9.29 million and proceeds from bank borrowing of \$0.30 million. These amounts were partially offset by the payment of share issue expenses of \$0.66 million, repayment of lease liabilities of \$0.33 million and dividends paid to the shareholders of the Company of \$1.13 million.

Overall, the Group recorded a net increase in cash and cash equivalents of approximately \$6.42 million during HY2021.

**9. 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.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

**Outlook**

The recovery of the Singapore economy in the year ahead is expected to be gradual, and will depend to a large extent on how the global economy performs and whether Singapore is able to continue to keep the domestic COVID-19 situation under control.

Since its listing on 30 July 2020, the Group has added a physiotherapy centre and a primary care clinic to its portfolio. Along with this, it has also welcomed aboard Sian Chay Medical Institution, a voluntary welfare organisation providing free Traditional Chinese Medicine consultation, low cost medicine and treatment for the community, as one of its controlling shareholders, through the Placement conducted in November 2020. These corporate developments form part of the Group's effort to strengthen its value proposition of holistic end-to-end paincare management.



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The Group will remain cautious and alert to the continuous and rapidly changing nature of the challenge that arise from the COVID-19 situation while steadily pursuing its plans for long-term sustainable growth.

**11. Dividend**

If a decision regarding dividend has been made: -

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and  
No.

(b) (i) Amount per share (cents)  
Not applicable.

(ii) Previous corresponding period (cents)  
Nil.

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

(d) The date the dividend is payable  
Not applicable.

(e) The date on which the Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined  
Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended in the current reporting period as the declaration of dividend will be determined at year end.



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13. If the group has obtained a general mandate from shareholder for interested persons transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company does not have a general shareholders’ for interested person transactions.

Name of Interested Persons and Transactions	Aggregate value of all interested person transactions during the financial period 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. <sup>(1)</sup>	187	-

**Note:**

- (1) Rental of the units at 290 Orchard Road, #18-03, Singapore 238859 and 38 Irrawaddy Road, #07-33, Singapore 329563 from MedBridge Marketing Pte. Ltd., which is 100% owned by Dr. Lee Mun Kam Bernard, the Executive Director and Chief Executive Officer of the Company. Please refer to the Offer Document for more details.

14. (i) Use of IPO proceeds

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

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



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**Notes:**

(1) \$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 (the "**Reallocation**"). Please refer to the Company's announcement dated 30 November 2020 for more details.

(2) Utilised for the acquisition of 40% of the total issued share capital of KCS Anaesthesia Services Pte. Ltd..

Save for the Reallocation, the above utilisation is in accordance with the intended use as stated in the Offer Document.

**(ii) Use of proceeds from the Placement**

As at the date of this announcement, the net cash proceeds of \$3.95 million from the Placement has yet to be utilised. The Company will make periodic announcements on the use of the proceeds from the Placement as and when the proceeds from the Placement are materially disbursed.

**15. 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) of the Catalist Listing Manual**

The Company confirms that it had procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

**16. Negative confirmation by the Board pursuant to Rule 705(5) of the Catalist Listing Manual**

The Board of Directors of the Company confirms, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements for the half year period ended 31 December 2020 to be false or misleading in any material aspect.

**By Order of the Board**

**Lee Mun Kam Bernard,**  
**Executive Director and Chief Executive Officer**  
**5 February 2021**