SINGAPORE PAINCARE HOLDINGS

bringing pain relief closer to you

SEIZING NEW OPPORTUNITIES

Annual Report 2020

CONTENTS

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

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.

ABOUT US

SINGAPORE PAINCARE HOLDINGS LIMITED

We are a medical services group engaged in the following services:

PAIN CARE SERVICES

We focus on the treatment of patients suffering from acute and chronic pain. Our pain care services include, among others, minimally invasive procedures, cancer pain treatment, specialised injections, pharmacotherapy, and cognitive behavioural therapy.

PRIMARY CARE AND OTHER SERVICES

We provide general medical consultations, management of chronic and acute conditions, and dermatology services. Through our associated company, Sen Med Holdings Pte. Ltd., we also provide health screening services.

CHAIRMAN'S STATEMENT

"The listing of the Company is the beginning of our journey to becoming the leading provider of interventional pain procedures in Asia in terms of both specialist and primary care. Our next step will be to pursue our vision via three main thrusts."

Ms. Lai Chin Yee
Non-executive Chairman and Independent Director

DEAR SHAREHOLDERS,

I am pleased to share with you the results of Singapore Paincare Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") for the financial year ended 30 June ("**FY**") 2020. As this is the Company's inaugural annual report, kindly accept my heartfelt thanks for your faith and support especially for the Company's initial public offering ("**IPO**") during these unprecedented times.

The Group is one of few medical services group in Singapore specialising in the treatment of persistent pain. We provide effective pain relief to patients suffering from chronic pain by either removing pain generators and/or interrupting pain signals through, among others, minimally invasive procedures and specialised injections thereby bridging the gap between using open surgery which may entail higher risks and longer recovery periods, and conservative physical therapies which may not be as immediately effective, to treat pain.

THE YEAR IN NUMBERS

In FY2020, the Group posted a total revenue of $9.65 million in conjunction with the revenue contribution from the newly acquired subsidiaries of the Group which had contributed 60.83% or $5.87 million to the Group's total revenue. These newly acquired subsidiaries operate medical clinics, which are our avenue to extend pain care services to primary care providers in residential areas, who are generally the first point of contact for pain sufferers.

The Group's specialist clinics which are located in the central region of Singapore contributed 39.17% or $3.78 million to the Group's total revenue for FY2020.

The Group posted a total net profit of approximately $1.88 million in FY2020 as compared to $1.26 million in FY2019. Excluding IPO expenses of $1.23 million, the Group's profit before income tax and profit for the year would have been $3.63 million and $3.11 million respectively.

STRENGTHENING FOUNDATION FOR SUSTAINABLE GROWTH

The Group witnessed a new milestone with the listing of the Company on the Catalist board of the Singapore Exchange Securities Trading Limited on 30 July 2020. Our placement shares were fully subscribed and we are now better positioned to expand our capabilities and kickstart our expansion in Singapore and the region.

CHAIRMAN'S STATEMENT

The listing of the Company is the beginning of our journey to becoming the leading provider of interventional pain procedures in Asia in terms of both specialist and primary care. Our next step will be to pursue our vision via three main thrusts.

The first engine of growth is the expansion of our business locally and regionally. The Group's subsidiaries currently operate two specialist clinics and four medical clinics in Singapore. Further, through the Company's interest in our associated company, Sen Med Holdings Pte. Ltd., the Group operates one additional medical clinic and two health screening facilities. We are working on expanding our operations through the incorporation of new clinics or expansion of existing clinics, joint ventures, acquisitions or strategic alliances. This would allow us to secure a foothold in residential areas where we do not already have a presence in. In August 2020, the Company entered into a sale and purchase agreement with Dr. Wong Mei Chun to acquire the business and assets in respect of C.M.C. Wong Binjai Clinic.

The second is the expansion of our range of services to become a one-stop centre for pain care treatment. In addition to our minimally invasive procedures, specialised injections, pharmacotherapy, and cognitive behavioural therapy, we are exploring alternatives to western medicine such as Traditional Chinese Medicine. We seek to create further synergy of the 'East meets West' concept for our range of treatments while also offering other non-medical services such as physiotherapy and rehabilitation services. Through the aforementioned ways, we would be able to gain access to a wider spectrum of pain treatments and have the potential to increase our patient base.

The third is our continued diversification of our patient base to include more corporate clients. We aim to do so by conducting seminars and talks on our capabilities at corporate events to increase awareness of the medical conditions treated and services provided by the Group.

OUTLOOK

While acknowledging our progress over the last year, it would be remiss of us not to touch on the challenges arising from the global COVID-19 pandemic. To stem the outbreak, countries around the world including Singapore have imposed travel restrictions and lockdown measures, affecting livelihoods and slowing global economies growth. Singapore's Ministry of Trade and Industry reported that Singapore had suffered a deeper recession in its second quarter for 2020 and is projecting that gross domestic product will shrink between 5% to 7% due to a slower-than-expected recovery.

The Group's operations were naturally affected and recorded a decline in the number of patients. However, our classification as essential services meant that the disruption faced by the Group was limited as compared to other industries. As the situation improves, we expect to maintain our momentum. From an operational perspective, we have undertaken all necessary precautions as directed by the Singapore's Ministry of Health for healthcare workers and will continue to carefully monitor and update our working protocols as needed as we do our part in the fight against the COVID-19 pandemic.

While the pandemic may have immediate effects, we remain confident of our long-term prospects as pain and disabilities from pain related effects have significant visible impact on patients. We anticipate that rising income and education levels will continue to drive demand for quality medical services needed to enable improved quality of living. Furthermore, life expectancy continues to be on the uptrend but without the benefits of healthy life expectancy. In addition, the increasing number of insured patients in Singapore may also translate to a growing number of patients with chronic ailments who are likely to seek out private healthcare services offered by the Group. As the COVID-19 situation stabilises and improves, Singapore's medical tourism may also recover, enabling more foreign patients to seek treatment here.

Taking into account the above, we will remain cautious and alert to the continuous and rapidly changing nature of the challenges that arise from the pandemic while steadily pursuing our plans for long-term sustainable growth.

IN APPRECIATION

The Board of Directors (the "**Board**") intends to recommend a final tax exempt (one-tier) dividend of $0.007 per share for FY2020 in appreciation to our shareholders for their support.

On behalf of the Board, I would like to thank our employees for their hard work and dedication as well as our business partners and shareholders for their support.

We will continue to value your insights and collaboration. Our team's focus and dedication will remain unwavering as we set our sights on what should be a positive next phase for the Group.

Ms. Lai Chin Yee
Non-executive Chairman
and Independent Director

CEO'S STATEMENT

> Overall, the Group recorded a net increase in cash and cash equivalents of approximately $3.71 million during FY2020.

Dr. Lee Mun Kam Bernard
Executive Director
and Chief Executive Officer

DEAR SHAREHOLDERS,

The year 2020 is a key milestone in our journey to becoming a leading one-stop centre for pain care treatment. Our progress was achieved amidst an unprecedented global pandemic that stalled economies and fundamentally changed everyday living. While challenging, we forged ahead to build foundations for future growth and are well-positioned to pursue our goals and sustainable value for our stakeholders.

THE YEAR IN NUMBERS

The revenue of the Group for FY2020 grew by 148.07% or $5.76 million to $9.65 million from $3.89 million in FY2019 due to revenue contribution from our newly acquired subsidiaries.

The Group's other income also increased, to $0.91 million in FY2020 mainly due to a gain on remeasurement of redeemable convertible loan of $0.49 million, an increase in government grants of $0.27 million, and an aggregate increase in sponsorship income, reversal of impairment on doubtful receivables and management fees of $0.06 million. However, the increase was partially offset by the absence of dividend income and fair value gain on financial assets at fair value through profit or loss ("**FVTPL**") of $0.12 million and $0.24 million respectively.

The new subsidiaries acquired also resulted in an increase to our changes in inventories and inventories and consumables used to $2.20 million.

Following the completion of our restructuring exercise, we now have more clinics and business activities and that has led to an increase in the Group's headcount to increase from 10 persons in FY2019 to 42 persons in FY2020. As a result, employee benefits expenses increased by $1.97 million from $0.84 million in FY2019 to $2.81 million for FY2020.

On a separate note, our depreciation and amortisation expenses increased by $0.76 million mainly due to the adoption of SFRS(I) 16 Leases. This resulted in additional depreciation charge amounting to approximately $0.57 million upon the recognition of right-of-use (ROU) assets and the amortisation of intangibles assets amounting to $0.18 million.

The SFRS(I) 16 Leases also led to a decrease in operating lease expenses by $0.40 million as all leases are recognised as ROU assets and the obligation to make lease payments are recorded as lease liabilities.

Meanwhile, the Group's other expenses rose by $1.49 million to $2.46 million due to the increase in professional fees of $1.17 million and fair value loss on derivative financial instrument arising from the convertible loan of $0.40 million. The increase was partially offset by the decrease in marketing fees of $0.1 million.

Finance costs, which amounted to $0.18 million comprised interest on a term loan of $0.01 million, a lease interest expense of $0.05 million and an interest expense on redeemable convertible loan of $0.12 million.

Share of profits of associates for FY2020 came in at $0.26 million following the acquisition of 45% equity interest in Sen Med Holdings Pte. Ltd..

The Group's income tax expense increased by $0.38 million from $0.14 million in FY2019 to $0.52 million in FY2020. The effective income tax rate had increased from 9.83% in FY2019 to 21.82% in FY2020 mainly due to non-deductible expenses incurred by the Company (as an investment holding company).

As a result of the above, the Group's profit before income tax rose to $2.40 million for FY2020 from $1.39 million previously. Profit for the year was $1.88 million as compared to $1.26 million in FY2019. Excluding IPO expenses of $1.23 million, the Group's profit before income tax and profit for the year would have been $3.63 million and $3.11 million respectively.

CEO'S STATEMENT

FINANCIAL POSITION

Non-Current Assets

Plant and equipment increased due to the inclusion of the ROU assets following the adoption of the SFRS(I) 16 Leases in FY2020.

The investment in associate item relates to the 45% equity interest in our associated company, Sen Med Holdings Pte. Ltd., which was acquired in July 2019.

The Group's intangible assets for FY2020 comprise of goodwill arising from the acquisition of subsidiaries and trademarks of $6.00 million and $0.19 million respectively.

Current Assets

Inventories, which comprise mainly medicines, increased by $0.74 million due to the inclusion of medicines held by the new subsidiaries.

Trade and other receivables comprise of trade receivables and other receivables of $0.79 million and $0.20 million respectively. The decrease in trade and other receivables of $0.06 million was mainly due to decrease in amount due from director of $0.61 million, partially offset by an increase in trade receivables of $0.37 million and other receivables of $0.18 million.

The Group's cash and bank balances stood at $4.95 million.

Equity

Following the completion of the restructuring exercise, The Group's share capital increased to $13.80 million as at 30 June 2020 due to the issuance of ordinary shares for a total of approximately $13.60 million and the trademark acquisition of $0.20 million.

Merger reserve represents the difference between the consideration paid and the issued share capital of subsidiaries under common control that are accounted for by applying the "pooling-of-interest" method while other reserve arose from the recognition of equity component of redeemable convertible loan.

Liabilities

Lease liabilities arose as a result of the adoption of SFRS(I) 16 Leases, whereby all leases are recognised as ROU assets and the obligation to make lease payments are recorded as lease liabilities.

The Group's trade and other payables increased by $0.73 million was mainly due to the increase in trade payables of $0.1 million, increase in deferred grant income on Job Support Scheme of $0.12 million, increase in amount due for professional fees of $0.18 million, and accrual for bonus and professional fee of $0.29 million.

A redeemable convertible loan of $2.55 million arose pursuant to a Convertible Loan Agreement entered by the Company with the pre-placement investors on 30 July 2019 (as amended on 12 May 2020). Please refer to the section entitled "Restructuring Exercise" of the offer document dated 13 July 2020 (the "**Offer Document**") for further details.

STATEMENTS OF CASH FLOWS

The net cash from operating activities of $2.40 million was mainly derived from operating cash flows before working capital changes of $3.00 million, and adjusted for net working capital outflow of $0.20 million and income tax paid of approximately $0.40 million.

Net cash from investing activities of $0.41 million was mainly due to net cash acquired in relation to the acquisition of the new subsidiaries.

Meanwhile, net cash from financing activities amounted to $0.90 million was mainly due to income tax indemnity received amounting to $0.31 million as well as proceeds from the redeemable convertible loan of $2.70 million.

The amounts were partially offset by the payment of interest expense of $0.01 million, repayment of bank borrowings of $0.84 million, repayment of lease liabilities of $0.63 million and dividends paid of $0.63 million.

Overall, the Group recorded a net increase in cash and cash equivalents of approximately $3.71 million during FY2020.

MOVING FORWARD

Singapore's economic recovery is expected to be patchy as the COVID-19 pandemic impacts each industry differently. Industries in the economic "epi-centre" of the pandemic, such as retail and tourism, will continue to experience significant near-term challenges, while other sectors have begun to enjoy an upward trajectory.

We expect the healthcare sector to be resilient, as the underlying demand drivers for healthcare services – such as rising income and educational levels, ageing population, prevalence of chronic diseases, increase in the number of insured patients – remain unchanged.

In this season of the COVID-19 pandemic, we are seeing more patients with difficult refractory pain that is not responding well to standard painkillers and rest. Many of these patients are seeking alternatives to open surgery for their pain conditions, either because hospitals were deferring their non-urgent medical procedures or because of their fear of being exposed to the COVID-19 virus. Our paincare services can be administered outside of the hospital environment and, combined with post-treatment rehabilitative services such as physiotherapy and Traditional Chinese Medicine ("**TCM**"), is able to slow down the degenerative process and reduce the recurrence of these painful conditions. The complementary nature of our paincare services with physiotherapy and TCM practices offers opportunities which we hope to be able to tap into going forward.

We are also keenly aware of the risks to, and demands on our frontline healthcare doctors and nurses as they engage actively in the screening and treatment of suspected COVID-19 cases. The situation on the ground has driven us to explore new ways to improve our ability to screen for and diagnose infected patients. With these plans in place, we hope to deliver greater benefits to patients and the larger healthcare industry.

Dr. Lee Mun Kam Bernard
Executive Director
and Chief Executive Officer

GROUP STRUCTURE

bringing pain relief closer to you

Singapore Paincare Holdings Limited

- 100% Paincare Center Pte. Ltd.[(1)]
- 100% Singapore Paincare Center @Novena Pte. Ltd.
- 100% Lian Clinic Pte. Ltd.
- 100% HMC Medical Pte. Ltd.[(2)]
- 100% AE Medical Fernvale Pte. Ltd.
- 100% AE Medical Sengkang Private Limited
- 51% GM Medical Paincare Pte. Ltd.
- 45% Sen Med Holdings Pte. Ltd.
  - 100% X-Ray + Medical Screening Pte. Ltd.
  - 100% The Family Clinic @ Towner Pte. Ltd.
  - 100% Express Medical Pte. Ltd.

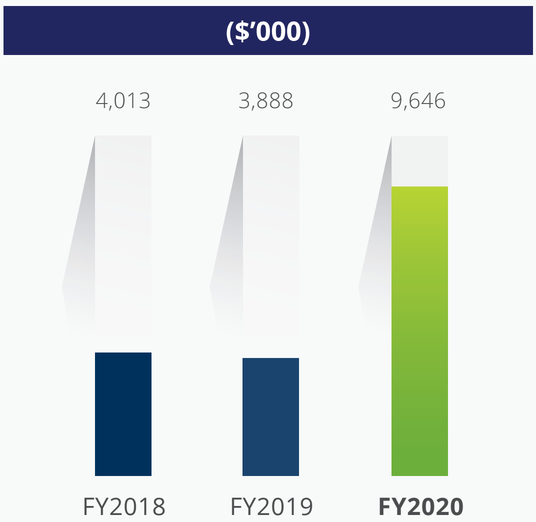
Notes:

(1) PCPL is the owner of Singapore Paincare Center, a sole-proprietorship.

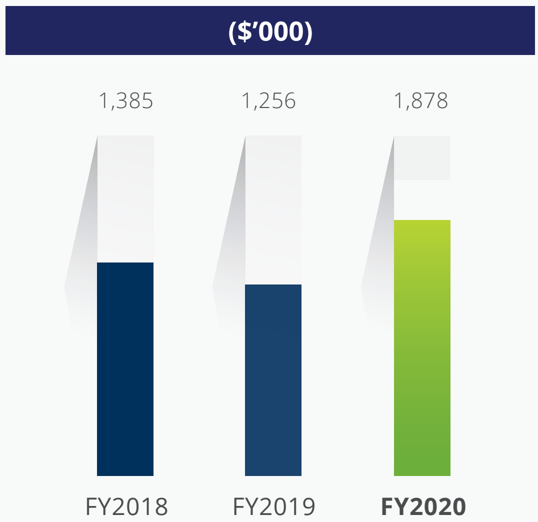
(2) HMC Medical Pte. Ltd. is the owner of Horizon Medical Centre, a sole-proprietorship.

FINANCIAL HIGHLIGHTS

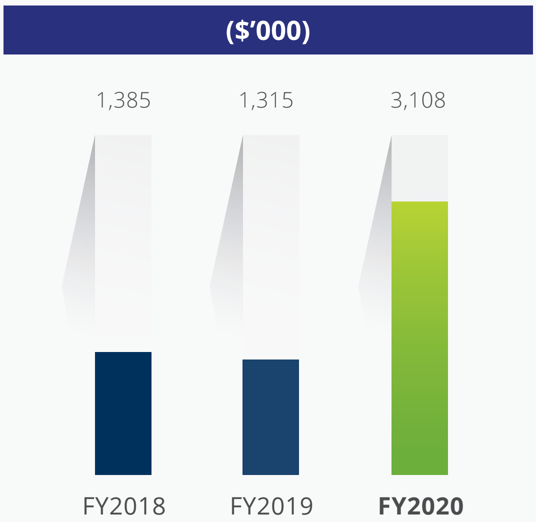
REVENUE



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY



PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(Excluding Listing Expenses)



TOTAL ASSETS
(As at 30 June)

BOARD OF DIRECTORS

MS. LAI CHIN YEE
Non-executive Chairman and Independent Director

Ms. Lai Chin Yee was appointed Non-executive Chairman and Independent Director of the Company on 17 June 2020. Ms. Lai has more than 30 years of experience in areas of auditing, finance and accounting, taxation and treasury. She has been the Finance Director of Qian Hu Corporation Ltd, a company listed on the SGX-ST, since November 2004. She was an auditor with international accounting firms prior to joining Qian Hu Corporation Ltd as its group financial controller in 2000. Ms Lai is also an independent director of Micro Mechanics (Holdings) Ltd, a company listed on the SGX-ST, since June 2014. Ms. Lai was also an independent director of Ryobi Kiso Holdings Ltd. from December 2009 to May 2019.

Ms. Lai graduated in 1987 with a Bachelor of Accountancy from the National University of Singapore. She was appointed by the Ministry of Finance (MOF) as a member of the Tax Advisory Committee from 2004 to 2006, and served as a council member of the Council on Corporate Disclosure and Governance from 2006 to 2007. Ms. Lai is a fellow Chartered Accountant of Singapore and a member of the Singapore Institute of Directors. Ms Lai has been a council member of the Institute of Singapore Chartered Accountants (ISCA) since 2018 and is currently a member of its Continuing Professional Education Committee and Membership Committee. She also served as a member of ISCA's CFO Committee from 2009 to 2012 and the Corporate Governance and Risk Management Committee from 2018 to 2020. In 2019, she was appointed by the Ministry of Finance as a Board Member of the Accounting and Corporate Regulatory Authority (ACRA).

At the 2009 Singapore Corporate Awards, she was named the Chief Financial Officer of the Year (for companies listed on the SGX-ST with less than $300 million in market capitalisation).

DR. LEE MUN KAM BERNARD
Executive Director and Chief Executive Officer

Dr. Lee Mun Kam Bernard is the Executive Director and Chief Executive Officer of the Group since 31 December 2018, and is responsible for its strategic direction, overall management and business development. Dr. Bernard Lee has been running his private practice since 2007, with the establishment of Singapore Paincare Center. His practice was subsequently expanded with the incorporation of Paincare Center @ Novena in 2014. Since then, Dr. Bernard Lee has revolutionised pain management by taking specialised paincare treatment beyond the confines of his paincare specialist centres to other specialist and general practitioner (GP) clinics, via a structured training programme for medical specialists and GPs.

Prior to starting his private practice, Dr. Bernard Lee was a director at Tan Tock Seng Hospital's Pain Management Unit from 2002 to 2006, where he played the key role in starting up and establishing the hospital's Pain Clinic. He was also instrumental in establishing the Women's Pain Centre at KK Women's and Children's Hospital in 2009, where he was a director of the Women's Pain Centre until 2018.

Dr. Bernard Lee has also contributed to the education sector, as a clinical lecturer at the National University of Singapore from 2011 to 2017, and an associate professor lecturer at the Faculty of Medicine and Surgery at the University of Santo Tomas, Philippines from 2011 to 2018.

Dr. Bernard Lee graduated from the National University of Singapore with a Bachelor's degree in Medicine and Surgery in 1994, and obtained a Master of Medicine (Anaesthesiology) in 1999. In 2003, he became a fellow of the Faculty of Pain Medicine of the Australian and New Zealand College of Anaesthetists. He is also currently a member of the Singapore Society of Anaesthesiologists and the Pain Association of Singapore.

BOARD OF DIRECTORS

DR. LOH FOO KEONG JEFFREY

Executive Director and Chief Operating Officer

Dr. Loh Foo Keong Jeffrey was appointed as the Executive Director and Chief Operating Officer of the Group on 5 July 2019. He is responsible for the overall business operations of the Group. Dr. Jeffrey Loh has 19 years of experience in the medical field. Between 2001 to 2007, Dr. Jeffrey Loh worked as a house officer and medical officer in various hospital departments within the National Healthcare Group, namely the departments of respiratory medicine, obstetrics and gynaecology, orthopaedics, Accident & Emergency, and neurosurgery. In particular, during the SARS outbreak in Singapore in 2003, Dr. Jeffrey Loh was actively engaged in running the SARS Intensive Care Unit at Tan Tock Seng Hospital. He joined Lian Clinic as a primary care physician in 2006. He was accredited as a Family Physician by the Singapore Medical Council in 2012. Dr. Jeffrey Loh is also presently a Designated Workplace Doctor by the Ministry of Manpower.

Dr. Jeffrey Loh graduated from the National University of Singapore in 2001 with a Bachelor's degree in Medicine and Surgery. In 2012, he obtained a graduate diploma in Occupational Medicine from the National University of Singapore.

MR. CHONG WENG HOE

Independent Non-executive Director

Mr. Chong Weng Hoe was appointed Independent Non-executive Director of the Company on 17 June 2020. Mr. Chong is currently the Executive Vice President of TÜV SÜD Asia Pacific Pte. Ltd., a position he has held since 2016, where he supervise a global network of wireless laboratories. He has held numerous positions within TÜV SÜD PSB Pte. Ltd. since 1991 where he joined as an engineer and was subsequently promoted to vice president, senior vice president, chief executive officer and then a director of the board. Mr. Chong was an independent director of Regal International Group Ltd. from 2008 to 2019, and is presently also an independent director of Keong Hong Holdings Limited, both of which are listed on the mainboard of the SGX-ST. Mr. Chong is presently an independent director of HC Surgical Specialist Limited which is listed on Catalist.

Mr. Chong graduated from the National University of Singapore with a Bachelor of Engineering (Electrical) in 1989 and obtained a Master of Business Administration (Accountancy) from Nanyang Technological University in 1997. Mr. Chong was also awarded the Standards Council Merit Award by SPRING Singapore (currently known as Enterprise Singapore) in 2004 for his contribution to the national standardisation programme in his industry.

MR. YAP BENG TAT, RICHARD (YE MINGDA, RICHARD)

Independent Non-executive Director

Mr. Richard Yap was appointed Independent Non-executive Director of the Company on 17 June 2020. Mr. Yap is currently a director at Cushman and Wakefield VHS Pte Ltd where he is responsible for the overall operations of the business valuation team in Singapore and other parts of Southeast Asia since 2017. He was an assistant manager and then director at Censere Singapore Pte. Ltd. between 2011 to 2017, and a principal accountant at JTC Corporation between 2010 to 2011. Between 2008 to 2010, he worked as an analyst and then assistant manager at a boutique corporate finance firm and as a financial analyst at DBS Bank Ltd. between 2007 to 2008. Mr. Yap started his career as an associate at KPMG LLP (Singapore) in 2005, where he was subsequently promoted to senior associate.

Mr. Yap obtained his Bachelor of Accountancy from Nanyang Technological University in 2005, and was registered as a Chartered Financial Analyst in 2011. He obtained his Chartered Accountant of Singapore (previously known as Certified Public Accountant Singapore) qualification from the ISCA in 2012. Mr. Yap obtained his Chartered Valuer and Appraiser qualification from the Singapore Accountancy Commission and the Institute of Valuers and Appraisers, Singapore in 2017.

KEY EXECUTIVES
& OUR DOCTORS

MS. NG PHICK SUAN
Financial Controller

Ms. Ng joined the Group as Financial Controller in November 2019. She is currently responsible for the Group's accounting, finance and tax functions. She has over 20 years of working experience in accounting and financing matters. Prior to joining the Group, Ms Ng was a group finance manager/ financial controller for various listed companies in Singapore including, *inter alia*, Design Studio Group Ltd., Ryobi Kiso Holdings Ltd. and Casa Holdings Limited. Ms. Ng is a member of the ISCA, a member of the Malaysian Institute of Accountants and a fellow member of the Association of Chartered Certified Accountants. She also holds a Diploma in Business Administration from the Association of Business Executives.

DR. CHEE HSING GARY ANDREW
MBBS (NUS, Singapore)

Dr. Chee Hsing Gary Andrew graduated from the University of Nottingham in 1989 with a Bachelor of Medical Sciences and from the National University of Singapore in 1992 with a Bachelor's degree in Medicine and Surgery. He has over 28 years of experience in the medical field. From 1992 to 2000, Dr. Chee Hsing Gary Andrew trained in family medicine and did various rotations in the paediatrics, otolaryngology, psychiatry, dermatology and general medicine departments of various hospitals. He has also practised in the Singapore Government Polyclinics. In 2000, he set up a private medical practice, Horizon Medical Centre, jointly with Dr. Lee Peng Khow. Dr. Chee Hsing Gary Andrew sub-specialises in visco-supplementation of the knee for osteoarthritis and intra-articular steroid injections for various conditions such as rotator cuff tendinitis and tennis elbow.

DR. LEE PENG KHOW
MBBS (NUS, Singapore), M Med (Family Medicine)

Dr. Lee Peng Khow graduated from the National University of Singapore in 1992 with a Bachelor's degree in Medicine and Surgery. He has over 28 years of experience in the medical field. After graduation, he completed his year-long houseman programme and went on to serve as a medical officer at various hospitals in Singapore for another year. From 1994 to 1996, Dr. Lee Peng Khow served as a medical officer in the Singapore Armed Forces. He was then trained in family medicine. He obtained his Master of Medicine (Family Medicine) from the National University of Singapore in 1999. Dr. Lee Peng Khow subsequently practised for one year in Ang Mo Kio Polyclinic. In 2000, he set up a private medical practice, Horizon Medical Centre, jointly with Dr. Chee Hsing Gary Andrew. He was registered as a Family Physician in 2011.

DR. WONG SHING YIP
MBBS (NUS, Singapore), MRCP (UK) (RCP, United Kingdom), PG Dip (Clinical Derm) (Queen Mary University of London, United Kingdom)

Dr. Wong Shing Yip graduated from the National University of Singapore in 2007 with a Bachelor's degree in Medicine and Surgery. He has over 12 years of experience in the medical field. Between 2007 and 2013, he trained at various hospitals such as the Singapore General Hospital, National University Hospital and Changi General Hospital. Dr. Wong Shing Yip was then admitted into the Royal College of Physicians of the United Kingdom in 2013, before going on to complete a Postgraduate Diploma with distinction in Clinical Dermatology at Queen Mary University of London, United Kingdom in 2015. Dr. Wong Shing Yip joined New City Skin Clinic as its resident physician in 2015 and co-founded AE Medical Clinic in 2016.

In 2019, Dr. Wong Shing Yip was appointed the Contract Resident Physician at the Ling Kwang Home for Senior Citizens. He also sits on the Executive Committee of Singhealth DOT Primary Care Network. This network is part of an initiative by the Ministry of Health, introduced to encourage private general practitioner clinics to organise themselves into networks that support holistic and team-based care in the community.

KEY EXECUTIVES
& OUR DOCTORS

DR. HUANG GUOLIANG, EUGENE
MBBS (NUS, Singapore), Dip (Family Medicine) (NUS, Singapore)

Dr. Huang Guoliang, Eugene graduated from the National University of Singapore in 2007 with a Bachelor's degree in Medicine and Surgery. He has over 12 years of experience in the medical field. Between 2007 and 2020, he had practised in various hospitals, such as the Singapore General Hospital, National University Hospital and Changi General Hospital. He rotated through the departments of general medicine, general surgery, orthopaedics, obstetrics & gynaecology as well as accident and emergency departments. Dr. Huang had also served as a medical officer in the Singapore Armed Forces between 2009 to 2011. He went on to complete a Diploma in Family Medicine from the National University of Singapore in 2015. Dr. Huang co-founded AE Medical Clinic in 2016 and has served as its primary care physician. Dr. Huang sub-specialises in chronic pain management.

DR. JITENDRA KUMAR SEN
MBBS (NUS, Singapore)

Dr. Jitendra Kumar Sen graduated from the National University of Singapore in 1990 with a Bachelor's degree in Medicine and Surgery. He is a general physician with over 28 years of experience in the medical field. He was accredited as a Family Physician by the Ministry of Health in October 2012. In 2003, during the SARS outbreak in Singapore, Dr. Jitendra Kumar Sen received the Courage Medal, awarded by The Courage Fund, which was set up as a fund-raising effort to provide relief to SARS victims and healthcare workers.

Dr. Jitendra Kumar Sen is also responsible for the overall management, strategic planning and business development of The Family Clinic @ Towner and two health screening facilities, namely The X-Ray Laboratory @ Towner and Express Medical X-Ray Laboratory.

From left to right:
Dr. Chee Hsing Gary Andrew, Dr. Jitendra Kumar Sen, Dr. Loh Foo Keong Jeffrey, Dr. Lee Mun Kam Bernard, Dr. Wong Shing Yip, Dr. Huang Guoliang Eugene, Dr. Lee Peng Khow

Please refer to the Board of Director's section for the profiles of Dr. Lee Mun Kam Bernard and Dr. Loh Foo Keong Jeffrey.

CLINIC LOCATIONS

CLINIC	SERVICES	LOCATION
Singapore Paincare Center	Specialist clinic (pain care services)	Paragon Medical Centre 290 Orchard Road, #18-03, Singapore 238859
Paincare Center	Specialist clinic (pain care services)	Mount Elizabeth Novena Specialist Centre, 38 Irrawaddy Road, #07-33, Singapore 329563
Lian Clinic	Medical clinic (certain pain care services and primary care services)	Blk 18 Marsiling Lane, #01-269, Singapore 730018
Horizon Medical Centre	Medical clinic (certain pain care services and primary care services)	200 Upper Thomson Road, #01-11, Thomson Imperial Court, Singapore 574424
AE Medical Clinic	Medical clinic (certain pain care services and primary care services)	Blk 467B Fernvale Link, #01-529, Singapore 792467
New City Skin Clinic	Medical clinic (dermatology services)	35 Selegie Road, #03-02, Parklane Shopping Mall, Singapore 188307
The Family Clinic @ Towner	Medical clinic (certain pain care services and primary care services)	Blk 101 Towner Road, #01-202, Singapore 322101
The X-Ray Laboratory @ Towner	Health screening	Blk 101 Towner Road, #01-202, Singapore 322101 (Second Floor)
Express Medical Clinic and Express Medical X-Ray Laboratory	Medical clinic and Health screening	Blk 640 Rowell Road, #01-56, Singapore 200640

CORPORATE GOVERNANCE

Singapore Paincare Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), views corporate accountability, transparency and sustainability as strategic tools for enhancing long-term shareholders' value and are committed to observing high standards of corporate governance.

On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance and accompanying Practice Guidance (the "**2018 Code**"). The 2018 Code will apply to annual reports covering financial years commencing 1 January 2019. Accordingly, the Company has adopted the 2018 Code for its annual report for the financial year ended 30 June 2020 ("**FY2020**").

This report describes the Company's corporate governance practices that were in place throughout FY2020, with reference to both the principles and provisions set out in the 2018 Code and Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of the Catalist (the "**Catalist Rules**"), where appropriate. Where the Company's practices vary from any provisions of the 2018 Code, appropriate explanations for the deviations and how the practices adopted are consistent with the intent of the relevant principle.

BOARD MATTERS

Principle 1: THE BOARD'S CONDUCT OF AFFAIRS

The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1 of the 2018 Code:

Directors are fiduciaries who act objectively in the best interests of the Company

As at the date of this report, the Board of Directors (the "**Board**") is made up of the following members:

Ms. Lai Chin Yee (Non-executive Chairman and Independent Director)
Dr. Lee Mun Kam Bernard (Executive Director and Chief Executive Officer)
Dr. Loh Foo Keong Jeffrey (Executive Director and Chief Operating Officer)
Mr. Chong Weng Hoe (Independent Non-executive Director)
Mr. Yap Beng Tat, Richard (Ye Mingda, Richard) (Independent Non-executive Director)

The Board sets the tone for the Group in respect of ethnics, values and desired organisational structure, and ensures proper accountability within the Group.

The primary functions of the Board, apart from its statutory duties, include:

- Overseeing the overall management and business affairs of the Group;
- Formulating the Group's strategies, focusing on value creation and innovation and considering sustainability issues;
- Ensuring that the necessary resources are in place for the Group to meet its strategic objectives;
- Setting financial objectives and monitoring the Group's financial performance and Management's performance;
- Overseeing the evaluation of the adequacy and effectiveness of financial reporting, internal controls and risk management frameworks;
- Setting the Group's approach to corporate governance, including the establishment of ethical values and standards; and
- Balancing the demands of the business with those of the Company's stakeholders and ensuring obligations to material stakeholder groups (including shareholders) are met.

The Board adopted a Code of Business Conduct and Ethics for Directors which establishes the fundamental principles of professional and ethical conduct expected of the Directors in the performance of their duties. It includes guidelines on matters relating to conflicts of interest. When an actual, potential and perceived conflict of interest arises, the concerned Director must recuse himself or herself from discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter.

Provision 1.2 of the 2018 Code:

Directors' duties, induction, training and development

All Directors are aware of their fiduciary duties and are committed to exercising due care and diligence in making their decisions and to objectively discharge their duties and responsibilities in the best interests of the Company. Aside from their statutory duties, the key roles of different classes of Directors are set out below:

- Executive Directors are members of the Management who are involved in the day-to-day operations of the Group's business. They work closely with the Independent Directors on the long-term sustainability and success of the Group. They provide insights and recommendations on the Group's operations at the Board and Board Committee meetings.

- Independent Directors do not participate in the day-to-day operations of the Group's business and are deemed independent by the Board. They are familiar with the Group's business and are kept informed of the activities of the Group. They provide independent and objective advice and insights to the Board and the Management. They constructively challenge the Management on its decisions and contribute to the development of the Group's strategic goals and policies. They participate in the review of the Management's performance in achieving the strategic goals as well as the appointment, assessment and remuneration of the Executive Directors and key personnel.

The Executive Directors are appointed by way of service agreements while the Independent Directors are appointed by way of letters of appointment. The duties and responsibilities of Directors are clearly set out in these service agreements and letters of appointment.

New Directors would be briefed on the Group's industry, business, organisation structure, and strategic plans and objectives. Relevant policies and procedural guidelines would also be provided. Orientation for new Directors includes visits to the Group's key premises to familiarise themselves with the operation.

It is a requirement under Rule 406(3)(a) of the Catalist Rules for first-time appointees on boards of public listed companies in Singapore to attend the Listed Entity Director ("**LED**") programme organised by the Singapore Institute of Directors ("**SID**") as prescribed under Practice Note 4D of the Catalist Rules.

With regards to Rule 406(3)(a) of the Catalist Rules, Ms. Lai Chin Yee and Mr. Chong Weng Hoe have current and/or prior experience as a director of public listed companies in Singapore and are therefore familiar with the roles and responsibilities as a director of a public listed company in Singapore. Dr. Lee Mun Kam Bernard, Dr. Loh Foo Keong Jeffrey and Mr. Yap Beng Tat, Richard had attended the Listed Entity Director Programme – Listed Entity Director Essentials at the Singapore Institute of Directors on 4 March 2020 to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore. Mr. Yap Beng Tat, Richard has also attended the LED 7 - Nominating Committee Essentials organised by Singapore Institute of Directors on 21 July 2020. The Company will arrange for Dr. Lee Mun Kam Bernard, Dr. Loh Foo Keong Jeffrey and Mr. Yap Beng Tat, Richard to attend and complete the mandatory training prescribed under Practice Note 4D of the Catalist Rules, within the first year of the Company's listing.

During FY2020, the Directors were provided with updates on changes in laws and regulations, including the Companies Act, Catalist Rules and the 2018 Code, which are relevant to the Group. The external auditors regularly update the Audit Committee and the Board on the developments in the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") which are applicable to the Group. Changes to regulations and accounting standards are monitored closely by the Management. In addition, the Management regularly updates and familiarises the Directors on the business activities of the Group during Board and Board Committee meetings.

The Nominating Committee evaluates the individual Directors' competencies and recommends to the Board on training and development programmes for each Director. The Directors are also encouraged to attend relevant seminar and training programmes to enhance their skills and knowledge, the expenses of which will be borne by the Company.

Although the day-to-day management of the Company is delegated to the Executive Directors, there are matters which are required to be decided by the Board as a whole.

Provision 1.3 of the 2018 Code:

Matters requiring Board's approval

Matters specifically reserved for the Board's decision are formally documented in a schedule, incorporated in the Group's Accounting Policies and Procedural Manual and clearly communicated to the Management. These matters include:

- Changes to the Group's capital structure and corporate structure;
- Material investments, acquisitions and disposals of assets;
- Material capital expenditure;
- Material Group policies;
- Recommendation/declaration of dividend;
- Financial statements (half-yearly and full year), annual reports, circulars to shareholders and announcements to be submitted to the SGX-ST; and
- Appointment or removal of Directors, company secretary and Executive Officers of the Company.

Certain important matters could be subject to the recommendation by the respective Board Committees. Matters which the Board considers suitable for delegation to a Board Committee are contained in the terms of reference of the respective Board Committees.

Provision 1.4 of the 2018 Code:

Board Committees

Board Committees, namely Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") have been established to assist the Board. Each Board Committee has its own terms of reference, setting out the composition, authorities and duties, which are approved by the Board. All Board Committees are chaired by an Independent Director. While these Board Committees are delegated with certain responsibilities, the responsibility for decisions relating to matters under the purview of the Board Committees ultimately lies with the entire Board.

The composition of the Board Committees are as follows:-

Board Committees/ Designation	**AC**	**NC**	**RC**
Chairman	Lai Chin Yee	Yap Beng Tat, Richard,	Chong Weng Hoe
Member	Chong Weng Hoe	Lai Chin Yee	Yap Beng Tat, Richard,
Member	Yap Beng Tat, Richard,	Chong Weng Hoe	Lai Chin Yee

The terms of reference of the respective Board Committees, which are reviewed by the Board on a regular basis, as well as other relevant information on the Board Committees can be found in the subsequent sections of this report.

Provision 1.5 of the 2018 Code:

Attendance and participation in Board and Board Committee meetings

Board and Board Committee meetings are held regularly, with Board and AC meetings to be held at least twice a year and RC and NC meetings to be held at least once a year. Board and Board Committee meetings and annual general meetings are scheduled in advance to facilitate the Directors' attendance. Ad-hoc meetings will be convened when the Board's guidance or approval is required, outside of the scheduled Board meetings.

In accordance with the Company's Constitution, a Director who is unable to attend a Board meeting can still participate in the meeting via telephone conference, video conference, audio visual or by means of a similar communication equipment or similar communication means whereby all persons participating can hear each other. Important matters concerning the Group can also be put to the Board and Board Committees for decision by way of written resolutions.

As the Company was only listed on 30 July 2020, there were no Board or Board Committees meeting held in FY2020.

In August 2020, the Company held its first Board meeting as well as Board Committee meetings, which were attended by all Directors.

When a Director has multiple board representations, the NC also considers whether such Director is able to and has adequately carried out his duties as a Director of the Company, taking into consideration the Director's number of listed company, board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved.

The Board and the NC have established a guideline on the maximum number of listed company directorships and other principal commitments that each Director is allowed to hold which can be found under Principle 4 of this report.

The Management recognises that relevant, complete and accurate information needs to be provided to the Directors prior to meetings and on an on-going basis to enable the Directors to make informed decisions and discharge their duties and responsibilities effectively and efficiently.

Provision 1.6 of the 2018 Code:

Complete, adequate and timely information to make informed decisions

The Management provides members of the Board with half yearly management accounts, as well as relevant background information relating to the matters that are discussed at the Board and Board Committee meetings. Such reports keep the Board informed of the Group's performance, financial position and prospects, and consist of the consolidated financial statements, major operational updates, background or updates on matters before the Board for decision or information. The Board is also provided with minutes of the previous Board meeting, and minutes of meetings of all Board Committees held. Detailed board papers are sent out to the Directors at least five working days before the scheduled meetings so that the Directors may better understand the issues beforehand, allowing for more time at such meetings for questions that Directors may have.

Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentation and answer any queries that the Directors may have.

The Management will also inform the Board of all significant events as and when they occur and circulate Board papers and supporting information on major transactions to facilitate a robust discussion before the transactions are entered into.

The Board has, at all times, separate and independent access to the Management, the company secretaries and external professionals, including the sponsor, external auditors and internal auditors through electronic mail, telephone and face-to-face meetings.

Provision 1.7 of the 2018 Code:

Separately independent access to Management, company secretary and external advisers; Appointment and removal of the company secretary

The role of the company secretary is clearly defined and includes:

- Attending all Board and Board Committee meetings and ensuring that meeting procedures are followed;
- Together with the Management, ensure that the Company complies with all relevant requirements of the Companies Act and the Catalist Rules;
- Advising the Board on all corporate governance matters; and
- Ensuring adequate and timely flow of information within the Board and Board Committees and between the Management and the Board.

The appointment and removal of the company secretary are subject to the approval of the Board as a whole.

Principle 2: BOARD COMPOSITION AND GUIDANCE

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board Independence

Provision 2.1 of the 2018 Code: Director independence

Provision 2.2 of the 2018 Code: Independent directors make up a majority of the Board

Provision 2.3 of the 2018 Code: Non-executive directors make up a majority of the Board

While the Company is not required to have at least half the Board as Independent Directors as the Non-Executive Chairman is also an Independent Director, there is a strong independent element on the Board with independent Directors constituting at least half of the Board. Currently, the Board consists of five Directors of whom three are independent and non-executive.

The independence of each Director is reviewed annually by the NC. Each Independent Director is required annually to complete a checklist to confirm his independence. The checklist is drawn up based on the guidelines provided in the 2018 Code and the Catalist Rules. The NC adopts the 2018 Code's definition of what constitutes an "independent" Director in its review.

An Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. As at the end of FY2020, the NC and the Board have reviewed and noted that Mr. Chong Weng Hoe is also an independent director of HC Surgical Specialists Limited, a substantial shareholder of the Company. Taking into account the considerations on independence as set out in provision 2.1 of the 2018 Code, read together with Practice Guidance 2 of the 2018 Code, and Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules, the NC and the Board ascertained that all Independent Directors namely, Ms. Lai Chin Yee, Mr. Yap Beng Tat, Richard and Mr. Chong Weng Hoe are independent and none of the Independent Directors has any relationship with the Company, its related corporations, substantial shareholders or officers, which could interfere or be perceived to interfere with the Director's independent judgement. No Independent Director has served on the Board for more than nine years.

Board Diversity

Provision 2.4 of the 2018 Code:

Size and composition of the Board and Board Committee; Board diversity policy

The Company has in place the Board Diversity Policy with a view to achieving a sustainable and balanced development as the Company sees diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition and selection of new Board members, the Board strive to ensure that:

(a) All candidates are included for consideration during the search for new appointments to the Board regardless of gender, age, nationalities or ethnicity;

(b) There is appropriate mix of gender representation on the Board, taking into account the skills and experience the candidates can contribute; and

(c) External search consultants when looking for suitable candidates for appointment to the Board will be specifically directed to include diverse candidates and women candidates in particular.

In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The NC will strive to ensure that:

- Female candidates are fielded for consideration for Board appointments;
- External search consultants, engaged to search for candidates for Board appointments, are required to present female candidates; and
- At least one female Director be appointed to the NC.

However, diversity is not merely limited to gender or any other personal attributes. The benefits of Board diversity could only be harnessed if Directors adopt an independent mindset when carrying out their responsibilities. In order to gather and leverage on diverse perspectives, the Non-executive Chairman and Independent Director strives to cultivate an inclusive environment where all Directors are able to speak up and participate in decision making.

The ultimate decision for new Board appointments will be based on merit and contribution that the selected candidates are expected to bring to the Board.

The Board has examined its size and is of the view that it is an appropriate size for effective decision-making, considering the nature and scope of the Group's operations. No individual or small group of individuals dominate the Board's decision making. The Board and Board Committees have an appropriate balance and mix of skills, knowledge and experience in the Group's core businesses and the areas of accounting and finance, legal and regulatory compliance, business management and risk management, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The Board has one female Independent Director. The profiles of the Directors are set out in the "Board of Directors" section of the Annual Report.

Provision 2.5 of the 2018 Code:

Independent Directors meet regularly without the presence of the Management

To facilitate a more effective check on the Management, the Independent Directors meet at least once a year with the internal and external auditors without the presence of the Management. The Independent Directors also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern. Feedback arising from such meetings or discussions is provided to the Board or Non-executive Chairman and Independent Director, as appropriate.

Principle 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 of the 2018 Code:

Chairman and CEO are separate persons

The Board is chaired by Ms. Lai Chin Yee, Non-executive Chairman and Independent Director of the Company while Dr. Lee Mun Kam Bernard, is the Executive Director and Chief Executive Officer ("**CEO**") of the Company. The Non-executive Chairman and the CEO are not related. Hence, the roles of the Non-executive Chairman and the CEO have been clearly separated, each having their own areas of responsibilities. This is to ensure that an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.

Provision 3.2 of the 2018 Code:

Division of responsibilities between Chairman and CEO

The Non-executive Chairman and Independent Director, Ms. Lai Chin Yee, ensures that corporate information is adequately disseminated to all Directors in a timely manner to facilitate the effective contribution of all Directors. She promotes a culture of openness and debate at the Board and ensures that adequate time is allocated for discussion of all strategic issues. The Non-executive Chairman and Independent Director is assisted by the Board Committees, external auditors and internal auditors who report to the Audit Committee in ensuring compliance with the Company's guidelines on corporate governance.

The Executive Director and CEO, Dr. Lee Mun Kam Bernard, is responsible for the overall management of the Group and charting the corporate strategies for future growth with the support of the Executive Director and Chief Operating Officer, Dr. Loh Foo Keong, Jeffrey and the Management.

As the Non-executive Chairman is not part of the Management and is independent, no Lead Independent Director has been appointed.

Provision 3.3 of the 2018 Code:

Lead Independent Director

Principle 4: BOARD MEMBERSHIP

The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 of the 2018 Code:

NC to make recommendations to the Board on relevant matters

Provision 4.2 of the 2018 Code:

Composition of NC

The NC comprises three Independent Directors, namely Mr. Yap Beng Tat, Richard, Ms. Lai Chin Yee and Mr. Chong Weng Hoe. The Chairman of the NC is Mr. Yap Beng Tat, Richard.

The NC's responsibilities, as set out in its terms of reference, include the following:

- Developing and maintaining a formal and transparent process for the selection, appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board, and making recommendations to the Board on the appointment and re-appointment of Directors (including alternate Directors, if any), taking into consideration each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour) including, if applicable, his or her performance as an Independent Director;
- Reviewing succession plans for the Directors, in particular, the appointment and/or replacement of the Chairman, CEO and Executive Officers;
- Deciding on how the Board's performance may be evaluated, and proposing objective performance criteria to assess the effectiveness of the Board as a whole, the Board Committees, and the contribution of each Director;
- Ensuring that all Directors submit themselves for re-nomination and re-election at least once every three years;
- Determining the composition of the Board, taking into account the future requirements of the Group, as well as the need for Directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of the Group, and other considerations as set out in the 2018 Code, and setting the objectives for achieving Board diversity and reviewing the progress towards achieving these objectives;
- Determining on an annual basis, and as and when circumstances require, whether or not a Director is independent having regard to the requirements of the 2018 Code and any other salient factors;
- In respect of a Director who has multiple board representations on publicly listed companies, if any, reviewing and deciding, on an annual basis (or more frequently as the NC deems fit), whether such Director is able to and has been adequately carrying out his duties as a Director;
- Establishing guidelines on the maximum number of directorships and principal commitments for each Director (or type of Director) shall be;

- Reviewing training and professional development programmes for the Board and the Directors;
- Assessing whether each Director is able to and has been adequately carrying out his duties as a Director; and
- Ensuring that new Directors are aware of their duties and obligations.

Provision 4.3 of the 2018 Code:

Process for the selection, appointment and re-appointment of Directors

The NC conducts an annual review of the balance, diversity and size of the Board to determine whether any changes are required in relation to the Board composition. Where the need for a new Director arises, candidates would first be sourced through the Company's network of contacts and referrals. The NC may engage a talent acquisition firm to identify a broader range of candidates. Suitable candidates would be interviewed by the NC and/or the Board and then assessed and nominated by the NC to the Board which retains the final discretion in appointing such new Director.

In recommending to the Board on appointment and re-appointment of Directors, the NC considers the following factors:

- Needs of the Group, Board Diversity Policy, expertise and experience of the candidate and his or her contribution and performance as Director of the Company, officer of other companies and/or professionals in his or her area of expertise;
- Number of public listed company directorships and other principal commitments;
- Whether the candidate is a fit and proper person in accordance with the MAS' fit and proper guidelines, which broadly takes into account the candidate's competence, honesty, integrity and financial soundness; and
- Independence of the candidate (for Independent Directors).

Regulation 103 of the Company's Constitution states that any Director so appointed by the Board shall hold office only until the next annual general meeting of the Company ("**AGM**") and shall then be eligible for re-election. The NC recommended that all Independent Directors of the Company, who were appointed during FY2020, be put forward for re-election at the forthcoming AGM. The Board accepted the recommendation and being eligible, all Independent Directors of the Company appointed during FY2020 will be offering themselves for re-election in the forthcoming AGM. Each member of the NC has abstained from voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Ms. Lai Chin Yee will, upon re-election as a Director of the Company, remain as the Non-executive Chairman and Independent Director. She will remain as the Chairman of the AC and a member of the RC and NC.

Mr. Chong Weng Hoe will, upon re-election as a Director of the Company, remain as the Independent Non-executive Director. He will remain as the Chairman of the RC and a member of the AC and NC.

Mr Yap Beng Tat, Richard will, upon election as a Director of the Company remain as the Independent Non-executive Director. He will remain as the Chairman of the NC and a member of the AC and RC.

In addition, Regulation 97 of the Company's Constitution states that at each AGM, one-third (or, if their number is not a multiple of three, the number nearest to but not less than one-third) of the Directors shall retire from office and that all Directors shall retire from office at least once in every three year and such retiring Directors shall be eligible for re-election. As such, Dr Lee Mun Kam Bernard will be subject to retirement by rotation at the forthcoming AGM. The NC has assessed and is satisfied that Dr. Lee Mun Kam Bernard is qualified for re-election by virtue of his skills, experience and his contribution of guidance and time to the Board.

Dr. Lee Mun Kam Bernard will, upon re-election as a Director of the Company, remain as the Executive Director and CEO.

The details of the Directors seeking for re-election as required under Rule 720(5) of the Catalist Rules are set out in the "Re-election of Directors" section of this Annual Report.

Provision 4.4 of the 2018 Code:

Circumstances affecting Director's independence

As described under Principle 2 of this report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to complete a checklist to confirm his independence. Further, an Independent Director shall immediately disclose to the NC any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of the Company. The NC is of the view that the Independent Directors are independent. As at the date of this report, there is no relationship or circumstance set forth in Provision 2.1 of the 2018 Code which puts the independence of the Independent Directors in question.

Provision 4.5 of the 2018 Code:

Multiple listed company directorships and other principal commitments

When a Director has multiple listed company Directorship and other principal commitments, the NC also considers whether or not the Director is able to and has adequately carried out his duties as a Director of the Company.

The NC believes that putting a maximum limit on the number of Directorships a Director can hold is arbitrary, given that time requirements for each vary, and thus should not be prescriptive.

The NC is satisfied that sufficient time and attention were given by the Directors to the affairs of the Company during FY2020, notwithstanding that they hold Directorships in other listed companies and have other principal commitments, and will continue to do so in the financial year ending 30 June 2021.

The list of Directorships held by Directors presently or in the preceding five years in other listed companies, and other principal commitments are set out in the "Board of Directors" section of this Annual Report.

No alternate Director has been appointed to the Board.

Principle 5: BOARD PERFORMANCE

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2 of the 2018 Code:

Assessment of effectiveness of the Board and Board Committees and assessing the contribution by the Chairman and each Director

The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The NC will assess the Board's effectiveness as a whole by completing the Board Assessment Checklist, which takes into consideration factors such as the Board's structure, conduct of meetings, risk management and internal control, and the Board's relationship with the Management. The NC will also assess the Board's performance based on a set of quantitative criteria and financial performance indicators as well as share price performance. In addition, the NC will assess the individual Directors' performance by completing an Individual Director Assessment Checklist, which takes into consideration factors such as commitment of time for meetings, level of participation and contribution at such meetings and the technical knowledge of the Directors.

Where appropriate, the Board will review and make changes to the assessment forms to align with prevailing regulations and requirements. The performance criteria shall not be changed from year to year without justification. These assessments are to be carried out and overseen by the NC for each financial year to evaluate the effectiveness of the Board as a whole and recommendations based on these assessments would be tabled to the Board for discussion and/or adoption. The Non-executive Chairman and Independent Director will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of Directors may be sought.

Each member of the NC shall abstain from deliberating and voting on any resolutions in respect of the assessment of his performance or re-nomination as Director.

Based on the NC's review for FY2020, the Board operates effectively and each Director is contributing to the Board's effectiveness.

As the Company was newly listed on Catalist on 30 July 2020, the Board will implement a formal annual process for assessing the effectiveness of each Board Committee and the Board for the financial year ending 30 June 2021.

Although no external facilitator had been engaged by the Board for this purpose, the NC has full authority to do so, if the need arises.

REMUNERATION MATTERS

Principle 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 of the 2018 Code:

RC to recommend remuneration framework and packages

Provision 6.2 of the 2018 Code:

Composition of RC

The RC comprises three Independent Directors, namely Mr. Chong Weng Hoe, Mr. Yap Beng Tat, Richard and Ms. Lai Chin Yee. The Chairman of the RC is Mr. Chong Weng Hoe.

The RC's responsibilities, as set out in its terms of reference, include the following:

- Reviewing and recommending to the Board for approval on the framework of remuneration for the Directors, Executive Officers and the key doctors of the Group as well as the specific remuneration packages for each Executive Director and Executive Officer, ensuring that a significant and appropriate proportion of the remuneration is structured so as to link rewards to corporate and individual performance;

- Reviewing annually the remuneration, bonuses, pay increase and/or promotions of employees who are related to the Directors or substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with the respective job scopes and level of responsibilities, and reviewing and approving any new employment of related employees and the proposed terms of their employment;

- Reviewing the obligations arising in the event of termination of service contracts entered into between the Group and the Executive Directors or Executive Officers, as the case may be, to ensure that the service contracts contain fair and reasonable termination clauses which are not overly generous;

- If necessary, seeking expert advice within and/or outside the Company on remuneration matters, ensuring that existing relationships, if any, between the Company and the appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

- Performing an annual review of the remuneration packages in order to maintain their attractiveness to retain and motivate the Directors and Executive Officers, and to align the interests of the Directors and Executive Officers with the interests of the shareholders and other stakeholders and promote the long-term success of the Company; and

- Ensuring that the remuneration of Non-Executive Directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The recommendations of the RC shall be submitted for endorsement by the Board. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.

Provision 6.3 of the 2018 Code:

RC to consider and ensure all aspects of remuneration are fair

The RC considers all aspects of remuneration (including Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, benefits in kind and termination payments) in the review of remuneration packages for the Directors and Executive Officers with an aim to be fair and to avoid rewarding poor performance, before making any recommendation to the Board.

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the annual general meeting. Except as disclosed in this Annual Report, the Independent Directors do not receive any remuneration from the Company.

The Executive Directors have each entered into a service agreement with the Company, under which terms of their employment are stipulated in the service agreements.

There are no excessively long or onerous removal clauses in these service agreements. The service agreements are valid for five years with effect from 30 July 2020, thereafter, the employment shall be automatically renew annually and either party may terminate the service agreement by giving to the other party not less than six months' notice in writing, or in lieu of notice, payment of an amount equivalent to six months' salary based on the Executive Director's last drawn monthly salary.

Provision 6.4 of the 2018 Code:

Expert advice on remuneration

The RC members are familiar with remuneration matters as they are regularly updated of market practices. During FY2020, the Company did not engage any remuneration consultant to seek advice on remuneration matters. Moving forward, the RC will consider the need to engage such external remuneration consultants and where applicable, it will review the independence of the external firm before engaging them.

Principle 7:
LEVEL AND MIX OF REMUNERATION

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company

Provisions 7.1 and 7.3 of the 2018 Code:

Remuneration of Executive Directors and key management personnel are appropriately structured to encourage good stewardship and promote long-term success of the Company

Remuneration of Executive Directors and Executive Officers comprise fixed components, including salaries and CPF, and a variable bonus component. Their remuneration is linked to both corporate and individual performance and aligned with shareholders' interests to promote long-term success of the Group.

The remuneration paid/payable to Executive Directors and Executive officers are determined by the Board after considering the following:

(1) Salary - salary is determined based on the complexity of the required responsibilities and tasks, and market comparables.

(2) Variable or performance related bonus - variable remuneration depends on the profit of the Group and relevant individuals' key performance indicators.

The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate the Directors and the key management personnel of the required experience and expertise to successfully manage the Company for the long term. No Director is involved in any discussion relating to his own remuneration, terms and conditions of service, and the review of his performance.

Having reviewed the variable component in the remuneration packages of the Executive Directors and Executive Officers, the RC is of the view that it is not necessary to institute contractual provisions to reclaim incentive components of remuneration from Executive Directors and Executive Officers in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group. The Company believes that there are alternative legal avenues to these specific contractual provisions that will enable the Company to recover financial losses arising from such exceptional events from the Executive Directors and Executive Officers.

Long term incentive schemes are provided in the form of SPCH Employee Share Option Scheme ("**SPCH ESOS**") and SPCH Performance Share Plan ("**SPCH PSP**") for eligible employees including Executive Directors. Details of SPCH ESOS and SPCH PSP are disclosed in the Company's offer document dated 13 July 2020 ("**Offer Document**"). The administration committee for the SPCH PSP and SPCH ESOS comprises of the members of the RC and NC, including Ms. Lai Chin Yee, Mr. Chong Weng Hoe and Mr. Yap Beng Tat Richard. During FY2020, no share option and no performance shares were granted, vested or cancelled.

Provision 7.2 of the 2018 Code:

Remuneration of Non-executive Directors dependent on contribution, effort, time spent and responsibilities

The Independent Directors are paid Directors' fees which take into consideration their contribution, effort, time spent and responsibilities. They are not overly remunerated to the extent that their independence may be compromised.

Long term incentive schemes such as SPCH ESOS and SPCH PSP are also available to Non-Executive Independent Directors.

CORPORATE
GOVERNANCE

Principle 8: DISCLOSURE ON REMUNERATION

The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provisions 8.1 and 8.3 of the 2018 Code:

Remuneration disclosures of Directors and key management personnel; Details of employee share schemes

A separate annual remuneration report is not prepared as the matters which need to be disclosed in such annual remuneration report have already been sufficiently disclosed in this report and in the financial statements of the Company.

A breakdown (in percentage terms) of the remuneration earned by each Director and the CEO during FY2020 is as follows:

Remuneration band and name of Director	Directors' fee (%)	Salary and CPF (%)	Variable or performance related bonus (%)	Total (%)
$250,001 to $500,000				
Lee Mun Kam Bernard	–	93	7	100
Loh Foo Keong Jeffrey	–	100	–	100
Below $250,000				
Lai Chin Yee	100	–	–	100
Chong Weng Hoe	100	–	–	100
Yap Beng Tat, Richard (Ye Mingda, Richard)	100	–	–	100

The Board is of the opinion that it is in the best interest of the Company to maintain confidentiality of the exact remuneration details of the Directors.

The Board is of the view that notwithstanding the deviation from Provision 8.1 of the 2018 Code, the Company is transparent on its remuneration policies, which has been disclosed not only as part of compliance with Principle 8 but also in respect of Principle 7 of the 2018 Code. In particular, the Company has elaborated on the remuneration policy governing the remuneration of the Executive Directors and Executive Officers, and the factors taken into account for the remuneration of the Independent Directors. The Company has also disclosed the remuneration paid to each Director using bands of $250,000, as well as the breakdown of the components of their remuneration, for transparency. Accordingly, the Board is of the view that the non-disclosure of the exact quantum of the remuneration of each Director will not be prejudicial to the interest of shareholders and complies with the intent of Principle 8.1 of the Code.

The Company has less than five key management personnel and the remuneration of the key management personnel of the Company is as follows:

Remuneration band and name of key management personnel	Salary and CPF (%)	Variable or performance related bonus(%)	Total (%)
Below $250,000			
Ng Phick Suan	100	–	100

After careful consideration, the Board is of the view that full disclosure of the aggregate remuneration of the key management personnel is not in the best interests of the Company in view of, *inter alia*, the Company having only one key management personnel and the confidential nature of remuneration matters.

Save for the Executive Directors, there are no employees who were substantial shareholders of the Company in FY2020.

Provision 8.2 of the 2018 Code:

Remuneration disclosure of related employees

The remuneration (including salary, bonus and CPF) paid in FY2020 to Ms. Wong Jing Yi Joyce, spouse of Executive Director and Chief Operating Officer, Dr. Loh Foo Keong Jeffrey, for services rendered to the Group on an individual basis are set out in the following remuneration bands:

Remuneration band and name of related employee	Salary and CPF (%)	Variable or performance related bonus(%)	Total (%)
$100,000-$150,000			
Wong Jing Yi Joyce	100	–	100

ACCOUNTABILITY AND AUDIT

Principle 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 of the 2018 Code:

Board determines the nature and extent of significant risks

Risk analysis and management is undertaken within the Group as a source of sustainable business benefit and competitive advantage. The Board is responsible for the management of the Group's significant risks and is assisted by the AC in the oversight of the risk management and internal control systems of the Group.

The AC, with the assistance of the internal and external auditors, annually reviews the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls.

The internal auditor, RSM Risk Advisory Pte Ltd ("**RSM**"), has carried out internal audit on the system of internal controls and reported the findings to the AC. The external auditor, BDO LLP, has also, in the course of their statutory audit, gained an understanding of the key internal accounting controls assessed to be relevant to the statutory audit. In this respect, the AC has reviewed the findings of both the internal and external auditors and noted that the Company had followed up and implemented the auditors' recommendations raised during the audit processes. No material internal control weaknesses had been raised by the internal and external auditors in the course of their audits for FY2020 which have not been adequately addressed.

Provision 9.2 of the 2018 Code:

Assurance from CEO, CFO and other key management personnel

The Board received assurance from the CEO and the Financial Controller that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

In addition, the Board received assurance from the CEO, Chief Operating Officer and the Financial Controller that the Company's risk management and internal control systems are adequate and effective.

Based on the reviews carried out by the AC, work performed by the internal and external auditors and assurance from the Management referred to in the preceding paragraphs, the Board, with the concurrence of the AC, is satisfied that the system of internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place are adequate and effective as at 30 June 2020.

The Board notes that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human errors, losses, fraud or other irregularities. As such, the Company's risk management and internal controls systems are regularly evaluated and improved to ensure its relevance to the Company's operations

The Board has an Audit Committee which discharges its duties objectively

Principle 10: AUDIT COMMITTEE

The AC comprises three Independent Directors, namely Ms. Lai Chin Yee, Mr. Chong Weng Hoe and Mr. Yap Beng Tat, Richard. The Chairman of the AC is Ms. Lai Chin Yee.

Provision 10.1 of the 2018 Code:

Duties of AC

All members of the AC are appropriately qualified and have relevant accounting or related financial management expertise and experience. They are not former partners or directors of the Company's auditing firm.

Provisions 10.2 and 10.3 of the 2018 Code:

Composition of AC; AC does not comprise former partners or directors of the Company's auditing firm

Ms. Lai Chin Yee graduated from National University of Singapore with a Bachelor of Accountancy in 1987. She has more than 30 years of experience in the areas of auditing, finance and accounting, taxation and treasury.

Mr Chong Weng Hoe graduated from the National University of Singapore with a Bacheolor of Engineering (Electrical) in 1989 and obtained a Master of Business Administration (Accountancy) from Nanyang Technology University in 1997.

Mr Yap Beng Tat, Richard obtained his Bachelor of Accountancy from the Nanyang Technological University in 2005. He has more than 15 years of experience in areas of audit, corporate finance and valuation.

The AC's responsibilities, as set out in its terms of reference, include the following:

- assisting the Board of Directors in the discharge of its responsibilities on financial reporting matters;
- reviewing the assurance from the Chief Executive Officer and Financial Controller on the financial records and financial statements;
- reviewing with the internal and external auditors, the audit plans, scope of work, evaluation of the system of internal accounting controls, management letter and management's response, and results compiled by the Group's internal and external auditors, and ensure coordination between the internal and external auditors, and the management;
- reviewing the half-yearly and annual financial statements and results announcements before submission to the Board of Directors for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Listing Manual and any other statutory or regulatory requirements;
- reviewing the assistance given by the management to the auditors, and discuss problems and concern, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);
- reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function and assessing the independence and objectivity of the external auditors;

- reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

- making recommendations to the Board of Directors on (a) the proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and (b) the remuneration and terms of engagement of the external auditors;

- reviewing significant financial reporting issues and judgments, with the Financial Controller and the external auditors, so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, before their submission to the Board of Directors;

- reviewing and report to the Board of Directors at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems with the Financial Controller and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;

- reviewing and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Listing Manual (if any);

- reviewing any potential conflicts of interest;

- setting out a framework to resolve or mitigate any potential conflicts of interest, as well as monitor compliance with such framework;

- undertaking such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the Audit Committee;

- reviewing the Group's financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, with the outcome of such review to be disclosed in the annual reports, or if the findings are material, to be immediately announced via Singapore Exchange Network;

- reviewing and establish procedures for receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;

- reviewing policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, to ensure that such policies and arrangements continue to be in place for independent investigation and appropriate follow-up, and to ensure that the Company publicly discloses, and clearly communicates to employees the existence of a whistle-blowing policy and the procedures for raising such concerns;

- reviewing of interested person transaction to ensure that they are on normal commercial terms and that they do not prejudice the interest of the Company and its minority shareholders; and

- generally undertaking such other functions and duties as may be required by statute or the Catalist Listing Manual, and by such amendments made thereto from time to time.

The AC is authorised to investigate any matter within its terms of reference, and has full access to, and co-operation of, the Management. The AC has full discretion to invite any Director, Executive Officer or management personnel to attend its meetings and has access to reasonable resources, including independent professional advice, to enable it to discharge its functions.

The Group has complied with Rules 712 and 715 of the Catalist Rules in relation to the appointment of its external auditor. The aggregate amount of fees paid/payable to the external auditor, BDO LLP, for audit services for FY2020 were $81,000 and the non-audit service rendered by BDO LLP in respect of the listing of the Company on Catalist was $168,300. The AC, having reviewed the scope and value of the audit services provided by the external auditor, is satisfied that the independence and objectivity of the external auditor is not impaired.

In recommending the re-appointment of BDO LLP as the external auditor for the financial year ending 30 June 2021, the AC had taken into consideration the Audit Quality Indicator Disclosure Framework published by the Accounting and Corporate Regulatory Authority.

The Company has outsourced its internal audit function to RSM, a corporate member of the Institute of Internal Auditors Singapore. The primary reporting line of the internal auditors is to the AC and administratively to the Financial Controller. The hiring, removal, evaluation of the internal auditors and compensation to be paid to them is recommended by the AC and approved by the Board.

Provision 10.4 of the 2018 Code:

Primary reporting line of the internal audit function is to AC; Internal audit function has unfettered access to Company's documents, records, properties and personnel

The internal audit team have unrestricted access to the Company's documents, records, properties and personnel, including the AC. The internal audit team is staffed with personnel with relevant qualifications and experience and takes reference from the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors when performing their reviews. The AC is satisfied that the internal audit function is independent, effective, adequately resourced to perform its functions and have appropriate standing within the Group. Mr Dennis Lee, the head of the internal audit function team of RSM, is highly qualified with almost 17 years of audit, internal audit and risk management experience. RSM carries out its function in accordance to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The internal audit function is independent of the activities it audits. During FY2020, the internal auditors completed an internal control review of the Group's key processes such as clinic operation, treasury and cash flow management, human resources and payroll management, and information technology. The related internal audit reports, including Management's responses and implementation status, have been communicated to the AC.

The AC endeavour to meet at least once a year with the external and internal auditors without the presence of the Management so that any concern and/or issue can be raised directly and privately.

Provision 10.5 of the 2018 Code:

AC meets with the auditors without the presence of Management annually

The AC met with the internal auditors and external auditors without the presence of Management in August 2020 to discuss, amongst other matters, the conduct of audit for the Group's financial statements for FY2020.

SIGNIFICANT ACCOUNTING MATTERS

In the review of the financial statements for FY2020, the AC has discussed with the Management on the significant accounting principles that were applied and their judgement of items that might affect the accuracy and completeness of the financial statements.

The key audit matters, which are included in the independent auditors' report for FY2020, were discussed with the Management and the external auditor and were reviewed by the AC.

WHISTLE-BLOWING CHANNELS

The Company has in place a whistle-blowing policy and procedures for employees of the Group and other persons to raise concerns about possible improprieties in matters of financial reporting, fraudulent behaviour and other significant matters directly to the AC in confidence and without fear of reprisals. Details of this policy are disseminated to employees of the Group and is made available on the Company's website at https://www.sgpaincareholdings.com/whistleblowing-policy/.

Possible improprieties such as suspected fraud, corruption, dishonest practices and other significant matters can be reported to AC Chairman, Ms. Lai Chin Yee via email, report@sgpaincareholdings.com.

To date, no significant matter was raised through the Group's whistle-blowing channels.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 of the 2018 Code:

Company provides shareholders with the opportunity to participate effectively and vote at general meetings

The Board ensures that the shareholders are treated fairly and equitably. All material information which would likely affect the price or value of the Company's shares shall be disclosed adequately and in a timely manner. Presentations to shareholders will be made available on SGXNET and the Company's website (if applicable).

In presenting the Group's financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects.

The Company's principal form of dialogue with shareholders takes place at general meetings. Notices of general meetings are dispatched to shareholders, together with the annual report and/or circulars within the time notice period as prescribed by the relevant regulations. Where necessary, additional explanatory notes will be provided for relevant resolutions which are to be tabled at general meetings to enable shareholders to exercise their vote on an informed basis. The Company strives to hold general meetings at venues which are accessible to shareholders. At general meetings, shareholders will be given the opportunity to voice their views and direct their questions to the Board regarding the Company.

Shareholders will also be briefed during the general meetings on voting procedures of the general meetings.

The SGX-ST publishes investor guides to help the investment community in their preparation for annual general meetings and other general meetings. The links to SGX-ST's investor guides have been included on the Company's website under the "Investor Relations" section for ease of reference by shareholders.

All resolutions proposed at general meetings shall be put to vote by way of a poll. All votes cast, for or against, and the respective percentages, in respect of each resolution are tallied and disclosed at the meeting and an announcement with the detailed results showing the numbers of votes cast for and against for each resolution and the respective percentage will be released via SGXNET after the general meetings.

The Board notes that the best practice is to have separate resolutions on each substantially separate issue. The Company shall avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. In situations where resolutions are inter-conditional, the Company will provide clear explanations.

Provision 11.2 of the 2018 Code:

Separate resolution on each substantially separate issue

All Directors, including the chairpersons of various Board Committees, and the Executive Officers shall attend general meetings to address shareholders' queries and receive feedback from shareholders.

Provision 11.3 of the 2018 Code:

All Directors attend general meetings

The external auditor, BDO LLP, shall also be invited to attend general meetings and will assist in addressing queries from the shareholders relating to the conduct of the audit and the preparation and content of the independent auditor's report.

The Chairman of the meeting will facilitate constructive dialogue between shareholders and the Board, the Management, the external auditors and other relevant professionals.

The Company's Constitution allows all shareholders to appoint not more than 2 proxies to attend and vote on their behalf and also provides that a proxy need not be a shareholder of the Company. Registered shareholders who are unable to attend the general meetings are entitled to appoint up to two proxies, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary may appoint more than two proxies to participate in shareholders' meetings, but each proxy must be appointed to exercise rights attached to a different share or shares held by such shareholder.

Provision 11.4 of the 2018 Code:

Company's Constitution allow for absentia voting of shareholders

The Company's Constitution permits voting in absentia only by appointment of proxy. As the authenticity of shareholders' identity and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

Minutes of general meetings which include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and the Executive Officers will be published on the Company's corporate website at https://www.sgpaincareholdings.com/investor-relations/.

Provision 11.5 of the 2018 Code:

Minutes of general meetings are published on the Company's corporate website as soon as practicable

Provision 11.6 of the 2018 Code:

Dividend policy

The Company does not have a fixed dividend policy in place.

Subject to its Constitution and the Companies Act, the Company may, by ordinary resolution of shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by the Directors. The declaration and payment of dividends will be determined at the sole discretion of the Directors subject to the approval of the shareholders. Subject to its Constitution and the Companies Act, the Directors may also declare an interim dividend without the approval of the shareholders.

The form, frequency and amount of future dividend of the Company's shares will depend on the earnings, financial position, results of operations, cash flows, capital needs, general business conditions, terms of borrowing arrangements (if any), plans for expansion, and other factors as the Board may deem appropriate.

Despite not having a fixed dividend policy, the Directors have recommended a final dividend (tax-exempt one-tier) of $0.007 per ordinary share for the financial year ended 30 June 2020.

Principle 12: ENGAGEMENT WITH SHAREHOLDERS

Principle 12: ENGAGEMENT WITH SHAREHOLDERS

The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1 of the 2018 Code:

Company provides avenues for communication between the Board and shareholders and discloses steps taken to solicit and understand the views of shareholders

The Company uses various platforms to effectively engage the shareholders and the investment community, with an emphasis on timely, accurate, fair and transparent disclosure of information. In addition to general meetings and where the opportunities arise, the senior Management of the Company will also meet with investors, analysts and the media, as well as participate in investor relations activities to solicit and understand the views of the investment community.

The Company is committed to treating all shareholders fairly and equitably and to keep all its shareholders and other stakeholders informed of its corporate activities which would be likely to materially affect the price or value of its shares, on a timely basis.

The Board is mindful of the obligation to provide shareholders with information on all major developments that affect the Group in accordance with the Catalist Rules and the Companies Act. Information is communicated to shareholders on a timely basis through:

- Announcements and press releases via SGXNET;
- Company's website (www.sgpaincareholdings.com); and
- Annual reports.

The investor relations team takes an active role in communications with shareholders and the investment community to address their queries or concerns and to update them on the latest corporate development.

The Company has in place an investor relations policy which promotes the timely dissemination of relevant information to the Company's shareholders and prospective investors to enable them to make well-informed investment decisions and to ensure a level playing field. This is to promote regular, effective and fair communication with shareholders and prospective investors. The policy is available at the Company's website under the "Investor Relations" section.

Shareholders and the investment community can contact the Company's investor relations team by telephone at +65-69722256 or email at enquiries@sgpaincareholdings.com.

Provisions 12.2 and 12.3 of the 2018 Code:

Company has in place an investor relations policy; Investor relations policy sets out mechanism of communication between the shareholders and the Company

MANAGING STAKEHOLDERS RELATIONSHIPS

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served

Principle 13: ENGAGEMENT WITH STAKEHOLDERS

The Company takes pride in meeting and exceeding the expectations of the stakeholders. The Company will ensure all engagement platforms, among others, customer satisfaction survey form, webinars, facebook and health talk are clearly set up and available to stakeholders.

As part of its continuing listing obligations, the Company will, subsequently in accordance to the requirements of the Catalist Rules, release a sustainability report which will set out its strategy and key areas of focus in relation to the management of stakeholder relationships.

Provisions 13.1 and 13.2 of the 2018 Code:

Engagement with material stakeholder groups

Stakeholders who wish to know more about the Group and the business and governance practices can visit the Company's website at https://www.sgpaincareholdings.com. The website includes an investor relations section containing the Company's financial highlights, annual report, corporate announcements, whistle-blowing policy and investor relations policy.

Provision 13.3 of the 2018 Code:

Corporate website to engage stakeholders

DEALINGS IN SECURITIES

The Company has adopted policies in line with the requirements of Rule 1204(19) of the Catalist Rules on dealings in the Company's securities. The policies have been made known to Directors, Executive Officers and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group.

The Company prohibits its officers from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. The Company, its Directors and officers are not allowed to deal in the Company's shares during the periods commencing one month before the Company's half year and full year financial statements, as the case may be, and ending on the date of the announcement of the relevant financial results.

The Company, Directors and employees of the Company are also advised to observe insider trading laws at all times. Directors are required to report all dealings to the company secretary.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The Group has adopted a policy in respect of any transactions with interested persons and requires all such transactions to be at arm's length, on normal commercial terms and not prejudicial to the Company and its minority shareholders. All interested person transactions will be documented and submitted periodically to the AC for their review.

The Company does not have a general shareholders' for interested person transactions pursuant to Rule 920 of the Catalist Rules. The details of IPTs entered into in FY2020 are set out as follows:-

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 S$100,000) ($'000)
MedBridge Marketing Pte. Ltd.[(1)]	Associate of the Executive Director and Chief Executive Officer, Dr. Lee Mun Kam Bernard	373	–

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.

MATERIAL CONTRACTS

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that save as disclosed below, and in the sections "Interested Person Transactions", "Directors' Statement" and "Notes to the Financial Statements" of this Annual Report, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of FY2020 or if not then subsisting, which were entered into since the end of the previous financial year.

Restructuring Exercise

The Company had on 5 July 2019 entered into a restructuring agreement with, *inter alia*, the Executive Director and Chief Executive Officer of the Company, Dr. Lee Mun Kam Bernard and the Executive Director and Chief Operating Officer of the Company, Dr. Loh Foo Keong Jeffrey, to acquire (a) 100% of the Group's subsidiaries, Paincare Center Pte. Ltd. and Singapore Paincare Center@Novena Pte. Ltd. from Dr. Lee, and (b) 100% of the Company's subsidiary, Lian Clinic Pte. Ltd. from Dr. Loh and his spouse. The consideration for the acquisitions were satisfied through the issuance of 4,413 new shares and 2,727 new shares in the Company to Dr. Lee and Dr. Loh respectively. The restructuring agreement was amended and restated on 1 April 2020 where an additional 36,427 new shares and 22,533 new shares were issued to Dr. Lee and Dr. Loh respectively. Please refer to the section entitled "Restructuring Exercise" of the Offer Document and the "Notes to the Financial Statements" of this Annual Report for more details on the restructuring exercise conducted in relation to the formation of the Group.

CORPORATE GOVERNANCE

Acquisition of Trademarks

Medbridge Marketing Pte. Ltd. ("**Medbridge**"), a company wholly owned by the Executive Director and Chief Executive Officer, Dr. Lee Mun Kam Bernard, had entered into a deed of assignment with the Company on 10 March 2020 and 5 May 2020 for the assignment of certain trademarks used by the Group for a consideration of $200,000, payable by the issuance of 3,458 new shares in the Company, and a consideration of US$10, payable in cash respectively. The consideration shares of 3,458 new shares in the Company was issued to Dr. Lee pursuant to a letter of direction dated 7 April 2020 issued by Medbridge. Please refer to the section entitled "Past Interested Person Transactions – Assignment of IP Rights to our Company" of the Offer Document and the "Notes to the Financial Statements" of this Annual Report for more details.

Tax indemnity

The Executive Director and Chief Executive Officer, Dr. Lee Mun Kam Bernard had provided a deed of indemnity dated 15 April 2020 in favour of the Group against any additional tax liabilities, penalties or fines suffered or incurred by the Group for the years of assessment under a review conducted by IRAS (i.e. YA2014 to YA2017), and for YA2018 and YA2019 following the conclusion of the review. No fees were paid by the Group to Dr. Lee for the indemnity. Please refer to the section entitled "Present and On-going Interested Person Transactions – Provision of indemnity by Dr. Bernard Lee in relation to the potential additional tax liabilities which our Group may face" of the Offer Document and the "Notes to the Financial Statements" of this Annual Report for more details.

NON-SPONSOR FEES

With reference to Rule 1204(21) of the Catalist Rules, save for fees of $370,000 paid to the Company's sponsor, Novus Corporate Finance Pte. Ltd., in their role as full sponsor for the initial public offering of the Company ("**IPO**"), there are no non-sponsorship fees paid to the sponsor in FY2020.

UTILISATION OF IPO PROCEEDS

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

As at the date of this Annual Report, the IPO proceeds have not yet been utilized. The Company will make periodic announcements via SGXNET on the utilisation of the remaining proceeds as and when the IPO Proceeds is materially disbursed.

DIRECTORS' STATEMENT

The Directors of Singapore Paincare Holdings Limited (formerly known as Singapore Paincare Holdings Pte. Ltd.) (the "**Company**") present their statement to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the financial year ended 30 June 2020 and the statement of financial position of the Company as at 30 June 2020.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are as follows:

Ms. Lai Chin Yee	(Non-executive Chairman and Independent Director) (Appointed on 17 June 2020)
Dr. Lee Mun Kam Bernard	(Executive Director and Chief Executive Officer) (Appointed on 31 December 2018)
Dr. Loh Foo Keong Jeffrey	(Executive Director and Chief Operating Officer) (Appointed on 5 July 2019)
Mr. Chong Weng Hoe	(Independent Non-executive Director) (Appointed on 17 June 2020)
Mr. Yap Beng Tat, Richard	(Independent Non-executive Director) (Appointed on 17 June 2020)

3. Arrangements to enable Directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interests in shares or debentures

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "**Act**"), except as follows:

	Shareholdings registered in the name of Directors or nominees		Shareholdings in which Directors are deemed to have an interest	
	Balance at 1 July 2019	**Balance at 30 June 2020**	**Balance at 1 July 2019**	**Balance at 30 June 2020**
The Company	**Number of ordinary shares**		**Number of ordinary shares**	
Dr. Lee Mun Kam Bernard	2	44,300	–	–
Dr. Loh Foo Keong Jeffrey	–	25,260	–	–

4. Directors' interests in shares or debentures (Continued)

By virtue of Section 7 of the Act, Dr. Lee Mun Kam Bernard is deemed to have interests in the shares of all subsidiary corporations of the Company at the beginning and at the end of the financial year.

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company state that, according to the register of directors' shareholdings, the directors' interest as at 21 July 2020 in the shares of the Company have been changed by sub-dividing each existing ordinary shares into 1,095 shares on 9 July 2020.

	Shareholdings registered in the name of Directors or nominees		Shareholdings in which Directors are deemed to have an interest	
	Balance at 30 June 2020	Balance at 21 July 2020	Balance at 30 June 2020	Balance at 21 July 2020
The Company	Number of ordinary shares		Number of ordinary shares	
Dr. Lee Mun Kam Bernard	44,300	48,508,500	–	–
Dr. Loh Foo Keong Jeffrey	25,260	27,659,700	–	–

5. Share options

There were no share options granted by the Company or its subsidiary corporations during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option as at the end of the financial year.

Employee Share Option Scheme

The Company has implemented an Employee Share Option Scheme known as the SPCH Employee Share Option Scheme ("**Share Option Scheme**"). The Share Option Scheme was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 16 June 2020. No options have been granted pursuant to the Share Option Scheme as at the date of this report.

Performance Share Plan

The Company has implemented a Performance Share Plan known as the SPCH Performance Share Plan ("**Performance Share Plan**"). The Performance Share Plan was approved and adopted by the shareholders at an Extraordinary General Meeting of the Company held on 16 June 2020. No shares have been granted pursuant to the Performance Share Plan as at the date of this report.

6. **Audit committee**

The Audit Committee of the Company is chaired by Ms. Lai Chin Yee, the Non-executive Chairman and Independent Director, and includes Mr. Chong Weng Hoe, an Independent Non-executive Director and Mr. Yap Beng Tat, Richard, an Independent Non-executive Director. The Audit Committee has carried out its functions in accordance with section 201B(5) of the Act, including reviewing the following, where relevant, with the Executive Directors and external auditors of the Company:

(i) assisting the Board of Directors in the discharge of its responsibilities on financial reporting matters;

(ii) reviewing the assurance from the Chief Executive Officer and Financial Controller on the financial records and financial statements;

(iii) reviewing with the internal and external auditors, the audit plans, scope of work, evaluation of the system of internal accounting controls, management letter and management's response, and results compiled by the Group's internal and external auditors, and ensure coordination between the internal and external auditors, and the management;

(iv) reviewing the half-yearly and annual financial statements and results announcements before submission to the Board of Directors for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Catalist Listing Manual and any other statutory or regulatory requirements;

(v) reviewing the assistance given by the management to the auditors, and discuss problems and concern, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management where necessary);

(vi) reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function and assessing the independence and objectivity of the external auditors;

(vii) reviewing and discussing with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

(viii) making recommendations to the Board of Directors on (a) the proposals to shareholders on the appointment, re-appointment and removal of the external auditors, and (b) the remuneration and terms of engagement of the external auditors;

(ix) reviewing significant financial reporting issues and judgments, with the Financial Controller and the external auditors, so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, before their submission to the Board of Directors;

(x) reviewing and report to the Board of Directors at least annually the adequacy and effectiveness of the Group's internal controls and risk management systems with the Financial Controller and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;

(xi) reviewing and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Listing Manual (if any);

(xii) reviewing any potential conflicts of interest;

(xiii) setting out a framework to resolve or mitigate any potential conflicts of interest, as well as monitor compliance with such framework;

(xiv) undertaking such other reviews and projects as may be requested by the Board of Directors and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the Audit Committee;

6. Audit committee (Continued)

(xv) reviewing the Group's financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, with the outcome of such review to be disclosed in the annual reports, or if the findings are material, to be immediately announced via Singapore Exchange Network;

(xvi) reviewing and establish procedures for receipt, retention and treatment of complaints received by the Group, *inter alia*, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;

(xvii) reviewing policies and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, to ensure that such policies and arrangements continue to be in place for independent investigation and appropriate follow-up, and to ensure that the Company publicly discloses, and clearly communicates to employees the existence of a whistle-blowing policy and the procedures for raising such concerns;

(xviii) reviewing of interested person transaction to ensure that they are on normal commercial terms and that they do not prejudice the interest of the Company and its minority shareholders; and

(xix) generally undertaking such other functions and duties as may be required by statute or the Catalist Listing Manual, and by such amendments made thereto from time to time.

The Audit Committee confirmed that it has undertaken a review of all non-audit services provided by the external auditors to the Group and is satisfied that the nature and extent of such services would not affect the independence of the external auditors.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any Director and Executive Officer of the Group to attend its meetings. The external auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors the nomination of BDO LLP, for re-appointment as external auditors of the Company at the forthcoming Annual General Meeting.

7. Independent auditors

The independent auditors, BDO LLP, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

Dr. Lee Mun Kam Bernard
Director

Dr. Loh Foo Keong Jeffrey
Director

Singapore
21 September 2020

INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Paincare Holdings Limited
(Formerly known as Singapore Paincare Holdings Pte. Ltd.)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Paincare Holdings Limited (formerly known as Singapore Paincare Holdings Pte. Ltd.) (the "Company") and its subsidiaries (the "Group") set out on pages 48 to 113, which comprise:

- the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2020;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2020, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements of the Group and the Company for the financial year ended 30 June 2019 have not been audited as the Group and the Company were exempted from audit requirements pursuant to the provisions of the Act.

To the Members of Singapore Paincare Holdings Limited
(Formerly known as Singapore Paincare Holdings Pte. Ltd.)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	AUDIT RESPONSE
1 Business combinations related to acquisitions of subsidiaries and associates	
During the financial year, the Company entered into an agreement dated 5 July 2019 to acquire 45%, 100%, 100%, 100% and 100% of equity interest in Sen Med Holdings Pte. Ltd.("SMH"), Lian Clinic Pte. Ltd.("LCPL"), HMC Medical Pte. Ltd.("HMC"), AE Medical Sengkang Private Limited ("AESK") and AE Medical Fernvale Pte. Ltd. ("AEF"). The consideration of $8,044,400 for the acquisitions was settled by the issuance of the Company's ordinary shares. The Company obtained control of the acquired subsidiaries, LCPL, HMC, AESK and AEF and classified SMH as an associate for the reason that it has significant influence over the operating and financial activities of SMH. In accounting for these acquisitions, management, assisted by its external valuer, performed valuations to determine the fair values of LCPL, HMC, AEF, AESK and SMH's identifiable assets acquired and liabilities assumed at the acquisition dates. We have determined the accounting for the acquisitions of LCPL, HMC, AEF, AESK and SMH to be a key audit matter as these acquisitions are material transactions during the financial year and involved significant judgements and estimates with regard to the valuation process. Refer to Notes 3.2(i), 6 and 7 to the financial statements.	We performed the following audit procedures, amongst others: ● Reviewed the agreement for the acquisitions to verify the terms and conditions and determine if the accounting for the acquisitions are in accordance with SFRS(I) 3 *Business Combinations,* SFRS(I) 10 *Consolidated Financial Statements* and SFRS (I) 1-28 *Investment in Associates and Joint Ventures*; ● Reviewed the Purchase Price Allocation ("PPA") report and valuation report issued by the external valuer and, with the assistance of our internal valuation specialist, assessed the reasonableness of the key assumptions and valuation methods used in identification of the assets and liabilities of the acquirees, including additional intangible assets identified; ● Assessed the independence and competency of the external valuer which included considering their experiences and qualification in performing valuations for such business combinations and discussed with the external valuer on the valuation methodologies used and the results of their work; and ● Assessed the adequacy of the disclosures in the financial statements with respect to the business combinations and investments in associates.

KEY AUDIT MATTER	AUDIT RESPONSE
2 Impairment assessment of goodwill	
As at 30 June 2020, the Group's goodwill amounted to approximately $6,003,000 which arose from acquisitions during the financial year. In accordance with SFRS(I) 1-36 *Impairment of Assets*, the Group is required to test goodwill for impairment annually, or more frequently if there are indicators that goodwill may be impaired. For the purpose of impairment assessment, the management applied the value-in-use (discounted cash flow forecasts) method to determine the recoverable amounts for the respective cash generating units to which the goodwill belongs. We have determined impairment assessment of goodwill to be a key audit matter as the impairment assessment involved significant judgements and estimates with regard to the key assumptions used in estimating the discounted future cash flows, such as the revenue growth rates, average gross margin and the discount rate. Refer to Notes 3.2(ii) and 5 to the accompanying financial statements.	We performed the following audit procedures, amongst others: ● Discussed with management and evaluated their process in determining the recoverable amount of the CGUs, including the process in deriving the key estimates for revenue growth rates, average gross margin, terminal growth rate and discount rate; ● Evaluated management's budgeting process by comparing the actual results to previously forecasted results; ● Assessed the reasonableness of management's key assumptions and estimates applied by comparing revenue growth rates, average gross margin, terminal growth rate and discount rate against historical data and recent trends and market outlook, including those potential impact that Covid-19 pandemic will have on the operations, as appropriate; ● Performed sensitivity analysis around the key assumptions, including the revenue growth rates, average gross margin, and discount rate, used in the discounted cash flow forecasts; ● Engaged our internal valuation specialist to evaluate the reasonableness of the discount rate used; and ● Assessed the adequacy of the disclosures in the financial statements with respect to the goodwill impairment assessment.

INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Paincare Holdings Limited
(Formerly known as Singapore Paincare Holdings Pte. Ltd.)

KEY AUDIT MATTER	AUDIT RESPONSE
3 Impairment assessment of carrying amounts of investments in subsidiaries and associates	
As at 30 June 2020, the carrying amounts of the Group's investments in associates of $1,805,800 and the Company's investments in subsidiaries of $12,026,480 respectively. The subsidiaries and associates comprise a network of clinics located throughout Singapore and are primarily engaged in providing medical services such as paincare services which include minimal invasive procedures, cancer pain treatment, specialized injections, pharmacotherapy and cognitive behavioral therapy, general medical consultations and health screening services. During the financial year ended 30 June 2020, arising from indicators of impairment in investment in subsidiaries and associates, the management carried out an impairment assessment to determine whether an impairment loss in relation to investment in subsidiaries and associates should be recognised in the financial statements. Management determined the recoverable amounts based on the value-in-use calculations by estimating the expected discounted future cash flows to be derived from the investments in those subsidiaries and associates. Arising from the assessment, no impairment loss was recognised on the investments in subsidiaries and associates during the financial year. We focused on the impairment assessment of the subsidiaries and associates as a key audit matter owing to the significant management judgements and estimates involved in the key assumptions used in estimating the expected discounted future cash flows, such as the revenue growth rates, average gross margin and the discount rates. Refer to Notes 3.2(iii), 6 and 7 to the accompanying financial statements.	We performed the following audit procedures, amongst others: ● Evaluated management's process in determining the recoverable amount of the CGUs, including the process in deriving the key estimates for revenue growth rates, average gross margin, terminal growth rate and discount rates; ● Assessed the reasonableness of management's key assumptions and estimates applied by comparing revenue growth rates, average gross margin, terminal growth rate and discount rates against historical data and recent trends and market outlook, including those potential impact that Covid-19 pandemic will have on the operations, as appropriate; ● Performed sensitivity analysis around the key assumptions, including the revenue growth rates, average gross margin, and discount rates, used in discounted cash flow forecasts; ● Engaged our internal valuation specialist to evaluate the reasonableness of the discount rates used; and ● Assessed the adequacy of the disclosures in the financial statements with respect to the impairment of investment in subsidiaries and associates.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

To the Members of Singapore Paincare Holdings Limited
(Formerly known as Singapore Paincare Holdings Pte. Ltd.)

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company, and by those subsidiary corporations in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Leong Hon Mun Peter.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
21 September 2020

STATEMENTS OF
FINANCIAL POSITION

As at 30 June 2020

		Group			Company		
	Note	30 June 2020	30 June 2019	1 July 2018	30 June 2020	30 June 2019	31 December 2018
		$	$	$	$	$	$
ASSETS							
Non-current assets							
Plant and equipment	4	2,024,008	20,729	30,667	61,644	5,408	–
Intangible assets	5	6,190,273	–	–	187,097	–	–
Investments in subsidiaries	6	–	–	–	12,026,480	–	–
Investments in associates	7	2,069,782	–	–	1,805,800	–	–
Financial assets at fair value through profit or loss (“FVTPL”)	8	–	235,000	–	–	–	–
		10,284,063	255,729	30,667	14,081,021	5,408	–
Current assets							
Inventories	9	859,501	123,334	124,180	–	–	–
Trade and other receivables	10	987,566	1,047,881	1,762,059	2,922,054	9,350	–
Prepayments		27,473	8,761	2,221	642	–	–
Cash and bank balances	11	4,953,967	1,243,695	789,544	1,286,499	15,890	2
		6,828,507	2,423,671	2,678,004	4,209,195	25,240	2
Total assets		17,112,570	2,679,400	2,708,671	18,290,216	30,648	2
EQUITY AND LIABILITIES							
Equity							
Share capital	12	13,797,282	6	4	13,797,282	2	2
Merger reserve	13	(5,552,876)	–	–	–	–	–
Other reserve	14	177,484	–	–	412,484	–	–
Retained earnings/ (Accumulated loss)	15	2,178,680	301,085	760,543	1,171,422	(96,106)	–
Total equity		10,600,570	301,091	760,547	15,381,188	(96,104)	2
Non-current liabilities							
Bank borrowings	16	–	–	1,200,830	–	–	–
Lease liabilities	17	1,479,965	–	–	34,638	–	–
Deferred tax liabilities	18	–	–	–	–	–	–
Provisions	19	29,530	–	–	–	–	–
		1,509,495	–	1,200,830	34,638	–	–
Current liabilities							
Trade and other payables	20	968,234	238,872	505,521	293,087	126,752	–
Bank borrowings	16	–	1,995,878	28,079	–	–	–
Lease liabilities	17	591,243	–	–	26,397	–	–
Redeemable convertible loan	21	2,554,906	–	–	2,554,906	–	–
Income tax payable		888,122	143,559	213,694	–	–	–
		5,002,505	2,378,309	747,294	2,874,390	126,752	–
Total liabilities		6,512,000	2,378,309	1,948,124	2,909,028	126,752	–
Total equity and liabilities		17,112,570	2,679,400	2,708,671	18,290,216	30,648	2

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2020

	Note	2020 $	2019 $
Revenue	23	9,645,856	3,888,001
Other items of income			
Other income	24	914,769	447,155
Items of expense			
Changes in inventories		222,010	(846)
Inventories and consumables used		(2,417,203)	(696,806)
Employee benefits expenses	25	(2,806,692)	(838,695)
Depreciation and amortisation expenses	26	(780,494)	(17,261)
Operating lease expenses		(3,159)	(408,000)
Other expenses		(2,456,987)	(970,130)
Finance costs	27	(180,322)	(11,053)
Share of results of associates, net of tax		263,982	–
Profit before income tax	28	2,401,760	1,392,365
Income tax expense	29	(524,165)	(136,823)
Profit for the financial year, representing total comprehensive income for the financial year		1,877,595	1,255,542
Profit and total comprehensive income attributable to owners of the Company		1,877,595	1,255,542
Earnings per share			
- Basic (cents)	30	3.09	25.97
- Diluted (cents)	30	2.40	25.97

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2020

	Note	Share capital $	Merger reserve $	Other reserve $	Retained earnings $	Total equity $
Balance at 1 July 2019		6	–	–	301,085	301,091
Profit for the financial year		–	–	–	1,877,595	1,877,595
Total comprehensive income for the financial year		–	–	–	1,877,595	1,877,595
Contributions by and distributions to owners						
Adjustment pursuant to restructuring exercise	12	13,597,276	(5,552,876)	–	–	8,044,400
Issue of shares	12	200,000	–	–	–	200,000
Recognition of equity component of redeemable convertible loan		–	–	177,484	–	177,484
Total transactions with owners		13,797,276	(5,552,876)	177,484	–	8,421,884
Balance at 30 June 2020		13,797,282	(5,552,876)	177,484	2,178,680	10,600,570
Balance at 1 July 2018		4	–	–	760,543	760,547
Profit for the financial year		–	–	–	1,255,542	1,255,542
Total comprehensive income for the financial year		–	–	–	1,255,542	1,255,542
Contributions by and distributions to owners						
Issue of shares	12	2	–	–	–	2
Dividends	31	–	–	–	(1,715,000)	(1,715,000)
Total transactions with owners		2	–	–	(1,715,000)	(1,714,998)
Balance at 30 June 2019		6	–	–	301,085	301,091

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2020

	Note	2020 $	2019 $
Operating activities			
Profit before income tax		2,401,760	1,392,365
Adjustments for:			
Amortisation of intangible assets		178,903	–
Bad third parties trade receivables written off		–	9,054
Depreciation of plant and equipment		29,616	17,261
Depreciation of right-of-use assets		571,975	–
Dividend income from financial assets, at FVTPL		–	(120,000)
Fair value loss on derivative financial instruments		404,000	–
Fair value change on financial assets, at FVTPL		–	(235,000)
Gain on remeasurement of redeemable convertible loan		(489,516)	–
Interest expense		180,322	11,053
Loss on lease modification		13,971	–
Loss allowance on doubtful receivables		–	46,107
Reversal of impairment on doubtful receivables		(22,219)	–
Share of results of an associate, net of tax		(263,982)	–
Operating cash flows before working capital changes		3,004,830	1,120,840
Inventories		(222,010)	846
Trade and other receivables		142,515	31,880
Prepayments		(18,712)	(6,540)
Trade and other payables		(106,656)	(274,420)
Cash generated from operations		2,799,967	872,606
Income tax paid		(399,673)	(206,958)
Net cash from operating activities		2,400,294	665,648
Investing activities			
Acquisition of subsidiaries, net of cash acquired		412,711	–
Dividend received from financial assets, at FVTPL		–	120,000
Investment in financial assets, at FVTPL		–	(630,000)
Consideration received from disposal of financial asset, at FVTPL		–	630,000
Advances to related parties		–	(200,000)
Purchase of plant and equipment		(5,516)	(7,323)
Net cash from/(used in) investing activities		407,195	(87,323)
Financing activities			
Advances from Director		–	7,771
Dividends paid to a director		(630,000)	(887,863)
Interest paid		(12,242)	(11,053)
Income tax indemnity		308,000	–
Proceeds from bank borrowings	A	–	828,853
Proceeds from issuance of shares		–	2
Proceeds from redeemable convertible loan		2,700,000	–
Repayment of bank borrowings	A	(839,031)	(61,884)
Repayment of principal portion of lease liabilities	A	(583,307)	–
Repayment of interest portion of lease liabilities	A	(49,992)	–
Repayment from director		9,355	–
Net cash from/(used in) financing activities		902,783	(124,174)
Net change in cash and bank balances		3,710,272	454,151
Cash and bank balances at beginning of financial year		1,243,695	789,544
Cash and bank balances at end of financial year	11	4,953,967	1,243,695

For the financial year ended 30 June 2020

Note A: Reconciliation of liabilities arising from financing activities:

	Balance at 1 July 2019	Adoption of SFRS(I) 16	Arising from acquisition of subsidiaries	Addition	Lease termination	Lease modification	Interest expense	Offsetting with Directors' account	Cash flows	Balance at 30 June 2020
	$	$	$	$	$	$	$	$	$	$
Bank borrowings	1,995,878	–	–	–	–	–	–	(1,156,847)	(839,031)	–
Lease liabilities	–	2,397,817	398,200	76,627	(24,998)	(193,131)	49,992	–	(633,299)	2,071,208

	Balance at 1 July 2018	Cash flows	Balance at 30 June 2019
	$	$	$
Bank borrowings	1,228,909	766,969	1,995,878

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the financial statements.

1. General corporate information

1.1 Domicile and activities

Singapore Paincare Holdings Limited (the "Company") is a public limited company incorporated and domiciled in Singapore. On 16 June 2020, in connection with its conversion into a public company limited by shares, the Company changed its name from Singapore Paincare Holdings Pte. Ltd. to Singapore Paincare Holdings Limited. The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 30 July 2020.

The Company's registered office and its principal place of business is located at 150 Orchard Road #07-18 Orchard Plaza Singapore 238841. 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 that of an investment holding company.

The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The statement of financial position of the Company as at 30 June 2020 and the consolidated financial statements of the Company and its subsidiaries ("the Group") for the financial year ended 30 June 2020 were authorised for issue in accordance with a Directors' resolution dated 21 September 2020.

1.2 Restructuring exercise

A restructuring exercise (the "Restructuring Exercise") was carried out as part of group restructuring prior to the listing on the Catalist Board of SGX-ST which resulted in the Company becoming the holding company of the Group. The following steps were taken in the Restructuring Exercise:

(a) Acquisition of subsidiaries

On 5 July 2019, the Company entered into a Restructuring Agreement ("RA") with the respective shareholders ("Vendors") of Paincare Center Pte. Ltd. ("PCC"), Singapore Paincare Center@Novena Pte. Ltd. ("PCN"), Lian Clinic Pte. Ltd. ("LCPL"), AE Medical Sengkang Private Limited ("AESK"), AE Medical Fernvale Pte. Ltd. ("AEF") and HMC Medical Pte. Ltd. ("HMC") to acquire the entire equity interest of the subsidiaries.

The RA was amended and restated on 1 April 2020, whereby additional ordinary shares were further issued to the Vendors to reflect the agreed shareholding interest in the Company based on the subsidiaries' unaudited profit after tax over the Group's unaudited profit after tax for the financial period from 1 July 2018 to 31 March 2020.

The purchase consideration of the subsidiaries are as follow:

(i) The Company issued 40,840 ordinary shares of the Company to the Vendors to acquire the entire equity interest of PCC and PCN, which the total fair value of the consideration is $5,552,880;

(ii) The Company issued 25,260 ordinary shares of the Company to the Vendors to acquire the entire equity interest of LCPL, which the total fair value of the consideration is $3,435,360;

(iii) The Company issued 10,632 ordinary shares of the Company to the Vendors to acquire the entire equity interest of HMC, which the total fair value of the consideration is $1,445,680;

1. General corporate information (Continued)

1.2 Restructuring exercise (Continued)

(a) Acquisition of subsidiaries (Continued)

(iv) The Company issued 6,106 ordinary shares of the Company to the Vendors to acquire the entire equity interest of AEF, which the total fair value of the consideration is $829,600;

(v) The Company issued 5,610 ordinary shares of the Company to the Vendors to acquire the entire equity interest of AESK, which the total fair value of the consideration is $762,960;

(b) Acquisition of Sen Med Holdings Pte. Ltd. (“SMH”)

The Group acquired 20% equity interest in SMH and classified it as financial asset at fair value through profit or loss on 1 March 2019. On 20 June 2019, the Group disposed 20% equity interest of SMH back to the vendor for the same consideration of $630,000. The sale was completed on 27 June 2019. The Group re-acquired 45% equity interest of SMH and classified it as associates of the Group and the Company pursuant to a RA entered on 5 July 2019.

The RA was amended and restated on 1 April 2020, whereby additional ordinary shares of the Company were issued to the vendor of SMH based on the financial performance contribution of the associate over the Group’s unaudited profit after tax for the financial period from 1 July 2018 to 31 March 2020.

The fair value consideration for the acquisition amounted to $1,570,800, of which was satisfied by way of issuance of 11,550 of the Company’s ordinary shares.

(c) Redeemable convertible loan

On 30 July 2019, the Company entered into a convertible loan agreement (“RCL”) with the RCL lenders for an aggregate sum of $2,700,000. The RCL shall be converted into ordinary shares at a discount 40% to the placement price upon the terms and conditions of the convertible loan agreement.

On 12 May 2020, the Company entered into a deed of amendment to the RCL, and the conversion of the RCL into the Company’s ordinary shares are fixed at 20,454,542 number of ordinary shares of the Company upon conversion.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The Restructuring Exercise involved acquisitions of companies, as referred to in Note 1.2(a) (i) to the financial statements, which are under common control. These companies have been included in the consolidated financial statements of the Group in a manner similar to the “pooling-of-interest” method. Such manner of presentation reflects the economic substance of the combining companies as a single economic enterprise, although the legal parent-subsidiary relationship was not established until after 5 July 2019.

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

These financial statements are the Group and the Company's first financial statements prepared in accordance with SFRS(I)s. The Group and the Company have previously prepared their financial statements in accordance with Financial Reporting Standards in Singapore ("FRSs"). As required by SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International),* the Group and the Company have consistently applied the same accounting policies in their opening statements of financial position at 1 July 2018 and 31 December 2018 respectively and throughout all financial years presented, as if these policies had always been in effect subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. Comparative information for the financial year ended 30 June 2019 in these financial statements have not been restated as there are no material financial impact on the transition from FRS(s) to SFRS(I).

Items included in the individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency of the financial statements. The financial statements are expressed in Singapore dollar ("$"), unless otherwise stated.

The preparation of financial statements in conformity with SFRS(I)s requires the management to exercise judgement in the process of applying the Group's and the Company's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of revision and future years if the revision affects both current and future financial years.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

During the financial year, the Group and the Company have adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to their operations and effective for the current financial year. The adoption of these new or revised SFRS(I) and SFRS(I) INT did not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior financial years except as disclosed below.

<u>Changes in accounting policies</u>

New standards, amendments and interpretations effective from 1 July 2019

SFRS(I) INT 23 *Uncertainty over income tax treatments*

SFRS(I) INT 23 provides guidance on accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.

The interpretation requires:

- The Group to contemplate whether uncertain tax treatments should be considered separately or together as a group, based on which approach provides better predictions of the resolution;

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Changes in accounting policies (Continued)

New standards, amendments and interpretations effective from 1 July 2019 (Continued)

SFRS(I) INT 23 *Uncertainty over income tax treatments (Continued)*

- The Group to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and

- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

The Group is required to apply this interpretation retrospectively with the cumulative effect of initially applying this interpretation as an adjustment to the opening retained earnings as at 1 July 2019.

Due to the existence of uncertain tax treatments, the management estimated a provision of $308,000 for additional income taxes relating to the Group's previous business operation structure. One of the directors of the Company has undertaken the entire potential tax liability arising from the uncertain tax treatments by Inland Revenue Authority of Singapore ("IRAS") and hence the Group recognised a corresponding receivable from that Director of the Company. The Group has received $308,000 from the director during the financial year. Therefore, there is no material impact to the opening retained earnings at 1 July 2019.

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement Contains a Lease*, SFRS(I) INT 1-15 *Operating leases – Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. SFRS(I) 16 provides a single lessee accounting model which eliminates the distinction between operating and finance leases for lessees. SFRS(I) 16 requires lessee to capitalise all leases on the consolidated statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the right-of-use assets will be depreciated and the lease liabilities will be measured at amortised cost. From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under SFRS(I) 16.

The Group and the Company elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under SFRS(I) 1-17, SFRS(I) INT 4, SFRS(I) INT 1-15 and SFRS(I) INT 1-27 were not reassessed. The definition of lease under SFRS(I) 16 was applied only to contracts entered into or changed on or after 1 July 2019.

In applying the modified retrospective approach, the Group and the Company have taken advantage of the following practical expedients:

- Leases with a remaining term of twelve months from the date of initial application have been accounted for as short-term leases (i.e. not recognised on statements of financial position) even though the initial term of the leases from lease commencement date may have been more than twelve months; and

- For the purpose of measuring the right-of-use asset, hindsight has been used. Therefore, it has been measured based on prevailing estimates at the date of initial application and not retrospectively by making estimates and judgements (such as lease terms) based on circumstances on or after the lease commencement date.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Changes in accounting policies (Continued)

New standards, amendments and interpretations effective from 1 July 2019 (Continued)

SFRS(I) 16 *Leases (Continued)*

As a lessee, the Group and the Company previously classified leases as operating lease based on their assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under SFRS(I) 16, the Group and the Company have elected not to recognise right-of-use assets and lease liabilities for those low-value assets based on the value of the underlying asset when new and leases with a lease term of 12 months or less.

On adoption of SFRS(I) 16, the Group and the Company recognised right-of-use assets and lease liabilities in relation to office and clinic premises, which had previously been classified as operating leases.

Lease liabilities from operating leases under the principles of SFRS(I) 1-17 were measured at the present value of the remaining lease payments, discounted using lessee's incremental borrowing rate as at 1 July 2019. The incremental borrowing rate applied to lease liabilities on 1 July 2019 was 2.28%.

Right-of-use assets were measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payment.

The effect of adopting SFRS(I) 16 as at 1 July 2019 increasing the line items of the statements of financial position as follows:

	Group	Company
	$	$
ASSETS		
Non-current assets		
Rights-of-use assets	2,397,817	32,351
LIABILITIES		
Non-current liabilities		
Lease liabilities	406,857	17,813
Current liabilities		
Lease liabilities	1,990,960	14,538

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

Changes in accounting policies (Continued)

New standards, amendments and interpretations effective from 1 July 2019 (Continued)

SFRS(I) 16 *Leases (Continued)*

The aggregate lease liabilities recognised in the statements of financial position as at 1 July 2019 and the Group's and the Company's operating lease commitments as at 30 June 2019 can be reconciled as follows:

	Group
	$
Operating lease commitments as at 30 June 2019 (Note 32)	40,750
Add: Effect of extension options reasonably certain to be exercised	2,521,250
	2,562,000
Effect of discounting using the incremental borrowing rate as at date of initial application	(164,183)
Lease liabilities as at 1 July 2019 (Note 17)	2,397,817

	Company
	$
Operating lease commitments as at 30 June 2019 (Note 32)	33,000
Effect of discounting using the incremental borrowing rate as at date of initial application	(649)
Lease liabilities as at 1 July 2019 (Note 17)	32,351

Early adoption of amendment to SFRS(I) 16 *Covid-19-Related Rent Concessions*

On 1 April 2020, the Group and the Company have opted to early apply the amendment to SFRS(I) 16 *Covid-19-Related Rent Concessions*, which is effective for annual period beginning on or after 1 June 2020.

SFRS(I) 16 was amended to provide lessees with an exemption from the requirement to determine whether a COVID-19-related rent concession is a lease modification and to require lessees that apply the exemption to account for COVID-19-related rent concessions as if they were not lease modifications.

The Group and the Company met all the criteria that must be satisfied for a rent concession to qualify for the practical expedient. By taking advantage of the practical expedient, the Group and the Company did not account the rent concessions as a lease modification. The difference between actual lease payments and lease liabilities of $74,186 was recognised in the consolidated statement of comprehensive income for the financial year ended 30 June 2020.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of financial statements (Continued)

SFRS(I) issued but not yet effective

As at the date of authorisation of these financial statements, the following SFRS(I) were issued but not yet effective and have not been early adopted in these financial statements:

			Effective date (annual periods beginning on or after)
SFRS(I) 1-1 and SFRS(I) 1-8 (Amendments)	:	Definition of Material	1 January 2020
SFRS(I) 3 (Amendments)	:	Definition of a Business	1 January 2020
SFRS(I) 17	:	Insurance Contracts	1 January 2021
SFRS(I) 1-1 (Amendments)	:	Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 10 and SFRS(I) 1-28 (Amendments)	:	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	:	Interest Rate Benchmark Reform	1 January 2020
Various (Amendments)	:	Amendments to References to the Conceptual Framework in SFRS (I) Standards	1 January 2020
SFRS(I) 3 (Amendments)	:	Reference to the Conceptual Framework	1 January 2022
SFRS(I) 1-16 (Amendments)	:	Property, Plant and Equipment—Proceeds before Intended Use	1 January 2022
SFRS(I) 1-37 (Amendments)	:	Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020			1 January 2022

Consequential amendments were also made to various standards as a result of these new or revised standards.

Management anticipates that the adoption of the above SFRS(I), if applicable, will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries made up to the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as that of the parent company.

Accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by to ensure consistency.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which that control ceases. In preparing the consolidated financial statements, inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment loss of the asset transferred.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

Non-controlling interests in the acquiree that have a present ownership interest and entitle its holders to a proportionate share of the equity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having deficit balance.

Changes in the Group's interest in subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2.3 Business combinations

The acquisitions of subsidiaries are accounted for using the acquisition method. The considerations transferred for the acquisitions are measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Consideration transferred also includes the fair value of any contingent consideration measured at the acquisition date. Subsequent changes in fair value of contingent consideration which is deemed to be an asset or liability will be recognised to profit or loss.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held-for-sale in accordance with SFRS(I) 5 *Non-current Assets Held-for-Sale and Discontinued Operations,* which are recognised and measured at the lower of cost and fair value less costs to sell.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 are recognised at their fair values at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;

- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with SFRS(I) 2 *Share-based Payment*; and

- assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 are measured in accordance with that standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Goodwill arising on acquisition is recognised as an asset at the acquisition date and initially measured at the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net acquisition date fair value amounts of the identifiable assets acquired and the liabilities and contingent liabilities assumed.

If, after reassessment, the net fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2. Summary of significant accounting policies (Continued)

2.3 Business combinations (Continued)

Acquisition under common control

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously and no adjustments are made to reflect the fair values or recognised any new assets or liabilities, including no goodwill is recognised as a result of the combination. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the consideration paid for the acquisition and share capital of acquiree is recognised directly to equity as merger reserve.

2.4 Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure relating to the plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the Company, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The residual values, estimated useful life and depreciation method are reviewed at each financial year-end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the plant and equipment over their estimated useful life as follows:

	Years
Computer equipment	1-3
Medical equipment	3-5
Furniture and fittings	3-5
Office equipment	3-5
Renovation	3-5

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.5 Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The useful life of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite life are amortised on a straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in profit or loss.

Intangible assets with indefinite useful life or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying amount may be impaired either at individual or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the changes in useful life from indefinite to finite is made on prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Goodwill

Goodwill arising on the acquisition of subsidiary represents the excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previously held equity interest in the acquiree over the acquisition date fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

2. Summary of significant accounting policies (Continued)

2.5 Intangible assets (Continued)

Computer software

Computer software are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software is subsequently carried at cost less accumulated amortisation and accumulated impairment losses, if any. These cost of computer software are amortised to profit or loss using the straight-line method over their estimated useful life of 3 years.

The useful lives and amortisation method are reviewed at the end of each reporting period to ensure that the period of amortisation and amortisation method are consistent with previous estimates and expected pattern of consumption of the future economic benefits embodied in the computer software.

Customer contract

Customer contract was acquired through business combinations, and measured at fair value as at the date of acquisition. Subsequently, customer contract is carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line basis over 9 months.

Customer contract is assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful life and amortisation method are reviewed at the end of each reporting period to ensure that the period of amortisation and amortisation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

Trademarks

Trademarks are stated at cost less accumulated amortisation and any accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 5.2 years, which is shorter of their useful lives and periods of contractual rights.

2.6 Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Investments in subsidiaries are accounted for at cost, less impairment loss, if any, in the Company’s statement of financial position.

2.7 Associates and joint ventures

Associate is entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

2. Summary of significant accounting policies (Continued)

2.7 Associates and joint ventures (Continued)

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

Associate and joint venture are initially recognised in the consolidated statement of financial position at cost, and subsequently accounted for using the equity method less any impairment losses. Any premium paid for an associate or a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is included in the carrying amount of the investment in associate or joint venture.

Under the equity method, the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of comprehensive income. Post-acquisition changes in the Group's share of net assets of associates or joint ventures and distributions received are adjusted against the carrying amount of the investments.

Losses of an associate or a joint venture in excess of the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment) are not recognised, unless the Group and the Company has incurred legal or constructive obligations to make good those losses or made payments on behalf of the associate or joint venture.

Where a Group entity transacts with an associate or a joint venture, unrealised profits are eliminated to the extent of the Group's interest in the associate or joint venture. Any eliminated gain that is in excess of the carrying amount of the Group's interest in the associate or joint venture should be recognised as deferred income. Unrealised losses are also eliminated, but only to the extent that there is no impairment.

As the dates of the associate's and joint ventures' financial statements used are not coterminous with that of the Group, the Group's share of results is arrived at based on the latest available un-audited management financial statements up to the end of the reporting period. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Where the investment in associate is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Investments in associates and joint ventures are carried at cost, less any impairment loss in the Company's statement of financial position.

2.8 Impairment of non-financial assets excluding goodwill

The carrying amounts of non-financial assets excluding goodwill are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets. Impairment loss is recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.8 Impairment of non-financial assets excluding goodwill (Continued)

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. Recoverable amount is determined for individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable willing parties less costs of disposal. Value-in-use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment loss are recognised in profit or loss. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average basis and includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which inventories can be realised in the ordinary course of business, less estimated costs to be incurred to make the sale. Where necessary, allowance is made for obsolete, slow-moving and defective inventories to adjust the carrying value of those inventories to the lower of cost and net realisable value.

2.10 Financial assets

The Group and the Company recognise a financial asset in their statements of financial position when, and only when, the Group and the Company become a party to the contractual provision of the instrument.

The Group and the Company classify their financial assets into one of the categories below, depending on the Group's and the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group and the Company shall reclassify their affected financial assets when and only when the Group and the Company change their business model for managing these financial assets. Other than financial assets in a qualifying hedging relationship, the Group's and the Company's accounting policy for each category is as follows:

2. Summary of significant accounting policies (Continued)

2.10 Financial assets (Continued)

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within SFRS(I) 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectible, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from subsidiaries, related parties, other receivables due from third parties, and cash and bank balances are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's and the Company's financial assets measured at amortised cost comprise trade and other receivables and cash and bank balances in the statements of financial position.

Financial assets at fair value through profit or loss ("FVTPL")

Investments in unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities are carried at fair value with changes in fair value recognised in profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investments' carrying amount.

Purchases and sales of financial assets measured at fair value through profit or loss are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through profit or loss.

<u>Derecognition of financial assets</u>

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2. Summary of significant accounting policies (Continued)

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash and deposits with banks. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.12 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received. Incremental costs directly attributable to the issuance of new equity instruments are shown in the equity as a deduction from the proceeds.

2.13 Financial liabilities

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. The Group and the Company determine the classification of their financial liabilities at initial recognition. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

<u>Other financial liabilities</u>

Trade and other payables

Trade and other payables (excluding goods and services tax payable and deferred grant income) are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within 12 months after the end of the reporting period are presented as current borrowings even though the original terms were for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period and before the financial statements are authorised for issue. Other borrowings due to be settled more than 12 months after the end of the reporting period are presented as non-current borrowings in the statements of financial position.

Redeemable convertible loans (“RCL”)

RCL with conversion option are accounted for as financial liability with an embedded equity conversion derivative based on the terms of the contract. On issuance of RCL, the embedded option is recognised at its fair value as derivative liability with subsequent changes in fair value recognised in profit or loss. The remainder of the proceeds is allocated to the liability component that is carried at amortised cost until the liability is extinguished on conversion or redemption. When an equity conversion option is exercised, the carrying amounts of the liability component and the equity conversion option are derecognised with a corresponding recognition of share capital.

<u>Derecognition of financial liabilities</u>

The Group and the Company derecognise their financial liabilities when, and only when, the Group’s and the Company’s obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.14 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Derivative financial instruments

Derivative financial instruments held by the Group and the Company are recognised as assets or liabilities on the statements of financial position and classified as financial assets or financial liabilities at fair value through profit or loss.

The Group and the Company classified the conversion option of RCL as derivative financial instruments. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken to profit or loss for the financial years, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the conversion option is exercised, the carrying amounts of the liability and embedded derivative components are transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained earnings.

2.16 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts and variable amounts, if any.

<u>Provision of medical services</u>

Revenue from the provision of medical services generally relate to performance obligations to provide consultations, clinical treatments and related products, net of discounts to customers. In the rendering of these services, there are no variable considerations noted in the contracts with customers. Performance obligations for all services are satisfied over a period of less than one day when services are rendered. Hence, revenue is recognised at a point in time upon completion of the services.

2. Summary of significant accounting policies (Continued)

2.17 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grants relate to expenditures, which are not capitalised, the fair value of grants are credited to profit or loss as and when the underlying expenses are included and recognised in profit or loss to match such related expenditures.

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal instalment. Grants which are receivable in relation to expenses to be incurred in the subsequent financial period, are included as government grant receivables and deferred government grant income, classified as current assets and current liabilities respectively.

2.18 Leases

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

<u>Initial measurement</u>

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- a fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

2. Summary of significant accounting policies (Continued)

2.18 Leases (Continued)

As lessee (Continued)

Initial measurement (Continued)

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

The Group and the Company present the right-of-use assets in plant and equipment and lease liabilities separately from other liabilities in the statements of financial position.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any remeasurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset on the following bases:

	Years
Premises	2-6

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.8 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any remeasurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Group revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the remeasurement is recognised directly in profit or loss.

2. Summary of significant accounting policies (Continued)

2.18 Leases (Continued)

As lessee (Continued)

Subsequent measurement (Continued)

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;
- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Group has elected to account for the entire contract as a lease. The Group does not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Subleases

When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sublease separately. The Group assesses the lease classification with a sublease with reference to the right-of-use asset arising from the head lease. Sublease is classified as an operating lease if the Group applied short-term lease exemptions to the head lease entered.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease as “Finance lease receivables”. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statements of financial position, which represents the lease payments owed to the head lessor.

Accounting policy for leases prior to 1 July 2019

When the Group and the Company is the lease of operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit and loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

2. Summary of significant accounting policies (Continued)

2.19 Employee benefits

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in profit or loss in the same financial year as the employment that gives rise to the contributions.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for unutilised leave as a result of services rendered by employees up to the end of the reporting period.

2.20 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as expenses in the profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

2.21 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity, or in other comprehensive income.

Current income tax expense is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous financial years. Taxable income differs from profit reported as profit or loss because it excluded items of income or expenses that are taxable or deductible in other years and it further excludes items of income or expenses that are not taxable or tax deductible.

Deferred tax is provided, using the balance sheet liability method, for temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the tax rates expected to be applied to the temporary differences when they are realised or settled, based on tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax authority and where there is intention to settle the current tax assets and liabilities on a net basis.

2. Summary of significant accounting policies (Continued)

2.21 Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries and associate, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.22 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by shareholders.

2.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to transactions with other components of the Group) and whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

The Group is not required to report separately information about its operating segments in the financial statements as the Group only has one predominant segment.

3. Critical accounting judgements and key sources of estimation uncertainty

3.1 Critical judgements made in applying the accounting policies

In the process of applying the accounting policies, the management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements except as discussed below.

(i) Determination of the lease term

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. 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.

Management has included potential cash outflows of $2,521,250 in the measurement of the Group's lease liabilities for clinic premises, as it is reasonably certain that the extension option will be exercised. The assessment on lease terms is reviewed at the end of each reporting period if there is a significant change in the Group's and the Company's intentions, business plan or other circumstances unforeseen since it was first estimated.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below:

(i) Business combinations related to acquisitions of subsidiaries and associates

The recognition of business combinations related to acquisitions of subsidiaries requires the excess of the purchase price of the acquisition over the net book value of assets acquired to be allocated to the assets and liabilities. The management also carried out valuation process for its acquisition of associate to determine their share of the fair values of the net identifiable assets of the associate is accounted for like goodwill in accordance with SFRS(I) 3 *Business Combinations* on date of acquisition.

The Group makes judgements and estimates in relation to the purchase price allocation exercise and valuation exercise. The fair value allocation of the purchase price for the subsidiaries are disclosed in Note 6 to the financial statements. The goodwill that forms part of the carrying amount of the investments in associate that is not separately recognised is amounted to $1,758,606.

(ii) Goodwill

Management determines whether goodwill is impaired at least on an annual basis and whenever there is an indication that they are impaired. The process of evaluating potential impairment of goodwill requires significant judgements and assumptions. Management estimates the recoverable amount of the CGU to which the goodwill has been allocated. Recoverable amount of the CGU is determined based on value-in-use calculations. The value-in-use calculations are based on a discounted cash flow model. The recoverable amount is most sensitive to discount rate used for the discounted cash flow model as well as the expected future cash inflows, average gross margin and the growth rate used for extrapolation purposes. Any excess of the carrying values over the discounted future cash flows are recognised as impairment loss in profit or loss. The carrying amount of the Group's goodwill as at 30 June 2020 was $6,003,176 and no allowance for impairment loss was recognised as disclosed in Note 5 to the financial statements.

(iii) Impairment of investments in subsidiaries and associates

The Company follows the guidance of SFRS(I) 1-36 *Impairment of Assets*, in determining whether investments in subsidiaries and associates are impaired. This determination requires significant judgements and assumptions. The Company evaluates, among other factors, the duration and extent to which the recoverable amount of an investment is less than its carrying amount, the financial health and near-term business outlook of the investments, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Investment in subsidiaries and associates are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and where applicable, cash-generating units ("CGU") have been determined based on value-in-use calculations. The recoverable amount is most sensitive to discount rate used for the discounted cash flow model as well as the expected future cash inflows, average gross margin and the growth rate used for extrapolation purposes. The Company's carrying amount of investments in subsidiaries and associates as at 30 June 2020 was $12,026,480 and $1,805,800 (2019: $Nil and $Nil) and no allowance for impairment loss recognised as at 30 June 2020 as disclosed in Note 6 and 7 to the financial statements.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(iv) Loss allowance on receivables

Trade and other receivables

Management determines the expected loss arising from default for trade receivables, by categorised them based on its historical loss pattern, historical payment profile as well as credit risk profile of customer.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. There is no customer in financial difficulties during the financial year. The carrying amounts of trade and other receivables of the Group as at 30 June 2020, 30 June 2019 and 1 July 2018 were $987,566, $1,047,881 and $1,762,059 respectively.

Amounts due from subsidiaries

Management determines whether there is significant increase in credit risk of these subsidiaries since initial recognition. Management reviews the financial performance and results of these subsidiaries. No loss allowance was recognised as at 30 June 2020, 30 June 2019 and 31 December 2018. The amounts due from subsidiaries are disclosed in Note 10 to the financial statements.

(v) Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Group has determined the discount rate by reference to the respective lessee's incremental borrowing rate when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers its own credit spread information from industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.

The average incremental borrowing rate applied to lease liabilities as at 30 June 2020 was 2.28%. The carrying amount of lease liabilities of the Group and the Company as at 30 June 2020 was $2,071,208 and $61,035 respectively. If the incremental borrowing rate had been 10% higher or lower than management's estimates, the Group's and the Company's lease liabilities would have been lower or higher by $10,307 and $1,263 respectively.

4. Plant and equipment

	Computer equipment	Medical equipment	Furniture and fittings	Office equipment	Renovation	Premises[(1)]	Total
	$	$	$	$	$	$	$
Group							
Cost							
Balance at 1 July 2019	21,542	101,935	19,426	13,765	217,353	–	374,021
Adoption of SFRS(I) 16	–	–	–	–	–	2,397,817	2,397,817
Arising from acquisition of subsidiaries	4,270	2,932	360	5,153	662	343,633	357,010
Additions	2,426	3,090	–	–	–	76,627	82,143
Lease modification	–	–	–	–	–	(207,102)	(207,102)
Written off	(1,935)	(256)	(238)	(1,439)	–	–	(3,868)
Lease termination	–	–	–	–	–	(32,351)	(32,351)
Balance at 30 June 2020	26,303	107,701	19,548	17,479	218,015	2,578,624	2,967,670
Accumulated depreciation							
Balance at 1 July 2019	18,640	87,268	19,426	10,605	217,353	–	353,292
Depreciation for the financial year	8,626	16,883	180	3,265	662	571,975	601,591
Written off	(1,935)	(256)	(238)	(1,439)	–	–	(3,868)
Lease termination	–	–	–	–	–	(7,353)	(7,353)
Balance at 30 June 2020	25,331	103,895	19,368	12,431	218,015	564,622	943,662
Net carrying amount							
Balance at 30 June 2020	972	3,806	180	5,048	–	2,014,002	2,024,008
Cost							
Balance at 1 July 2018	17,565	101,935	19,426	10,419	217,353	–	366,698
Additions	3,977	–	–	3,346	–	–	7,323
Balance at 30 June 2019	21,542	101,935	19,426	13,765	217,353	–	374,021
Accumulated depreciation							
Balance at 1 July 2018	17,565	71,268	19,426	10,419	217,353	–	336,031
Depreciation for the financial year	1,075	16,000	–	186	–	–	17,261
Balance at 30 June 2019	18,640	87,268	19,426	10,605	217,353	–	353,292
Net carrying amount							
Balance at 30 June 2019	2,902	14,667	–	3,160	–	–	20,729
Balance at 1 July 2018	–	30,667	–	–	–	–	30,667

4. Plant and equipment (Continued)

	Computer equipment $	Office equipment $	Premises [1] $	Total $
Company				
Cost				
Balance at 1 July 2019	2,997	3,346	–	6,343
Adoption of SFRS(I) 16	–	–	32,351	32,351
Additions	–	–	76,627	76,627
Lease termination	–	–	(32,351)	(32,351)
Balance at 30 June 2020	2,997	3,346	76,627	82,970
Accumulated depreciation				
Balance at 1 July 2019	749	186	–	935
Depreciation for the financial year	2,248	1,115	24,381	27,744
Lease termination	–	–	(7,353)	(7,353)
Balance at 30 June 2020	2,997	1,301	17,028	21,326
Net carrying amount				
Balance at 30 June 2020	–	2,045	59,599	61,644
Cost				
Balance at date of incorporation	–	–	–	–
Additions	2,997	3,346	–	6,343
Balance at 30 June 2019	2,997	3,346	–	6,343
Accumulated depreciation				
Balance at date of incorporation	–	–	–	–
Depreciation for the financial period	749	186	–	935
Balance at 30 June 2019	749	186	–	935
Net carrying amount				
Balance at 30 June 2019	2,248	3,160	–	5,408
Balance at date of incorporation	–	–	–	–

[1] The Group and the Company lease office space and clinic premises for the purpose of back office operations and providing medical services respectively. Right-of-use assets solely arising from the premises' leasing arrangements are presented under "Premises".

For the purpose of consolidated statement of cash flows, the Group's additions to plant and equipment during the financial year were financed as follows:

	2020 $	2019 $
Cash payments to acquire plant and equipment	5,516	7,323

5. Intangible assets

	Computer software	Customer contract	Goodwill	Trademark	Total
	$	$	$	$	$
Group					
Cost					
Balance at 1 July 2019	39,721	–	–	–	39,721
Arising from acquisition of subsidiaries	–	166,000	6,003,176	–	6,169,176
Addition	–	–	–	200,000	200,000
Written off	(34,721)	–	–	–	(34,721)
Balance at 30 June 2020	5,000	166,000	6,003,176	200,000	6,374,176
Accumulated amortisation					
Balance at 1 July 2019	39,721	–	–	–	39,721
Amortisation for the financial year	–	166,000	–	12,903	178,903
Written off	(34,721)	–	–	–	(34,721)
Balance at 30 June 2020	5,000	166,000	–	12,903	183,903
Net carrying amount					
Balance at 30 June 2020	–	–	6,003,176	187,097	6,190,273
Remaining useful life at end of financial year	–	–	Indefinite	4.8 years	
Cost					
Balance at 1 July 2018 and 30 June 2019	39,721	–	–	–	39,721
Accumulated amortisation					
Balance at 1 July 2018 and 30 June 2019	39,721	–	–	–	39,721
Net carrying amount					
Balance at 1 July 2018 and 30 June 2019	–	–	–	–	–

5. Intangible assets (Continued)

	Trademark
	$
Company	
Cost	
Balance at 1 July 2019	–
Addition	200,000
Balance at 30 June 2020	200,000
Accumulated amortisation	
Balance at 1 July 2019	–
Amortisation for the financial year	12,903
Balance at 30 June 2020	12,903
Net carrying amount	
Balance at 30 June 2020	187,097
Remaining useful life at end of financial year	4.8 years

The Company did not own any intangible assets as at 30 June 2019 and as at date of incorporation.

Amortisation expense was included in "depreciation and amortisation expenses" line item of profit or loss.

Goodwill arising from the business combinations was related to acquisition of subsidiaries, of which, each subsidiary is an individual cash-generating unit ("CGU") that are expected to benefit from the business combinations. As at 30 June 2020, the carrying amount of goodwill had been allocated as follows:

	Group
	30 June 2020
	$
Name of subsidiaries	
LCPL	3,295,421
HMC	1,421,822
AESK	643,741
AEF	642,192
	6,003,176

Impairment test for goodwill

As at 30 June 2020, the recoverable amount of the 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 are 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.

5. Intangible assets (Continued)

Impairment test for goodwill (Continued)

Key assumptions used for value-in-use calculations:

	Revenue growth rate		Average gross margin		Discount rate	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
LCPL	5%	–	70%	–	12%	–
HMC	5%	–	75%	–	12%	–
AESK	0%	–	55%	–	12%	–
AEF	5%	–	68%	–	12%	–

Terminal growth of 0.5% (2019: Nil%) was applied to all CGUs in the cash flows projection to terminal year.

Revenue growth rate and average gross margin - The forecasted 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.

As at the end of the reporting period, the recoverable amount of the CGU was determined to be higher than its carrying amount and thus, no impairment loss recognised.

6. Investments in subsidiaries

	30 June 2020 $	30 June 2019 $	31 December 2018 $
Company			
Unquoted equity shares, at cost	12,026,480	–	–

	30 June 2020 $	30 June 2019 $
Unquoted equity shares, at cost		
Balance at beginning of financial year/date of incorporation	–	–
Additions during the financial year/period	12,026,480	–
Balance at end of financial year/period	12,026,480	–

As at the end of the reporting period, the Company carried out a review of the recoverable amount of its investment in subsidiaries, as a result of indicators of impairment based on the existing performance of these subsidiaries during the financial year. The estimates of the recoverable amounts are determined based on value-in-use calculations. The key assumptions used in measuring value-in-use included revenue growth rates from 0% to 5%, average gross margin of 55% to 75% and discount rate of 12%. Arising from the assessment, no impairment loss was recognised on the investments in subsidiaries during the financial year.

6. Investments in subsidiaries (Continued)

The details of the subsidiaries held by the Company are as follows:

Name of company	Principal place of business	Principal activities	Proportion of ownership interest held by the Company			Proportion of ownership interest held by the non-controlling interests		
			30 June 2020	30 June 2019	31 December 2018	30 June 2020	30 June 2019	31 December 2018
			%	%	%	%	%	%
Paincare Center Pte. Ltd. [(1)]	Singapore	Operation of medical clinic and the provision of medical services	100	–	–	–	–	–
Singapore Paincare Center@ Novena Pte. Ltd. [(1)]	Singapore	Operation of medical clinic and the provision of medical services	100	–	–	–	–	–
AE Medical Sengkang Private Limited [(1)]	Singapore	Operation of medical clinic and the provision of medical services	100	–	–	–	–	–
AE Medical Fernvale Pte Ltd. [(1)]	Singapore	Operation of medical clinic and the provision of medical services	100	–	–	–	–	–
HMC Medical Pte. Ltd. [(1)]	Singapore	Operation of medical clinic and the provision of medical services	100	–	–	–	–	–
Lian Clinic Pte. Ltd. [(1)]	Singapore	Operation of medical clinic and the provision of medical services	100	–	–	–	–	–
Horizon Paincare Pte. Ltd. [(2)]	Singapore	Specialised medical services (paincare management)	100	60	–	–	40	–
Fernvale Paincare Pte. Ltd. [(2)]	Singapore	Specialised medical services (paincare management)	100	60	–	–	40	–
Sen Paincare Pte. Ltd. [(2)]	Singapore	Specialised medical services (paincare management)	78	60	–	22	40	–

(1) Audited by BDO LLP, Singapore
(2) In the process of striking off

6. Investments in subsidiaries (Continued)

Acquisition of subsidiaries

Acquisition of LCPL, HMC, AEF and AESK

On 5 July 2019, the Company entered into a RA to acquire the entire equity interest of LCPL, HMC, AESK and AEF. The RA was amended and restated on 1 April 2020, whereby additional ordinary shares of the Company were issued to the vendors to reflect the agreed shareholding interest in the Company based on the subsidiaries' unaudited profit after tax over the Group's unaudited profit after tax for the financial period from 1 July 2018 to 31 March 2020. The total consideration of $6,473,600 were satisfied by way of issuance of the Company's ordinary shares.

The fair values of the identifiable assets and liabilities of LCPL, HMC, AEF and AESK as at the date of acquisition were:

	LCPL $	HMC $	AEF $	AESK $	Total $
Plant and equipment	85,765	107,009	117,261	46,975	357,010
Intangible assets	–	–	81,000	85,000	166,000
Inventories	343,176	55,511	73,205	42,265	514,157
Trade and other receivables	389,457	139,969	56,832	9,923	596,181
Cash and bank balances	118,164	265,754	28,366	427	412,711
Total assets	936,562	568,243	356,664	184,590	2,046,059
Trade and other payables	497,090	290,581	43,896	4,450	836,017
Lease liabilities	72,800	170,710	108,769	45,921	398,200
Provision	6,893	20,000	2,455	–	29,348
Deferred tax liabilities	–	–	14,000	15,000	29,000
Income tax liabilities	219,840	63,094	136	–	283,070
Total liabilities	796,623	544,385	169,256	65,371	1,575,635
Net identifiable assets at fair value	139,939	23,858	187,408	119,219	470,424
Fair value of consideration paid	3,435,360	1,445,680	829,600	762,960	6,473,600
Goodwill arising from acquisition	3,295,421	1,421,822	642,192	643,741	6,003,176

Goodwill of $6,003,176 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 are not to be deductible for tax purposes.

The Group recognised downwards adjustment in the fair value of LCPL's bank borrowings as the director of LCPL has undertaken the bank borrowings amounting to $254,972 as at date of acquisition.

6. Investments in subsidiaries (Continued)

Acquisition of subsidiaries (Continued)

Acquisition of LCPL, HMC, AEF and AESK (Continued)

Revenue or profit before tax for the financial year ended 30 June 2020 contributed by LCPL, HMC, AEF and AESK to the Group were as follows:

	LCPL	HMC	AEF	AESK
	$	$	$	$
Revenue	3,279,290	1,245,827	888,581	554,753
Profit before income tax	1,311,379	489,259	207,020	264,845

If the combination had taken place at the beginning of the financial year ended 30 June 2020, the Group's revenue for the financial year ended 30 June 2020 would have been $9,645,856 and profit before tax would have been $2,401,760.

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

	2020
	$
Total purchase consideration	6,473,600
Less: Non-cash consideration	(6,473,600)
Less: Cash and cash equivalents of subsidiaries acquired	(412,711)
Net cash inflow from acquisitions	(412,711)

Trade and other receivables acquired comprise gross trade and other receivables amounting to $596,181 which approximates fair value. It is expected that full contractual amount of receivables can be collected.

Incorporation of Horizon Paincare Pte. Ltd., Sen Paincare Pte. Ltd., and Fernvale Paincare Pte. Ltd.

On 17 January 2019, the Group incorporated Horizon Paincare Pte. Ltd. ("HPPL") with 60 ordinary shares of HPPL at a cash consideration of $60, which represents 60% of its total equity.

On 26 February 2019, the Group incorporated Fernvale Paincare Pte. Ltd.("FPPL") with 60 ordinary shares of FPPL at a cash consideration of $60, which represents 60% of its total equity.

On 18 June 2019, the Group incorporated Sen Paincare Pte. Ltd. ("SPPL") with 60 ordinary shares of SPPL at a cash consideration of $60, which represents 60% of its total equity.

HPPL, FPPL and SPPL were previously classified as joint ventures as at 30 June 2019. These entities became the subsidiaries of the Group on 5 July 2019 followed by the completion of the acquisition of HMC Medical Pte. Ltd., AE Medical Fernvale Pte. Ltd. and Sen Med Holdings Pte. Ltd. which hold 40% of equity interest in HPPL, FPPL and SPPL respectively.

If these entities had been consolidated into the consolidated statement of comprehensive income at the beginning of the financial year ended 30 June 2020, the Group's revenue for the financial year ended 30 June 2020 would have been $9,645,856 and profit before tax would have been $2,394,026.

As at 30 June 2019, the aggregated amount of cost of investment for these joint ventures is $180 and the total share of loss after tax is $180, which is insignificant to the Group, they have not been recognised in the consolidated statement of financial position and consolidated statement of comprehensive income for the financial year ended 30 June 2019.

As at end of the reporting period, these entities are dormant and in the process of being struck off.

7. Investments in associates

	Group			Company		
	30 June 2020	30 June 2019	1 July 2018	30 June 2020	30 June 2019	31 December 2018
	$	$	$	$	$	$
Unquoted equity investments, at cost	1,805,800	–	–	1,805,800	–	–
Share of post-acquisition results of associates, net of dividends	263,982	–	–	–	–	–
	2,069,782	–	–	1,805,800	–	–

As at 30 June 2020, the associates are as follows:

Name of company	Principal place of business	Principal activities	Effective equity interest 30 June 2020	Effective equity interest 30 June 2019
			%	%
<u>Associates</u>				
Sen Med Holdings Pte. Ltd. [(1)]	Singapore	Investment holding	45	20
Held by Sen Med Holdings Pte. Ltd.				
The Family Clinic @ Towner Pte. Ltd. [(1)]	Singapore	Operation of medical clinic and the provision of medical services	45	20
X-Ray + Medical Screening Pte. Ltd. [(1)]	Singapore	Provision of medical diagnostic imaging centres	45	20
Express Medical Pte. Ltd. [(1)]	Singapore	Operation of medical clinic and the provision of medical services	45	20

(1) Audited by BDO LLP, Singapore

Sen Med Holdings Pte. Ltd. ("SMH"), which held three wholly owned subsidiaries, namely, The Family Clinic @ Towner Pte. Ltd., X-Ray + Medical Screening Pte. Ltd. and Express Medical Pte. Ltd., is a group of medical clinics which providing general healthcare services, which is in alignment with the Group's plan for growth in the medical related business.

<u>Acquisition of equity interest in associates</u>

On 5 July 2019, the Company entered into RA to acquire 45% equity interest of SMH, a company incorporated in Singapore. The RA was amended and restated on 1 April 2020, whereby additional ordinary shares of the Company were issued to the vendor of SMH based on the financial performance contribution of the associate over the Group's unaudited profit after tax for the financial period from 1 July 2018 to 31 March 2020. The total consideration of $1,570,800 which was paid entirely by way of issuance of 11,550 of the Company's ordinary shares. The fair value of the financial asset at FVTPL which amounted to $235,000 before the acquisition is re-measured as part of the cost of investment of associates.

7. Investments in associates (Continued)

Acquisition of equity interest in associates (Continued)

Goodwill which amounted to approximately $1,758,606 is measured as the excess of aggregate consideration transferred over the fair value of identifiable net assets acquired, and the amount forms part of carrying amount of investments in associates.

The financial year end of SMH is 31 March. For the purposes of applying the equity method of accounting, a realignment of financial statements from 31 March 2020 to 30 June 2020 was prepared by the management of SMH.

At the end of the reporting period, the Group and the Company carried out a review of the recoverable amount of the carrying values of associates, as a result of indicators of impairment based on the existing performance of these associates during the financial year. The estimates of the recoverable amounts are determined based on value-in-use calculations. The key assumptions used in measuring value-in-use included revenue growth rates from -35% to 75%, average gross margin of 72% and discount rate of 15%. Arising from the assessment, no impairment loss was recognised on the investments in associates during the financial year.

Summarised financial information of associates

The summarised financial information below reflects the amounts presented in the financial statements of associates (and not the Group's share of those amounts), is as follows:

	2020 $	2019 $
Assets and liabilities		
Current assets	1,214,713	–
Non-current assets	870,810	–
Current liabilities	780,886	–
Non-current liabilities	613,135	–
Net assets	691,502	–

	2020 $	2019 $
Income and expenses		
Revenue	2,701,648	–
Total comprehensive income	586,626	–

Reconciliation of summarised financial information presented, to the carrying amount of the Group's interest in associates, is as follows:

	2020 $	2019 $
Net assets of SMH	691,502	–
Proportion of Group's ownership	45%	–
Group's share of interest in associate	311,176	–
Add: Goodwill	1,758,606	–
Net carrying amount	2,069,782	–

8. Financial asset at fair value through profit or loss ("FVTPL")

	Group		
	30 June 2020	30 June 2019	1 July 2018
	$	$	$
Investment in unquoted shares	–	235,000	–

Movements in the investment in unquoted shares were as follows:

	Group	
	2020	2019
	$	$
Balance at beginning of financial year	235,000	–
Addition	–	630,000
Disposal	(235,000)	(630,000)
Fair value changes recognised in profit or loss	–	235,000
Balance at end of financial year	–	235,000

The Group acquired 20% equity interest of Sen Med Holdings Pte. Ltd. ("SMH") for cash consideration of $630,000 on 1 March 2019. The Group was not involved in operating and financial activities of SMH, and did not have representation on the board of directors. They did not have direct or influence the operating and financial activities of SMH. The Group was only entitled to the rights of being a shareholder, and rights to vote for those matters that required under constitution. As such, the 20% equity interest in SMH was accounted for as a financial asset at fair value through profit and loss ("FVTPL") in accordance to SFRS(I) 9 *Financial Instruments*.

On 21 June 2019, the Group received $630,000 cash from the vendor and transferred legal title of 20% equity interest to the vendor. However, the Group did not derecognise the financial asset at fair value through profit or loss and recognised a fair value gain arising at 30 June 2019. The management is of the view that the Group holds the financial asset at fair value through profit or loss in substance because this is part of the arrangement with the vendor to exchange cash consideration with shares consideration of the ordinary shares of the Company subsequent to 30 June 2019.

On 5 July 2019, the Group underwent a restructuring exercise whereby the Group acquired 45% equity interest in SMH from the vendor. Subsequent to this acquisition, the management assessed that the Group has significant influence over SMH as the Group has power to participate in the financial and operating policy decisions in SMH. Consequently, the Group applied the use of the equity method for the investment in SMH from 5 July 2019. On the same date, the carrying amounts of the investment in SMH as financial asset at FVTPL were derecognised and were recognised as investment in associates.

As at 30 June 2019, the fair value of the Group's investment in unquoted shares was valued by an independent valuation firm and the valuation techniques used to derive the fair value is market approach by using Comparable Transactions Method and Guideline Publicly-traded Comparable Method.

The currency profile of financial asset at FVTPL as at the end of the reporting period is Singapore dollar.

9. Inventories

	Group		
	30 June 2020	30 June 2019	1 July 2018
	$	$	$
Medicine supplies	859,501	123,334	124,180

The cost of inventories recognised as an expense and included in "inventories and consumables used" line item in profit and loss amounted to $2,195,193 and $697,652 for the financial years ended 30 June 2020 and 30 June 2019 respectively.

10. Trade and other receivables

	Group			Company		
	30 June 2020	30 June 2019	1 July 2018	30 June 2020	30 June 2019	31 December 2018
	$	$	$	$	$	$
Trade receivables						
- third parties	846,028	502,130	274,855	–	–	–
- associate	1,490	–	–	–	–	–
Less: Loss allowance on doubtful receivables	(56,242)	(78,461)	(32,354)	–	–	–
	791,276	423,669	242,501	–	–	–
Other receivables						–
- third parties	26,169	11,094	–	–	–	–
- subsidiaries	–	–	–	2,890,560	6,100	–
- director of the Company	–	608,299	–	–	–	–
- related parties	–	–	1,517,856	–	–	–
Grant receivables in respect of Jobs Support Scheme ("JSS")	130,597	–	–	26,466	–	–
Deposits	17,861	4,819	1,702	5,028	3,250	–
Lease receivables	21,663	–	–	–	–	–
	987,566	1,047,881	1,762,059	2,922,054	9,350	–

Finance lease receivables relate to a sublease of clinic premise which was classified as finance lease on adoption of SFRS(I) 16 as disclosed in Note 2.18 to the financial statements.

Trade receivables are generally on 30 to 90 (30 June 2019: 30 to 90; 1 July 2018: 30 to 90) days credit terms.

The non-trade amounts due from subsidiaries, director of the Company, and related parties are unsecured, non-interest bearing and repayable on demand.

10. Trade and other receivables (Continued)

The grant receivables and grant income are related to JSS announced by the Singapore Government to provide wage support to employers to help them retain their local employees during this period of economic uncertainty. In determining the timing of recognition of the JSS grant income, the management evaluated the Group is impacted from April 2020 onwards following the circuit-breaker measure, hence grant income of $212,411 is recognised during the financial year.

The Group determined, by reference to past default experience and expected credit losses ("ECL"), which incorporate forward looking estimates. In calculating the ECL rates, the Group considers historical loss rates for each aging bracket of customers and adjust for forward looking macroeconomic data that may affect the ability of the debtors to settle receivables.

However, the management has made specific provision for impairment loss of $56,242 and $78,461 for the financial years ended 30 June 2020 and 30 June 2019 respectively on individually impaired receivables after the assessment of the recoverability and extended credit terms being given.

The Group assessed for lifetime expected credit losses for the non-trade receivables by determining if there has been a significant increase in credit risk of the non-trade receivables since initial recognition. At the end of the reporting period, management has assessed the expected credit loss to be insignificant.

At the end of the reporting period, the analysis of trade receivables and the carrying amount of allowances for impairment loss are as follows:

	ECL Weightage	Gross carrying amount	Loss allowance on receivables	Net carrying amount
		$	$	$
Group				
30 June 2020				
Other customers collectively assessed				
Not past due	0%	573,951	–	573,951
Past due less than 1 month	0%	79,001	–	79,001
Past due 1 to 2 months	0%	70,142	–	70,142
Past due 2 to 3 months	0%	24,727	–	24,727
Past due over 3 months	0%	43,455	–	43,455
		791,276	–	791,276
Credit impaired customers		56,242	(56,242)	–
		847,518	(56,242)	791,276
30 June 2019				
Other customers collectively assessed				
Not past due	0%	405,027	–	405,027
Past due less than 1 month	0%	16,001	–	16,001
Past due 1 to 2 months	0%	874	–	874
Past due 2 to 3 months	0%	374	–	374
Past due over 3 months	0%	1,393	–	1,393
		423,669	–	423,669
Credit impaired customers		78,461	(78,461)	–
		502,130	(78,461)	423,669

10. Trade and other receivables (Continued)

	ECL Weightage	Gross carrying amount $	Loss allowance on receivables $	Net carrying amount $
Group				
1 July 2018				
Other customers collectively assessed				
Not past due	0%	224,607	–	224,607
Past due less than 1 month	0%	167	–	167
Past due 2 to 3 months	0%	7,542	–	7,542
Past due over 3 months	0%	10,185	–	10,185
		242,501	–	242,501
Credit impaired customers		32,354	(32,354)	–
		274,855	(32,354)	242,501

The individually impaired trade receivables relate mainly due to those customers who were given extended credit terms and were unable to repay these amounts despite collection efforts made by the Group.

Movements in the loss allowance on receivables were as follows:

	Group 2020 $	2019 $
Balance at beginning of financial year	78,461	32,354
Allowance made during the financial year	–	46,107
Allowance written back during the financial year	(22,219)	–
Balance at end of financial year	56,242	78,461

The currency profile of trade and other receivables as at the end of the reporting period is Singapore dollar.

11. Cash and bank balances

The currency profile of cash and bank balances of the Group and the Company as at the end of the reporting period is Singapore dollar.

12. Share capital

	Group		
	30 June 2020	30 June 2019	1 July 2018
	$	$	$
- Paincare Center Pte. Ltd.	–	2	2
- Singapore Paincare Center@Novena Pte. Ltd.	–	2	2
- Singapore Paincare Holdings Limited	13,797,282	2	–
Issued and fully-paid	13,797,282	6	4

	Company					
	30 June 2020	30 June 2019	31 December 2018	30 June 2020	30 June 2019	31 December 2018
	Number of ordinary shares			$	$	$
Issued and fully-paid	103,458	2	2	13,797,282	2	2

	Group		Company	
	Number of ordinary shares	$	Number of ordinary shares	$
30 June 2020				
Issued and fully-paid				
Balance at beginning of financial year[i]	6	6	2	2
Adjustment pursuant to restructuring exercise[ii]	(4)	(4)	–	–
Issuance of ordinary shares pursuant to the acquisition of subsidiaries and associates[ii]	9,998	13,597,280	9,998	13,597,280
Issuance of additional ordinary shares[iii]	90,000	–	90,000	–
Issuance of ordinary shares pursuant to the acquisition of trademarks[iv]	3,458	200,000	3,458	200,000
Balance at end of financial year	103,458	13,797,282	103,458	13,797,282

(i) The share capital of the Group as at 30 June 2019 represents the issued and paid up capital of the Company and the aggregation of the Group's interest in the issued and paid up capital of all subsidiaries under common control.

(ii) On 5 July 2019, the Company increase its issued and fully paid-up share capital by way of allotment and issuance of 9,998 new ordinary shares for a total consideration of $13,597,280 as a result of the restructuring exercise. Pursuant to the restructuring exercise, the Company acquired entire equity interest in PCC, PCN, LCPL, HMC, AEF and AESK and 45% equity interest in SMH.

(iii) On 1 April 2020, the Company issued additional 90,000 ordinary shares of the Company to respective vendors of the subsidiaries and associates, in connection with certain adjustments, made attributable to the subsidiaries' and associates' unaudited profit after tax for the financial period from 1 July 2018 to 31 March 2020.

(iv) On 7 April 2020, the Company increase its issued and fully paid-up share capital by way of allotment and issuance of 3,458 ordinary shares of the Company at an approximate issue price of $58 per share as payment to an acquisition of trademark as disclosed in Note 5 to the financial statements.

12. Share capital (Continued)

	Company	
	Number of ordinary shares	$
30 June 2019		
Issued and fully-paid		
Balance at date of incorporation and 30 June 2019	2	2

On 31 December 2018, the Company issued 2 ordinary shares of $1 each for cash at date of incorporation to the sole director of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

13. Merger reserve

Merger reserve represents the difference between the consideration paid and the issued and fully paid share capital of subsidiaries acquired under common control that are accounted for by applying the "pooling-of-interest" method.

14. Other reserve

	Group			Company		
	30 June 2020	30 June 2019	1 July 2018	30 June 2020	30 June 2019	31 December 2018
	$	$	$	$	$	$
Equity component of RCL	177,484	–	–	177,484	–	–
Other reserve	–	–	–	235,000	–	–
	177,484	–	–	412,484	–	–

Equity component of RCL

The amount of $177,484 relates to the equity portion of the redeemable convertible loan ("RCL") issued to vendors to support the Company's listing process and working capital pursuant to the deed of amendments to RCL entered on 12 May 2020 as disclosed in Note 21 to the financial statements. The issuance of the Company's ordinary shares is fixed at 20,454,542, which was fully converted into ordinary shares of the Company on 13 July 2020.

Other reserve

Other reserve of the Company represents the transfer of equity investment in SMH which was classified as financial asset at FVTPL in its subsidiary, Paincare Center Pte. Ltd. On 5 July 2019, the gain on transfer of the financial asset at FVTPL to the Company is recognised as other reserve amounting to $235,000 as it is considered as a transaction with owner.

15. Retained earnings/ (Accumulated loss)

	Company		
	30 June 2020	30 June 2019	31 December 2018
	$	$	$
Retained earnings/(Accumulated loss)	1,171,422	(96,106)	–

Movement in retained earnings/(accumulated loss) of the Company was as follows:

	Company	
	30 June 2020	30 June 2019
	$	$
Balance at beginning of financial year/date of incorporation	(96,106)	–
Total comprehensive income for the financial year/period	1,267,528	(96,106)
Balance at end of financial year/period	1,171,422	(96,106)

16. Bank borrowings

	Group		
	30 June 2020	30 June 2019	1 July 2018
	$	$	$
Current			
Term loan I	–	1,197,691	28,079
Term loan II	–	798,187	–
	–	1,995,878	28,079
Non-current			
Term loan I	–	–	1,200,830
	–	1,995,878	1,228,909
Effective interest rate per annum			
Bank borrowings	–	4.88% ~ 5.25%	4.75%

Term loan I

Term loan I is repayable over 300 monthly instalments comprising principal and interest.

Term loan I is supported by:

(i) a fresh first legal mortgage on the property of a related party; and

(ii) a personal guarantee for $1,302,000 by a director of the Company

Term loan I has been drawn down by the Group and extended to a related party. The loan outstanding as at 30 June 2020 and 30 June 2019 amounted to $Nil and $1,197,691 respectively.

During the financial year ended 30 June 2019, the Group arranged with the bank for an early settlement of Term loan I. Therefore, the non-current portion of $1,165,388 was reclassified to current liabilities for presentation purposes. The Term loan I was fully repaid on 30 October 2019.

16. Bank borrowings (Continued)

Term loan II

Term loan II is repayable on demand.

Term loan II is supported by a guarantee given by a director of the Company.

The Term loan II has been fully repaid on 30 September 2019.

As at the end of the reporting periods, bank facilities granted to and utilised by the Group were as follows:

	Group		
	30 June 2020	**30 June 2019**	**1 July 2018**
	$	**$**	**$**
Facilities granted	–	2,102,000	1,302,000
Facilities utilised	–	2,100,187	1,302,000

The currency profile of the bank borrowings as at the end of the respective reporting periods is Singapore dollar.

17. Lease liabilities

	Group			Company		
	30 June 2020	**30 June 2019**	**30 June 2018**	**30 June 2020**	**30 June 2019**	**31 December 2018**
	$	**$**	**$**	**$**	**$**	**$**
Presented in statements of financial position						
- Current	591,243	–	–	26,397	–	–
- Non-current	1,479,965	–	–	34,638	–	–
	2,071,208	–	–	61,035	–	–

17. Lease liabilities (Continued)

	Premises Group $	Premises Company $
Balance at 30 June 2019		
- Adoption of SFRS(I) 16	2,397,817	32,351
Balance at 1 July 2019	2,397,817	32,351
Additions	76,627	76,627
Lease modification	(193,131)	–
Lease termination	(24,998)	(24,998)
Arising from acquisition of subsidiaries	398,200	–
Interest expense	49,992	1,055
Lease payments		
- Principal portion	(583,307)	(22,945)
- Interest portion	(49,992)	(1,055)
Balance at 30 June 2020	2,071,208	61,035

The maturity analysis of lease liabilities at the end of the reporting period are as follows:

	30 June 2020 $
Group	
Contractual undiscounted cash flows	
- Within one financial year	632,300
- After one financial year but within five financial years	1,534,400
	2,166,700
Less: Future interest expense	(95,492)
Present value of lease liabilities	2,071,208

	$
Company	
Contractual undiscounted cash flows	
- Within one financial year	27,500
- After one financial year but within five financial years	35,200
	62,700
Less: Future interest expense	(1,665)
Present value of lease liabilities	61,035

As at 30 June 2020, the average incremental borrowing rate applied in the lease was 2.28%.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17. Lease liabilities (Continued)

Rental of storage space of the Group qualifies as low value assets and the Group also leases certain equipment on the short-term basis. The election of short-term leases is made by class of underlying assets with similar nature and use in the Group's operations whereas the low-value lease exemption is made on lease-by-lease basis.

The currency profile of lease liabilities as at the end of the reporting period is Singapore dollar.

18. Deferred tax liabilities

	Group		
	30 June 2020	30 June 2019	1 July 2018
	$	$	$
Deferred tax liabilities	–	–	–

	Group		
	30 June 2020	30 June 2019	1 July 2018
	$	$	$
Balance at beginning of financial year	–	–	–
Arising from acquisition of subsidiaries	29,000	–	–
Credited to profit or loss	(29,000)	–	–
Balance at end of financial year	–	–	–

Deferred tax liabilities are attributable to temporary differences arising from accelerated tax depreciation computed at Singapore's income tax rate of 17% (30 June 2019: 17% and 1 July 2018: 17%).

19. Provisions

	Group		
	30 June 2020	30 June 2019	1 July 2018
	$	$	$
Provision for reinstatement cost			
Balance at the beginning of the financial year	–	–	–
Arising from acquisition of subsidiaries	29,348	–	–
Interest expense	182	–	–
Balance at end of financial year	29,530	–	–

The provision for reinstatement cost is the estimated cost of dismantlement, removal or restoration of plant and equipment arising from the acquisition or use of asset, which is capitalised and included in the cost of plant and equipment.

20. Trade and other payables

	Group			Company		
	30 June 2020	30 June 2019	1 July 2018	30 June 2020	30 June 2019	31 December 2018
	$	$	$	$	$	$
Trade payables						
- third parties	101,961	2,389	37,764	–	–	–
Goods and services tax payable, net	98,900	44,645	40,802	–	–	–
	200,861	47,034	78,566	–	–	–
Other payables						
- third parties	325,329	94,052	–	165,373	66,543	–
- director of the Company	–	–	381,328	–	4,064	–
- subsidiaries	–	–	–	39,104	55,473	–
- related parties	–	26,387	8,013	–	–	–
Accrued expenses	289,030	43,597	13,480	65,925	672	–
Deferred grant income	124,823	–	–	22,685	–	–
Contract liabilities (Note 23(a))	28,191	27,802	24,134	–	–	–
	968,234	238,872	505,521	293,087	126,752	–

Trade payables are unsecured, non-interest bearing and are normally settled between 30 to 60 days' (30 June 2019: 30 to 60 days; 1 July 2018: 30 to 60 days) credit terms.

The non-trade payables due to a director of the Company, subsidiaries and related parties are unsecured, non-interest bearing and repayable on demand.

Deferred grant income is in respect of Jobs Support Scheme details of which are disclosed in Note 10 to the financial statements.

The currency profile of trade and other payables as at the end of the reporting period is Singapore dollar.

21. Redeemable convertible loans ("RCL")

	Group and Company
	2020
	$
Balance at beginning of financial year	–
Additions	2,700,000
Derivative financial instrument	(263,000)
Interest expense from RCL	117,906
Balance at end of financial year	2,554,906

21. Redeemable convertible loans ("RCL") (Continued)

On 30 July 2019, the Company entered into a convertible loan agreement ("the Loan") with the RCL lenders for an aggregate sum of $2,700,000. The RCL shall be converted into ordinary shares at the conversion price which is at a 40% discount to the placement price upon the conversion.

The salient features of the RCL are as follows:

(i) the RCL will be mature on the day falling twenty four (24) months from the date of the Loan, or such other date as mutually agreed in writing between the Company and the lenders;

(ii) the RCL constitute direct, general, unconditional, unsubordinated and unsecured obligations of the borrower and will rank pari passu without preference among themselves. The payment obligations of the Company under this Loan will at all times rank (i) in priority to any director and/or shareholder loans to the Company; and (ii) at least equally with all its other present and future unsecured and unsubordinated obligations;

(iii) no interest shall be paid on the RCL if the initial public offering ("IPO") is completed on or before the maturity date;

(iv) in the event that the IPO is not completed by maturity date or on the occurrence of events of defaults, the principal amount of the RCL shall be repaid upon the demand by the lenders in writing. The Company shall repay the principal amount of the RCL together with an amount of 10% per annum non-compounded, computed on the basis of a 365 day year and the actual number of days elapsed from the drawdown date to the date of repayment of the loan, over the principal amount of the RCL;

(v) the entire RCL shall be converted into conversion shares upon the sponsor receiving the registration approval or at any time immediately after the Company has delivered to the lenders a conversion notice signed by an authorised signatory of the Company; and

(vi) Upon the conversion of the RCL, the obligation to repay the RCL shall be deemed to be discharged by the Company and all rights accruing to the lenders shall thereby be extinguished.

The Group and the Company entered into a deed of amendments to RCL agreement on 12 May 2020. The terms of the RCL was amended with effective from 1 April 2020 by fixing the issuance of number of conversion shares at 20,454,542 number of ordinary shares of the Company, such that the RCL qualified for "fixed-for-fixed" condition. The RCL was re-measured as financial liability with embedded equity conversion feature. The conversion feature of $177,484 is recognised in other reserve.

The RCL is classified as current liabilities as the conversion of RCL into share capital was taken place on 13 July 2020.

The currency profile of RCL as at the end of the reporting period is Singapore dollar.

22. Derivative financial instrument

Derivative financial instrument represents the fair value of the conversion option of the RCL. It is initially measured at fair value as at 30 July 2019 and subsequently re-measured as at date of re-measurement.

The fair values of derivative financial instrument as at end of the reporting period have been determined using the indicative placement price of the IPO as at end of the reporting period and are considered as level 3 recurring fair value measurements. Significant inputs to the valuations include probability of the successful rate of initial public offering of the ordinary shares of the Company.

22. Derivative financial instrument (Continued)

The following table represents the reconciliation for derivative financial instruments measured at fair value based on significant unobservable inputs (Level 3):

	Group and Company	
	2020	2019
	$	$
Balance at beginning of financial year	–	–
Recognition of derivative financial instruments at initial recognition	263,000	–
Fair value loss on re-measurement as at 1 April 2020	404,000	–
Derecognition of derivative financial instruments	(667,000)	–
Balance at end of financial year	–	–

The Group and the Company entered into a deed of amendments to RCL agreement on 12 May 2020. The terms of the RCL was amended with effective from 1 April 2020 by fixing the issuance of number of conversion shares at 20,454,542 number of ordinary shares of the Company, such that the RCL qualified for “fixed-for-fixed” condition. The RCL was re-measured as financial liability with embedded equity conversion feature and derivative financial instrument is derecognised followed by the amendment and remeasurement.

23. Revenue

	Group	
	2020	2019
	$	$
Provision of medical services, recognised at point in time	9,645,856	3,888,001

The revenue of the Group are all generated within Singapore.

(a) Contract liabilities

The information about contract liabilities from contract with customers is disclosed as follows:

		Group	
	30 June 2020	30 June 2019	1 July 2018
	$	$	$
Contract liabilities (Note 20)	28,191	27,802	24,134

Contract liabilities primarily relate to the Group’s obligation to perform service to the patients for which the Group has received consideration in advance, and are recognised as revenue when the Group performs the services.

Changes in contract liabilities are highlighted as follows:

	Group	
	2020	2019
	$	$
Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year	1,397	945

24. Other income

	Group	
	2020	2019
	$	$
Government grants	273,354	7,173
Sponsorship income	22,522	–
Reversal of loss allowance on doubtful receivables	22,219	–
Management fees	18,500	–
Interest income	1,482	–
Dividend income	–	120,000
Fair value gain on financial assets at FVTPL	–	235,000
Gain on remeasurement of RCL	489,516	–
Rental concession received	74,186	–
Other	12,990	84,982
	914,769	447,155

25. Employee benefits expenses

	Group	
	2020	2019
	$	$
Director fee	2,722	96,000
Salaries, bonuses and other short-term benefits	2,560,211	671,633
Employer's contributions to defined contribution plans	243,759	71,062
	2,806,692	838,695

Included in the employee benefits expenses were the remuneration of Directors of the Company, Directors of the subsidiaries and other key management personnel of the Group, as set out in Note 33 to the financial statements.

26. Depreciation and amortisation expenses

	Group	
	2020	2019
	$	$
Depreciation of plant and equipment	29,616	17,261
Depreciation of right-of-use assets	571,975	–
Amortisation of intangible assets	178,903	–
	780,494	17,261

27. Finance costs

	Group	
	2020	2019
	$	$
Term loan interest	12,242	11,053
Interest arising from unwinding of the discount of provision of reinstatement cost	182	–
Lease interest expense	49,992	–
Redeemable convertible loan	117,906	–
	180,322	11,053

28. Profit before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Group	
	2020	2019
	$	$
Other expenses		
Professional fees	1,127,340	207,039
Audit fee		
- auditors of the Company	81,000	–
Non-audit fee		
- auditors of the Company	168,300	–
Administrative charges	185,093	40,959
Loss allowance on doubtful receivables	–	46,107
Marketing fees	39,189	138,662
Bad debts written off	–	9,054
Fair value loss on derivative financial instruments	404,000	–
Entertainment expenses	21,692	23,500
Credit card charges	29,935	19,254
Locum fee	38,855	374,290
Loss on lease modification	13,971	–
Lease expenses on:		
- short term leases	3,159	–
- low value assets	1,792	–
Advertising and promotion expenses	11,926	10,309

29. Income tax expense

	Group 2020 $	Group 2019 $
Current income tax		
- current financial year	562,709	136,823
- over provision in prior financial years	(9,544)	–
	553,165	136,823
Deferred tax		
- current financial year	(29,000)	–
Total income tax expense recognised in profit or loss	524,165	136,823

Reconciliation of effective income tax rate

	Group 2020 $	Group 2019 $
Profit before income tax	2,401,760	1,392,365
Share of results of an associate, net of tax	(263,982)	–
	2,137,778	1,392,365
Income tax calculated at Singapore's statutory income tax rate of 17% (2019: 17%)	363,422	236,702
Tax effect of income not subject to tax	–	(20,400)
Tax effect of non-deductible expenses for income tax purposes	271,777	6,302
Corporate tax rebate and incentives	(104,550)	(83,100)
Over provision of current income tax in prior financial years	(9,544)	–
Others	3,060	(2,681)
	524,165	136,823

30. Earnings per share

The calculation for earnings per share is based on:

	Group 2020 $	Group 2019 $
Profit attributable to owners of the Company	1,877,595	1,255,542
Earnings per share		
- Basic (cents)	3.09	25.97
- Diluted (cents)	2.40	25.97

30. Earnings per share (Continued)

Basic earnings per share

The calculations of basic earnings per share for financial year ended 30 June 2020 are based on profit attributable to owners of the Company for the financial year ended 30 June 2020 divided by weighted average of ordinary shares in issue for the financial year ended 30 June 2020 computed based on 60,789,576 ordinary shares, assuming the share split exercise of sub-dividing each existing ordinary shares into 1,095 shares ("Share Split") occurred at the beginning of FY2020, adjusted for issue of (i) 6,113,385 ordinary shares (post Share Split) pursuant to restructuring exercise, which was issued on 5 July 2019, (ii) 98,550,000 ordinary shares (post Share Split), which was issued on 1 April 2020, and (iii) 3,786,510 ordinary shares (post Share Split) pursuant to acquisition of an intangible asset on 7 April 2020.

The calculations of basic earnings per share for the financial year 30 June 2019 are using the weighted average number of ordinary shares in issue for the financial year ended 30 June 2019 computed based on 4,836,615 ordinary shares before the issuance of shares during the financial year ended 30 June 2020 in relation to the restructuring exercise and intangible assets and had been retrospectively adjusted to reflect (i) the issuance of 4,834,425 new ordinary shares pursuant to the restructuring exercise; and (ii) the share split exercise, assuming such transactions occurred at the beginning of FY2019.

The number of ordinary shares used for the calculation of earnings per share in a common control combination, which is accounted for using merger accounting, as to aggregate of the number of shares of the Company whose shares are outstanding after combination.

Diluted earnings per share

The fully diluted earnings per share ("EPS") was adjusted for the impact from the RCL outstanding as at 30 June 2020. The weighted average number of ordinary shares in issue of 79,618,963 included the adjustment of the effect of redeemable convertible loan of 18,829,387 shares.

The basic and fully dilutive EPS were the same as there are no dilutive ordinary shares in issue as at 30 June 2019.

The calculation of basic and diluted EPS is based on the following data:

	2020	**2019**
	$	**$**
Earnings		
Profit attributable to owners of the Company and earnings used in basic EPS	1,877,595	1,255,542
Add: Finance costs in RCL	117,906	–
Less: Gain on remeasurement of RCL	(489,516)	–
Add: Fair value loss on derivative financial instrument	404,000	–
Earnings used in diluted EPS	1,909,985	1,255,542

	2020	**2019**
Number of shares		
Number of shares used in basic EPS	60,789,576	4,835,511
Effect of conversion of RCL	18,829,387	–
Weighted-average number of ordinary shares used in diluted EPS	79,618,963	4,835,511

31. Dividends

	2020	2019
	$	$
Paincare Center Pte. Ltd. paid the following dividends:		
First interim tax exempt dividend of approximately $Nil and $507,500 per ordinary share in respect of financial years ended 2020 and 2019 respectively	–	1,015,000
Singapore Paincare Center@Novena Pte. Ltd. paid the following dividends:		
First interim tax exempt dividend of approximately $Nil and $350,000 per ordinary share in respect of financial years ended 30 June 2020 and 2019 respectively	–	700,000
	–	1,715,000

The Board of Directors proposed that a final tax exempt dividend of $0.007 per ordinary share amounting to $1,131,000 for the financial year ended 30 June 2020. These dividends have not been recognised as a liability as at the end of the reporting period as it is subject to the approval of the shareholders at the Annual General Meeting.

32. Operating lease commitments

The Group and the Company as lessee

The Group and the Company lease office and clinic spaces under non-cancellable operating leases. The operating lease commitments are based on existing rental rates. The leases have lease terms ranging from 1 to 5 years and rentals are fixed during the lease terms.

As at the end of the reporting period, the future minimum lease payable under non-cancellable operating leases contracted for but not recognised as liabilities were as follows:

	Group		Company
	30 June 2019	1 July 2018	30 June 2019
	$	$	$
Within one financial year	25,750	405,000	18,000
After one financial year but within five financial years	15,000	7,750	15,000
	40,750	412,750	33,000

33. Significant related party transactions

For the purpose of these consolidated financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

33. Significant related party transactions (Continued)

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions at rates and terms agreed between the Group and the Company with their related parties during the financial year/period:

	Group		Company	
	Year ended 30 June 2020	Year ended 30 June 2019	Year ended 30 June 2020	Period from 31 December 2018 to 30 June 2019
	$	$	$	$
With associates				
Management fee income	18,500	-	18,500	7,000
Sales	8,299	–	–	–
Purchases	1,180	–	–	–
Locum fee income	–	–	1,870	–
With subsidiaries				
Expenses paid on behalf by	–	–	331,146	19,593
Management fee income	–	–	109,400	5,000
Salary recharge	–	–	–	19,428
Rental recharge	–	–	–	3,000
Expenses recharge	–	–	–	13,451
Locum fee income	–	–	84,740	–
Dividend income	–	–	2,850,000	–
With related parties				
Advances to	–	200,000	–	–
Locum fee expense	–	373,429	–	–
Marketing fee expense	–	120,000	–	–
Rental fee expense	373,414	405,000	–	–
Term loan interest recharge	–	62,292	–	–
Payment made on behalf of	37,912	105,134	–	–
Assignment of debt to director	–	1,301,880	–	–
With Directors of the Company				
Advances from	–	7,771	–	4,064
Advances to	–	779,567	–	–
Dividends	–	1,715,000	–	–
Payment on behalf by	31,485	35,515	–	–
Payment on behalf of	–	37,518	–	–
Rental fee expense	3,100	–	–	–
Assignment of debts from related parties	–	1,301,880	–	–
Assignment of bank borrowings	254,972	–	–	–

The outstanding balances as at 30 June with related parties are disclosed in Notes 10 and 20 to the financial statements. There are no outstanding balances with key management personnel.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly and indirectly.

33. Significant related party transactions (Continued)

The remuneration of Directors and other key management personnel of the Group and the Company during the financial years ended 30 June 2020 and 30 June 2019 were as follows:

	Group		Company	
	Year ended 30 June 2020	Year ended 30 June 2019	Year ended 30 June 2020	Period from 31 December 2018 to 30 June 2019
	$	$	$	$
Short-term employee benefits	843,833	240,000	63,833	–
Post-employment benefits	37,627	17,340	8,047	–
Directors' fees	2,722	96,000	2,722	–
	884,182	353,340	74,602	–

34. Segment information

Business segment

Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. 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 2020 and 30 June 2019, 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.

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.

35. Financial instruments, financial risks and capital management

The Group's and the Company's activities expose them to credit risks and liquidity risk arising in the ordinary course of business. The Group and the Company are not exposed to interest rate risk as they do not have significant interest bearing liabilities as at end of reporting period. The Group and the Company are not exposed to foreign currency risk as all of their transactions are carried out in Singapore dollar. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The Group's and the Company's management then establish the detailed policies such as risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which the risks are managed and measured.

35. Financial instruments, financial risks and capital management (Continued)

35.1 Credit risks

Credit risks refer to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and generally does not require collaterals. For lease receivables, the management has performed credit evaluation before entering into the sublease of the office space to the tenant. The Group adopts the policy of dealing only with reputable companies with high credit quality.

The Group's trade receivables are generally from third party administrators and hospitals.

The Group and the Company have significant credit exposure to any single counterparty or any group of counterparties having similar characteristics. 58%, 88% and 87% of the total trade and other receivables balance as at 30 June 2020, 30 June 2019 and 1 July 2018 were due from 4, 3 and 3 customers respectively.

The carrying amounts of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's and the Company's maximum exposure to credit risks.

The Group's and the Company's major classes of financial assets are trade and other receivables and cash and bank balances.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired are provided in Note 10 to the financial statements.

Credit risk also arises from cash and bank balances with banks. The Group and the Company held cash and bank balances of $4,953,967 as at 30 June 2020 (30 June 2019: $1,243,695 and $789,544). The bank balances are held with banks, which are rated Aa1 (30 June 2019: AA/A, 1 July 2018: AA/A), based on Moody's and Fitch ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group and the Company consider that their cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

35.2 Liquidity risks

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting their short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company actively manage their operating cash flows so as to ensure that all payment needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash to meet their working capital requirements.

35. Financial instruments, financial risks and capital management (Continued)

35.2 Liquidity risks (Continued)

Contractual maturity analysis

The following tables detail the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The tables have been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to pay.

	Within one financial year	After one financial year but within five financial years	Total
	$	$	$
Group			
30 June 2020			
Trade and other payables	716,320	–	716,320
Lease liabilities	632,300	1,534,400	2,166,700
Redeemable convertible loan	2,700,000	–	2,700,000
Total undiscounted financial liabilities	4,048,620	1,534,400	5,583,020
30 June 2019			
Trade and other payables	166,425	–	166,425
Bank borrowings	2,055,721	–	2,055,721
Total undiscounted financial liabilities	2,222,146	–	2,222,146
1 July 2018			
Trade and other payables	440,585	–	440,585
Bank borrowings	90,367	1,221,785	1,312,152
Total undiscounted financial liabilities	530,952	1,221,785	1,752,737
Company			
30 June 2020			
Trade and other payables	270,402	–	270,402
Lease liabilities	27,500	35,200	62,700
Redeemable convertible loan	2,700,000	–	2,700,000
Total undiscounted financial liabilities	2,997,902	35,200	3,033,102
30 June 2019			
Trade and other payables representing undiscounted financial liabilities	126,752	–	126,752

35. Financial instruments, financial risks and capital management (Continued)

35.3 Capital management policies and objectives

The Group and the Company manage capital to ensure that the Group and the Company are able to continue as a going concern and maintain an optimal capital structure so as to maximise shareholders' value.

The Group and the Company manage their capital structure which consist of equity attributable to owners of the parent, comprising issued share capital, merger reserve, other reserve and retained earnings as disclosed in Notes 12, 13, 14 and 15 to the financial statements and make adjustments to it, in light with changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2020 and 30 June 2019.

The Group and the Company monitors capital based on a gearing ratio, which is net debt divided by total equity. The Group's net debt includes RCL, and bank borrowings less cash and bank balances. Equity attributable to the owners of the Company comprises share capital and retained earnings.

	Group		
	30 June 2020	**30 June 2019**	**1 July 2018**
	$	**$**	**$**
RCL	2,554,906	–	–
Bank borrowings	–	1,995,878	28,079
Less: Cash and cash equivalents	(4,953,967)	(1,243,695)	(789,544)
Net (cash)/ debt	(2,399,061)	752,183	(761,465)
Total equity	10,600,570	301,091	760,547
Gearing ratio (%)	n.m.	250%	n.m.

	Company	
	30 June 2020	**30 June 2019**
	$	**$**
RCL	2,554,906	–
Less: Cash and cash equivalents	(1,286,499)	(15,890)
Net debt/ (cash)	1,268,407	(15,890)
Total equity	15,381,188	(96,104)
Gearing ratio (%)	8%	n.m.

The Group did not have any externally imposed capital requirements for the financial years ended 30 June 2020 and 30 June 2019.

n.m. – Not meaningful as the Group and the Company are in net cash position.

35. Financial instruments, financial risks and capital management (Continued)

35.4 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.

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 fair value of the financial asset carried at fair value in relation to the financial asset at FVTPL is disclosed in Note 8 to the financial statements.

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	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Group				
30 June 2020				
Financial assets at FVTPL	–	–	–	–
30 June 2019				
Financial assets at FVTPL	–	–	235,000	235,000
1 July 2018				
Financial assets at FVTPL	–	–	–	–

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 2020 and 30 June 2019.

35. Financial instruments, financial risks and capital management (Continued)

35.4 Fair value of financial assets and financial liabilities (Continued)

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 carrying amounts of the bank borrowings approximate their fair values as they are subjected to floating interest rates.

The carrying amounts of the non-current financial liabilities that are not carried at fair value in relation to bank borrowings and redeemable convertible loan approximate its carrying amount as disclosed in Note 16 and Note 21 to the financial statements.

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.

35.5 Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	30 June 2020	**30 June 2019**	**1 July 2018**
	$	**$**	**$**
Group			
Financial assets			
At amortised cost	5,810,936	2,291,576	2,551,603
Financial asset at FVTPL	–	235,000	–
	5,810,936	2,526,576	2,551,603
Financial liabilities			
Other financial liabilities, at amortised cost	5,342,434	2,162,303	–
Company			
Financial assets			
At amortised cost	4,182,087	25,240	–
Financial liabilities			
Other financial liabilities, at amortised cost	2,886,343	126,752	–

36. Comparative figures

36.1 The comparative figures of the Group for the preceding year have been presented under pooling-of-interest method. The effective date of the pooling-of-interest for accounting purposes predates 1 July 2018, the beginning of the financial year for which comparative figures are being presented, as if the Group has been under common control prior to 1 July 2018.

36.2 The financial statements for the financial year ended 30 June 2019 have not been audited as the Group and the Company were exempted from audit requirement pursuant to the provision of the Act.

37. Events after the reporting period

37.1 Changes in share constitution

The shareholders approved the sub-division of each existing issued ordinary share of the Company into 1,095 ordinary shares in the capital of the Company through the shareholders' resolutions on 9 July 2020.

37.2 Issuance of ordinary shares for RCL and consultancy fee

On 13 July 2020, the Company issued 20,454,542 and 3,636,664 ordinary shares for the conversion of the RCL and satisfaction of the consultancy fee respectively upon listing.

37.3 Issuance of placement shares

The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 30 July 2020. In connection with the listing, the Company issued 24,246,000 ordinary shares by way of placement for a total consideration of $5.334 million.

37.4 Incorporation of a subsidiary

The Company incorporated a subsidiary in Singapore, GM Medical Paincare Pte. Ltd. ("GMMP") on 11 August 2020 with issued and paid-up capital of $100 comprising of 100 ordinary shares, of which 51% of the equity interest is held by the Company. The principal activity of GMMP is in the operation of medical clinics and the provision of medical services.

37.5 Acquisition of business

On 27 August 2020, GMMP entered into a sale and purchase agreement to acquire the business of C.M.C. Wong Binjai Clinic for a total cash consideration of $220,000. The acquisition of business was not completed at date of report. Accordingly, no disclosure on the effect of the acquisitions has been made.

38. Effect of Covid-19 outbreak on operations

Globally, the governments of multiple countries have undertaken drastic action to limit the spread of COVID-19 including, safe distancing measures, lock-downs, travel restrictions and various travel advisories. In late March 2020, Singapore began to restrict the entry of short-term visitors into Singapore, and from early April 2020, Singapore implemented “circuit breakers” to minimise the further spread of COVID-19 by elevating the safe distancing measures and restricting businesses to essential services and selected economic sectors critical for local and global supply chains. In late April 2020, the “circuit breaker” measures were further extended to June 2020.

Due to the travel restrictions, the Group has experienced a decrease in number of foreign patients and have generally experienced a decrease in number of patients during the third and last quarter of FY2020. As the Group’s operations generally remain essential medical healthcare services, the current COVID-19 situation is not expected to have a material adverse impact on the Group’s financials and business operations as a whole unless the abovementioned restrictions are sustained for a long period of time. The management considered that on the basis of the majority of the Group’s revenue is derived from locals and residents in Singapore and certain subsidiaries of the Group are part of the government’s a Public Health Preparedness Clinic (“PHPC”) scheme. The Group has taken all necessary precaution measures as directed and imposed by the Ministry of Health Singapore for all healthcare workers.

SHAREHOLDINGS STATISTICS

As at 16 September 2020

SHAREHOLDERS' INFORMATION AS AT 16 SEPTEMBER 2020

Class of Shares:	Ordinary
Number of Issued and Paid-Up Shares:	161,623,416
Voting Rights:	One vote per share

There are no treasury shares or subsidiary holdings held as at 16 September 2020.

STATISTICS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 - 99	2	0.98	99	0.00
100 - 1,000	11	5.37	7,700	0.00
1,001 - 10,000	48	23.41	308,781	0.19
10,001 - 1,000,000	126	61.46	15,378,221	9.52
1,000,001 and above	18	8.78	145,928,615	90.29
	205	100.00	161,623,416	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Lee Mun Kam Bernard	48,508,500	30.01	–	–
Loh Foo Keong Jeffrey	27,659,700	17.11	–	–
Jitendra Kumar Sen	12,647,250	7.83	–	–
HC Surgical Specialists Limited ("**HCSS**")(1)	5,937,090	3.67	7,929,818	4.91
Lim Ewe Ghee(2)	3,787,878	2.34	5,681,818	3.52
Jessie Low Mui Choo(3)	346,100	0.21	7,929,818	4.91

Notes:

(1) HCSS holds 22.92% of the issued share capital of Medinex Limited, and is deemed interested in 7,929,818 shares of the Company which are held by Medinex Limited by virtue of Section 4 of the Securities and Futures Act ("**SFA**").

(2) Lim Ewe Ghee is deemed interested in 5,681,818 shares of the Company which are held by Shinex Capital Pte. Ltd. by virtue of Section 4 of the SFA.

(3) Jessie Low Mui Choo (and her spouse) holds 21.22% of the issued share capital of Medinex Limited, and is deemed interested in 7,929,818 shares of the Company which are held by Medinex Limited by virtue of Section 4 of the SFA.

SHAREHOLDINGS STATISTICS

As at 16 September 2020

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	LEE MUN KAM BERNARD	48,508,500	30.01
2.	LOH FOO KEONG JEFFREY	27,659,700	17.11
3.	JITENDRA KUMAR SEN	12,647,250	7.83
4.	MEDINEX LIMITED	7,929,818	4.91
5.	WONG SHING YIP	7,864,290	4.87
6.	HC SURGICAL SPECIALISTS LIMITED	5,937,090	3.67
7.	SHINEX CAPITAL PTE LTD	5,681,818	3.52
8.	HUANG GUOLIANG, EUGENE	4,964,730	3.07
9.	UOB KAY HIAN PRIVATE LIMITED	4,334,400	2.68
10.	LIM EWE GHEE	3,787,878	2.34
11.	CHEE HSING GARY ANDREW	2,852,475	1.76
12.	LEE PENG KHOW	2,852,475	1.76
13.	OCBC SECURITIES PRIVATE LIMITED	2,584,100	1.60
14.	SIA LING SING	2,272,727	1.41
15.	TAN LEE MENG	1,818,183	1.12
16.	CITIBANK NOMINEES SINGAPORE PTE LTD	1,600,000	0.99
17.	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	1,498,181	0.93
18.	LIM SOON HUAT	1,135,000	0.70
19.	LEONG KWOK WAH	1,000,000	0.62
20.	YEO KHEE SENG BENNY	1,000,000	0.62
	TOTAL	147,928,615	91.52

SHAREHOLDING HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 16 September 2020, approximately 27.37% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual Section B: Rules of Catalist is complied with.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**Meeting**") of **SINGAPORE PAINCARE HOLDINGS LIMITED** (the "**Company**") will be held by way of electronic means (via live audio-visual webcast or live audio-only stream) on Friday, 16 October 2020 at 1.00 p.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2020 together with the Independent Auditors' Report thereon. **(Resolution 1)**

2. To declare a final dividend (tax-exempt one-tier) of $0.007 per ordinary share for the financial year ended 30 June 2020. **(Resolution 2)**

3. To approve the payment of Directors' fees of $2,722 for the financial year ended 30 June 2020. **(Resolution 3)**

4. To re-elect the following Directors of the Company retiring in accordance with the Constitution of the Company:

Dr. Lee Mun Kam Bernard	(Regulation 97)	**(Resolution 4)**
Mr. Yap Beng Tat, Richard	(Regulation 103)	**(Resolution 5)**
Ms. Lai Chin Yee	(Regulation 103)	**(Resolution 6)**
Mr. Chong Weng Hoe	(Regulation 103)	**(Resolution 7)**

(See Explanatory Note (i))

5. To re-appoint Messrs BDO LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

6. To transact any other ordinary business which may properly be transacted at a Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following ordinary resolutions, with or without any modification:

7. **Authority to allot and issue shares**

(a) That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

(i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares; and

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) shall be the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding at the time of passing of this Resolution;

(b) (where applicable) new Shares arising from the exercise of share options or vesting of share awards outstanding or subsisting at the time of passing this Resolution, provided that such share options or share awards (as the case may be) were granted in compliance with the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.
(See Explanatory Note (ii)) **(Resolution 9)**

8. **Authority to offer and grant options and to allot and issue shares pursuant to the SPCH Employee Share Option Scheme (the "Share Option Scheme")**

That, pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to offer and grant options in accordance with the provisions of the SPCH Employee Share Option Scheme, and to exercise full powers of the Company to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of options under the Share Option Scheme provided always that the aggregate number of new shares to be allotted and issued pursuant to the Share Option Scheme, SPCH Performance Share Plan, and all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company shall not exceed fifteen per centum (15%) of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) on the day immediately preceding the date of offer of the employee share options.
(See Explanatory Note (iii)) **(Resolution 10)**

9. **Authority to offer and grant share awards and to allot and issue shares pursuant to the SPCH Performance Share Plan**

That, pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to offer and grant share awards in accordance with the provisions of the SPCH Performance Share Plan and to exercise full powers of the Company to allot and issue from time to time, such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of share awards under the SPCH Performance Share Plan, provided always that the aggregate number of shares to be issued pursuant to vesting of awards granted under the SPCH Performance Share Plan, when added to (i) the number of shares issued and issuable in respect of all awards granted thereunder; and (ii) all shares issued and issuable in respect of all options granted under the Share Option Scheme, and any other share option, share incentive, performance share or restricted share plan implemented by the Company, shall not exceed fifteen per centum (15%) of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) on the day preceding the relevant date of the share award.
(See Explanatory Note (iii)) **(Resolution 11)**

By Order of the Board

Wong Yoen Har
Company Secretary

30 September 2020

Explanatory Notes:

(i) Dr. Lee Mun Kam Bernard will, upon re-election as Director of the Company, remain as Executive Director and Chief Executive Officer of the Company.

Mr. Yap Beng Tat, Richard will, upon re-election as Director of the Company, remain as the Independent Non-executive Director, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. The Board considers Mr. Yap to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Ms. Lai Chin Yee will, upon re-election as Director of the Company, remain as the Non-executive Chairman and Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. The Board considers Ms. Lai to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Mr. Chong Weng Hoe will, upon re-election as Director of the Company, remain as the Independent Non-executive Director, Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. The Board considers Mr. Chong to be independent for the purpose of Rule 704(7) of the Catalist Rules.

Key information on the retiring directors can be found on pages 121 to 130 of the Annual Report.

(ii) The Ordinary Resolution 9, if passed, will empower the Directors of the Company, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any), of which up to 50% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) will be calculated based on the total number of issued Shares in the capital of the Company (excluding treasury shares and subsidiary holdings, if any) at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(iii) The Ordinary Resolutions 10 and 11, if passed, will empower the Directors to grant options under the Share Option Scheme as well as to offer and award shares pursuant to the SPCH Performance Share Plan, provided that the aggregate number of shares to be issued shall not exceed fifteen per centum (15%) of the total number of issued shares in capital of the Company (excluding treasury shares and subsidiary holdings, if any) from time to time.

IMPORTANT

The printed copies of the following documents will not be despatched to shareholders, they can be accessed at https://www.sgpaincareholdings.com/investor-relations or on the SGX website at the URL https://www.sgx.com/securities/company-announcements:

- **Annual Report for the financial year ended 30 June 2020**
- **Notice of Annual General Meeting**
- **Proxy Form**

Notes:

(1) The Annual General Meeting (the "**Meeting**") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

(2) **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person.** Alternative arrangements relating to, among others, attendance at the Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the Meeting, addressing of substantial and relevant questions at or prior to the Meeting and voting by appointing the Chairman of the Meeting as proxy at the Meeting have been put in place.

(3) Shareholders who wish to watch the live webcast or listen to the live audio feed must pre-register at https://bit.ly/singaporepaincareAGM2020 by **1.00 p.m. on 13 October 2020** (the "**Registration Deadline**") to enable the Company to authenticate the Shareholders' status.

Authenticated Shareholders will receive an email confirmation by **12.00 p.m. on 15 October 2020** which contains instructions to access the live webcast or live audio feed. Authenticated Shareholders must not forward the email to other persons who are not shareholders and who are not entitled to participate in the Meeting proceedings. Authenticated Shareholders who have registered by the Registration Deadline but do not receive an email by **12.00 p.m. on 15 October 2020** should contact the Company by email at AGM.TeamE@boardroomlimited.com or call the general telephone number at +65 6535 5555 between 9:00 a.m. to 5:00 p.m. for assistance. The Company advises all shareholders to register as early as possible.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Act (including Supplementary Retirement Scheme ("**SRS**") investors), should approach their respective relevant intermediaries (including SRS operators) to pre-register for the Meeting via live webcast or live audio.

(4) Shareholders may also submit questions related to resolutions to be tabled at the Meeting in the following manner:

(a) if submitted by post, to the Company's office at 150 Orchard Road, #07-18 Orchard Plaza, Singapore 238841; or

(b) if submitted electronically, be submitted via email to AGM.TeamE@boardroomlimited.com.

All questions for the Meeting must be submitted by **1.00 p.m. on 12 October 2020**.

Please note that Shareholders will not be able to ask questions during the live webcast and the live audio feed. It is therefore important for Shareholders to pre-register their participation and submit their questions early.

The Board of Directors of the Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the Meeting by publishing the responses to those questions on SGXNET at URL https://www.sgx.com/securities/company-announcements and the Company's website at URL https://www.sgpaincareholdings.com/investor-relations. Where substantial relevant questions submitted by Shareholders are unable to be addressed prior to the Meeting, the Company will address them during the Meeting through the live webcast and live audio feed.

The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the Meeting on SGXNET and the Company's website within one month from the date of the Meeting.

(5) **A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**

In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

For SRS investors who have used their SRS monies to buy Shares in the Company, the proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors should contact their respective SRS Operators if they have any queries regarding appointing the Chairman of the Meeting as proxy and to submit their voting instructions no later than **1.00 p.m. on 6 October 2020**, in order to allow sufficient time for their respective SRS Operators to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by **1.00 p.m. on 13 October 2020**.

(6) The Chairman of the Meeting, as proxy, need not be a member of the Company.

(7) The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623; or

(b) if submitted electronically, be submitted via email to AGM.TeamE@boardroomlimited.com.

in either case, **by 1.00 p.m. on 13 October 2020 (being at least 72 hours before the time for holding the Meeting)**.

A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and sending it by email to the email address provided above.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed proxy forms electronically via email to AGM.TeamE@boardroomlimited.com.

(8) The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

(9) The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a Chairman of the Meeting to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and

(ii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

RE-ELECTION OF DIRECTORS

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F relating to retiring Directors to be put forward for re-election at the forthcoming Annual General Meeting is disclosed below:

Name of retiring Director	**Lee Mun Kam Bernard**	**Yap Beng Tat, Richard**	**Lai Chin Yee**	**Chong Weng Hoe**
Date of appointment	31 December 2018	17 June 2020	17 June 2020	17 June 2020
Date of last re-appointment	N.A.	N.A.	N.A.	N.A.
Age	51	39	54	56
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications, working experience and suitability of Dr. Lee Mum Kam Bernard ("**Dr. Lee**"), is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as the Executive Director and Chief Executive Officer of the Company.	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications, working experience and suitability of Mr. Yap Beng Tat, Richard ("**Mr. Yap**"), is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as the Independent Non-executive Director of the Company.	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications, working experience and suitability of Ms. Lai Chin Yee ("**Ms. Lai**"), is of the view that she has the requisite experience and capabilities to assume the duties and responsibilities as the Non-executive Chairman and Independent Director of the Company.	The Board, having considered the recommendation of the Nominating Committee and assessed the qualifications, working experience and suitability of Mr. Chong Weng Hoe ("**Mr. Chong**"), is of the view that he has the requisite experience and capabilities to assume the responsibilities as the Independent Non-executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. He is responsible for the strategic direction, overall management and business development of the Group.	Non-executive	Non-executive	Non-executive

RE-ELECTION OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Yap Beng Tat, Richard	Lai Chin Yee	Chong Weng Hoe
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Executive Officer	Independent Non-executive Director Chairman of Nominating Committee Member of Audit Committee and Remuneration Committee	Non-executive Chairman and Independent Director Chairman of Audit Committee Member of Nominating Committee and Remuneration Committee	Independent Non-executive Director Chairman of Remuneration Committee Member of Audit Committee and Nominating Committee
Professional qualifications	Dr. Lee graduated from the National University of Singapore with a Bachelor's degree in Medicine and Surgery in 1994 and obtained a Master of Medicine (Anaesthesiology) in 1999. He is a fellow of the Faculty of Pain Medicine of the Australian and New Zealand College of Anaesthetists and a member of the Singapore Society of Anaesthesiologists and the Pain Association of Singapore.	Mr. Yap graduated from the Nanyang Technological University with a Bachelor of Accountancy in 2005 and was registered as a Chartered Financial Analyst in 2011. He obtained his Chartered Accountant of Singapore (previously known as Certified Public Accountant Singapore) qualification from the Institute of Singapore Chartered Accountants ("ISCA") and Chartered Valuer and Appraiser qualification from the Singapore Accountancy Commission and the Institute of Valuers and Appraisers, Singapore in 2012 and 2017 respectively.	Ms. Lai graduated from the National University of Singapore with a Bachelor of Accountancy in 1987. She is a fellow Chartered Accountant of Singapore and has served on the ISCA's Council since 2018. She is also a member of the ISCA's Continuing Professional Education Committee and Membership Committee, a member of the Singapore Institute of Directors and a board member of the Accounting and Corporate Regulatory Authority (ACRA).	Mr. Chong graduated from the National University of Singapore with a Bachelor of Engineering (Electrical) in 1989 and obtained a Master of Business Administration (Accountancy) from the Nanyang Technological University in 1997.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None	None	Mr. Chong is also the Non-executive Chairman and Independent Director of HC Surgical Specialists Limited ("**HCSS**"), a substantial shareholder of the Company.

RE-ELECTION
OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Yap Beng Tat, Richard	Lai Chin Yee	Chong Weng Hoe
Conflict of interest (including any competing business)	None	None	None	HCSS is a medical services group primarily engaged in the provision of endoscopic procedures, including gastroscopies and colonoscopies, and general surgery services with a focus on colorectal procedures across a network of clinics located throughout Singapore. Mr. Chong, being an Independent Non-Executive Director of HCSS and the Company, will abstain from participating in the discussions and the review and approval process in relation to any potential transaction between the Company and HCSS (where applicable). Taking into account the considerations on independence as set out in provision 2.1 of the 2018 Code, read together with Practice Guidance 2 of the 2018 Code, the Board, with the concurrence of the Nominating Committee, considers Mr. Chong to be independent.

RE-ELECTION OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Yap Beng Tat, Richard	Lai Chin Yee	Chong Weng Hoe
Undertaking submitted to the listed issuer in the form of Appendix 7H (Catalist Rule 720(1))	Yes	Yes	Yes	Yes
Working experience and occupation(s) during the past 10 years	• Please refer to the Board of Directors section in the Annual Report.	• Please refer to the Board of Directors section in the Annual Report.	• Please refer to the Board of Directors section in the Annual Report.	• Please refer to the Board of Directors section in the Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Yes	No	No	No
Shareholding details	48,508,500 ordinary shares (30.01%)	N.A.	N.A.	N.A.
Other Principal Commitments Including Directorships				
Past (for the last 5 years)	• Advance Property Holdings Pte. Ltd. • Cosmo Trade Pte. Ltd. • JK Group (F&B) Pte. Ltd. • M&M Investment Holdings Pte. Ltd. • Pellucid Networks Pte. Ltd. • Singapore Paincare Associates Pte. Ltd.	Nil	• Ryobi Kiso Holdings Ltd. ("**RKH**")	• PT TÜV SÜD PSB Indonesia • Regal International Group Ltd. • TÜV SÜD PSB Malaysia Sdn Bhd • TÜV SÜD PSB Philippines Inc • TÜV SÜD PSB Pte. Ltd. • TÜV SÜD PSB Thailand Ltd • TÜV SÜD PSB Vietnam Ltd • Zeststar Eventures Pte. Ltd.

Name of retiring Director	Lee Mun Kam Bernard	Yap Beng Tat, Richard	Lai Chin Yee	Chong Weng Hoe
Present	• AE Medical Fernvale Pte. Ltd. • AE Medical Sengkang Private Limited • HMC Medical Pte. Ltd. • Lian Clinic Pte. Ltd. • Paincare Center Pte. Ltd. • Sen Med Holdings Pte. Ltd. • Singapore Paincare Center @Novena Pte. Ltd. • Advance Core Pte. Ltd. • Bright Horizon Pte. Ltd. • Brilliance Core Pte. Ltd. • Fernvale Paincare Pte. Ltd. • Hillford Investments Pte. Ltd. • Horizon Paincare Pte. Ltd. • KJPS Invest Pte. Ltd. • LB Ventures Pte. Ltd. • Lian Paincare Pte. Ltd. • MedBridge Marketing Pte. Ltd. • Paincare Consultancy Pte. Ltd. • Paincare Medical Services Pte. Ltd. • Sen Paincare Pte. Ltd. • Shine Group Holdings Pte. Ltd. • GM Medical Paincare Pte. Ltd.	Nil	• Qian Hu Corporation Limited • Micro-Mechanics (Holdings) Ltd	• Keong Hong Holdings Limited • HC Surgical Specialists Limited

Name of retiring Director	Lee Mun Kam Bernard	Yap Beng Tat, Richard	Lai Chin Yee	Chong Weng Hoe
Information required **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.**				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	Yes. Ms Lai was previously an independent director of RKH from December 2009 to May 2019. In May 2019, RKH was placed under judicial management. Ms Lai, together with all the independent directors of RKH, stepped down as its independent director following the judicial management orders being made on RKH. As an independent director of RKH, Ms Lai was not involved in the day-to-day operations of RKH.	No

RE-ELECTION OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Yap Beng Tat, Richard	Lai Chin Yee	Chong Weng Hoe
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No

RE-ELECTION
OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Yap Beng Tat, Richard	Lai Chin Yee	Chong Weng Hoe
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No

RE-ELECTION OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Yap Beng Tat, Richard	Lai Chin Yee	Chong Weng Hoe
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No

RE-ELECTION
OF DIRECTORS

Name of retiring Director	Lee Mun Kam Bernard	Yap Beng Tat, Richard	Lai Chin Yee	Chong Weng Hoe
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

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

IMPORTANT:

1. The Annual General Meeting (the "**Meeting**") is being convened, and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Annual Report and Notice of Annual General Meeting dated 30 September 2020 may be accessed at the URL https://www.sgpaincareholdings.com/investor-relations and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the Meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), registration for live webcast, submission of questions in advance of the Meeting, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the Meeting, are set out in the Notice of Annual General Meeting.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**
4. For investors who have used their Supplementary Retirement Scheme ("**SRS**") monies to buy shares in the capital of Singapore Paincare Holdings Limited, this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS investors are requested to contact their respective SRS Operators to specify their voting instructions and to submit their votes by **1.00 p.m. on 6 October 2020**.
5. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 September 2020.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Meeting.**

PROXY FORM
ANNUAL GENERAL MEETING

This proxy form has been made available on the SGXNET and the Company's website and may be accessed at the URLs: https://www.sgpaincareholdings.com/investor-relations and https://www.sgx.com/securities/company-announcements.

*I/We, ______________________ (Name) ______________________ (NRIC/Passport No./Registration No.)

of ____ (Address)

being a *member/members of **Singapore Paincare Holdings Limited** (the "**Company**"), hereby appoint the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company **to be held by way of electronic means (via live audio-visual webcast or live audio-only stream) on Friday, 16 October 2020 at 1.00 p.m.** and at any adjournment thereof. *I/We direct my/our proxy to vote for or against or abstain from voting the resolutions to be proposed at the Meeting in the spaces provided hereunder.

All resolutions put to the vote at the Meeting shall be conducted by poll.

No.	Resolutions relating to:	For	Against	Abstain
ORDINARY BUSINESS				
1	Adoption of the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 30 June 2020 together with the Independent Auditors' Report			
2	Declaration of final dividend (tax exempt one-tier) of $0.007 per ordinary share for the financial year ended 30 June 2020			
3	Directors' Fees of $2,722 for the financial year ended 30 June 2020			
4	Re-election of Dr. Lee Mun Kam Bernard as Director of the Company			
5	Re-election of Mr. Yap Beng Tat, Richard as Director of the Company			
6	Re-election of Ms. Lai Chin Yee as Director of the Company			
7	Re-election of Mr. Chong Weng Hoe as Director of the Company			
8	Re-appointment of Messrs BDO LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
9	Authority to allot and issue ordinary shares			
10	Authority to issue shares under SPCH Employee Share Option Scheme			
11	Authority to issue shares under SPCH Performance Share Plan			

*If you wish to cast all your votes **For** or **Against** or **Abstain** a resolution, please tick (✓) within the box in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** or **Abstain** in the **For** or **Against** or **Abstain** box in respect of that resolution.

In the absence of specific directions, the appointment of the Chairman of the Meeting for that resolution as your proxy will be treated as invalid.

Dated this __________ day of ________________ 2020

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting.**

2. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members of the Company, you should insert the aggregate number of shares. If no number is inserted, this form of proxy shall be deemed to relate to all the shares held by you.

3. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the Meeting as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

4. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

5. The Chairman of the Meeting, as proxy, need not be a member of the Company

6. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 (including SRS investors) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries to submit their voting instructions **by 1.00 p.m. on 6 October 2020** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf **by 1.00 p.m. on 13 October 2020**.

7. The duly completed Proxy Form may be submitted to the Company in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower Singapore 048623; or

   (b) if submitted electronically, be submitted via email to AGM.TeamE@boardroomlimited.com.

   in either case, **by 1.00 p.m. on 13 October 2020 (being at least 72 hours before the time appointed for holding the Meeting)**.

   A member who wishes to submit a Proxy Form must download, complete and sign the Proxy Form, before submitting it by post to the address provided above or by scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed proxy forms electronically via email to AGM.TeamE@boardroomlimited.com.

PERSONAL DATA PRIVACY:

By submitting this Proxy Form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 September 2020.

GENERAL:

The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy. In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such member is not shown to have Shares entered against his/her name in the Depository Register at least 72 hours before the time appointed for holding the Meeting (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ms. Lai Chin Yee
Non-executive Chairman
and Independent Director

Dr. Lee Mun Kam Bernard
Executive Director
and Chief Executive Officer

Dr. Loh Foo Keong Jeffrey
Executive Director
and Chief Operating Officer

Mr. Chong Weng Hoe
Independent Non-executive Director

Mr. Yap Beng Tat, Richard
(Ye Mingda, Richard)
Independent Non-executive Director

AUDIT COMMITTEE

Ms. Lai Chin Yee *(Chairman)*
Mr. Chong Weng Hoe
Mr. Yap Beng Tat, Richard
(Ye Mingda, Richard)

REMUNERATION COMMITTEE

Mr. Chong Weng Hoe *(Chairman)*
Ms. Lai Chin Yee
Mr. Yap Beng Tat, Richard
(Ye Mingda, Richard)

NOMINATING COMMITTEE

Mr. Yap Beng Tat, Richard *(Chairman)*
(Ye Mingda, Richard)
Ms. Lai Chin Yee
Mr. Chong Weng Hoe

COMPANY SECRETARY

Ms. Wong Yoen Har
(member of the Chartered Secretaries
Institute of Singapore)

REGISTERED OFFICE

150 Orchard Road
#07-18 Orchard Plaza
Singapore 238841
Tel: +65 6972 2256
Fax: +65 6972 2258
enquiries@sgpaincareholdings.com

CONTINUING SPONSOR

Novus Corporate Finance Pte. Ltd.
9 Raffles Place
#17-05 Republic Plaza Tower 1
Singapore 048619

INDEPENDENT AUDITORS

BDO LLP
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Partner-in-charge: Mr. Leong Hon Mun Peter
(appointed since financial year ended 30 June 2020)

SHARE REGISTRAR

Boardroom Corporate & Advisory
Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

SINGAPORE
PAINCARE
HOLDINGS

bringing pain relief closer to you

Singapore Paincare Holdings Limited

150 Orchard Road Orchard Plaza #07-18
Singapore 238841
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enquiries@sgpaincareholdings.com

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