Republic Healthcare Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8357)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "**Directors**") of Republic Healthcare Limited (the "**Company**" and together with its subsidiaries, the "**Group**") announces the audited consolidated financial results of the Group for the year ended 31 December 2020. This announcement, containing the full text of the 2020 annual report of the Company (the "**2020 Annual Report**"), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM**" and the "**GEM Listing Rules**", respectively) in relation to the information to accompany the preliminary announcement of annual results. The printed version of the 2020 Annual Report will be dispatched to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at republichealthcare.asia in due course in the manner as required by the GEM Listing Rules.

For and on behalf of
Republic Healthcare Limited
Tan Cher Sen Alan
Chairman and Executive Director

Singapore, 22 March 2021

As at the date of this announcement, the executive Directors are Dr. Tan Cher Sen Alan (Chairman); and the independent non-executive Directors are Mr. Low Wee Siong, Mr. Soh Sai Kiang and Mr. Kevin John Chia.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE" AND THE "GEM", RESPECTIVELY)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors of Republic Healthcare Limited (the "Company" and the "Directors", respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this report misleading.

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CORPORATE INFORMATION

REGISTERED OFFICE

5th Floor, Genesis Building
Genesis Close, George Town
P.O. Box 446
Grand Cayman KY1-1106
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

1 Scotts Road
#16-05 Shaw Centre
Singapore 228208

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE HONG KONG COMPANIES ORDINANCE

46/F
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

EXECUTIVE DIRECTOR

Dr. Tan Cher Sen Alan *(Chairman)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Low Wee Siong *(appointed on 30 September 2020)*
Mr. Soh Sai Kiang
Mr. Kevin John Chia

COMPANY SECRETARY

Ms. Tang Wing Shan Winza *(appointed on 17 August 2020)*
46/F
Hopewell Centre
183 Queen's Road East
Wan Chai,
Hong Kong

AUTHORISED REPRESENTATIVES

Dr. Tan Cher Sen Alan *(appointed on 30 September 2020)*
Ms. Tang Wing Shan Winza *(appointed on 17 August 2020)*

COMPLIANCE OFFICER

Dr. Tan Cher Sen Alan *(appointed on 30 September 2020)*

COMPLIANCE ADVISER

Titan Financial Services Limited
12/F
Woon Lee Commercial Building
7–9 Austin Avenue
Tsim Sha Tsui, Hong Kong

AUDIT COMMITTEE

Mr. Low Wee Siong *(Chairman)*
Mr. Soh Sai Kiang
Mr. Kevin John Chia

REMUNERATION COMMITTEE

Mr. Kevin John Chia *(Chairman)*
Mr. Low Wee Siong
Mr. Soh Sai Kiang

NOMINATION COMMITTEE

Mr. Soh Sai Kiang *(Chairman)*
Mr. Low Wee Siong
Mr. Kevin John Chia

INDEPENDENT AUDITOR

Baker Tilly TFW LLP
Chartered Accountants

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

McGrath Tonner Corporate Services Limited
5th Floor, Genesis Building, Genesis Close
George Town
P.O. Box 446
Grand Cayman KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17/F
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

PRINCIPAL BANKER

DBS Bank Limited
12 Marina Boulevard
DBS Asia Central @ Marina Bay Financial Centre Tower 3
Singapore 018982

COMPANY'S WEBSITE

republichealthcare.asia

GEM STOCK CODE

8357

BOARD LOT

5,000 Shares

Dear Shareholders,

On behalf of the board of directors of the Company (the "**Directors**" and "**Board**", respectively), it is my pleasure to present to you the annual report of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2020 (the "**Year**").

OVERVIEW

For the Year, the Group's revenue was approximately S$13.7 million, representing a slight increase of approximately 1.9% as compared to approximately S$13.5 million for the year ended 31 December 2019 (the "**FY2019**"). The Group recorded a profit of approximately S$66,000 for the Year (FY2019: profit of S$0.6 million), which was mainly attributable by the impact of the novel coronavirus pneumonia ("**COVID-19**") pandemic which affected expected revenue coupled by a higher operating costs arising from the 3 new clinics, namely, Kovan, Orchard and Tanjong Pagar.

BUSINESS REVIEW AND PROSPECT

The Group is a primary healthcare services provider operating a network of general practice clinics under the brand "Dr. Tan & Partners" or "DTAP" in short, in the Republic of Singapore ("**Singapore**") since 2010. We provide treatment solutions for common medical conditions, with a focus on sexual health and infectious diseases. In addition, we also have a medical aesthetics clinic under the brand "S Aesthetics" ("**SA**") which focuses on providing treatment solutions for common skin conditions and basic medical aesthetics services.

As at the date of this report, we operate (i) ten DTAP clinics including the clinics at Robertson, Novena, Somerset, Raffles Place, Holland Village, Siglap, Duo Galleria, Orchard, Kovan, Tanjong Pagar; and (ii) one SA clinic at Scotts Road. In FY 2020, we started the clinic at Tanjong Pagar to offer rapid STD testing and rapid HIV testing in a comfortable, discreet and safe environment; In addition, we have setup Get Republic which will be offering health supplements and test kits via various online platforms. In FY2021, we will be relocating our clinic in Orchard and will be planning to setup at least 2 more clinics.

Looking forward, the Group expects the business environment to continue to be uncertain and competitive in view of Covid-19. Nevertheless, healthcare demand would continue to grow and in order to expand our market shares in primary care, we are looking at venturing beyond Singapore as part of our vision to become a preferred healthcare provider in Asia. We will also continue to ensure that the Group's expenditure is well managed to ensure financial sustainability through identification of business opportunities, streamlining our workflows to manage productivity and identifying potential areas where we can leverage on technology to scale up our operations. We will continue to grow our brand presence in general practice clinic network in Singapore.

A NOTE OF APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our heartfelt thanks to all our shareholders, customers and business partners of the Company for their continued support to the Group, and to express my gratitude to all management members and staff for their dedication and hard work throughout the Year.

During FY2020, our Board has also undergone some changes as where Mr. Low Wee Siong has replaced Mr. Leung Ho San Jason as the director and Chairman of Audit Committee of the Company. Mr. Toh Han Boon has stepped down as an Executive Director and resigned from the Company. On behalf of the Group and the Board, I express our sincere appreciation for Mr. Leung and Mr. Toh Han Boon's services, guidance and support during their tenure with the Group and welcome Mr. Low onboard.

Tan Cher Sen Alan
Chairman and Executive Director
Singapore, 22 March 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is a leading medical general practice ("**GP**") network accredited by the Ministry of Health of Singapore in Singapore, providing high value based care services for a variety of conditions including but not limited to sexual health, men's health and women's health. The Group's private GP comprises primarily well-trained doctors and personnel. The Group customises its treatment plan based on individual patient's needs and delivers primary healthcare services with the goal of improving patient's care experience by offering seamless services to assist them to cope with their medical condition. The Group also performs aesthetic treatments to assist patients in gaining greater confidence over matters related to their appearance.

For the year ended 31 December 2020, (the "**Year**" or the "**Year 2020**") the revenue of the Group grew by a mere S$262,000, or 1.9%, to approximately S$13,724,000, when comparing to the previous financial year ended 31 December 2019 (the "**FY2019**" or the "**Year 2019**"). The revenue of consultation services, medical investigation services and treatment services amounted to approximately S$1,296,000, S$3,382,000 and S$9,046,000, respectively, which accounted for approximately 9.4%, 24.7% and 65.9% of the total revenue of the Group for the Year, respectively. The slower than expected growth was as a result of Covid-19 pandemic, where the aesthetic services, a key revenue contributor, was closed for 2 months or so during the circuit breaker imposed by Singapore government from April 2020 to May 2020.

To add to the above situation, countries around the world including Singapore imposed travel restrictions which affected most businesses. This resulted in a lower revenue seen in some of our clinics located near to areas that are slightly more dependent on tourists. Despite the challenging environment posed by Covid-19, we are still able to achieve a better revenue outcome compared to prior year due to the opening of 3 additional clinics, namely, Kovan, Orchard and Tanjong Pagar.

Looking forward, with hope arising from the various Covid-19 vaccines approved and used in Singapore; Singapore government's relentless effort to prevent another widespread of the new corona-virus as well as initiative taken to set up bilateral traveling bubbles with nations across Asia, the Group is cognizant that Singapore healthcare service demand would continue to grow over time. The Group will continue to embark on its expansionary plan with the aim to grow its market share in the primary healthcare sector, by leveraging on its brand, DTAP ("**Dr. Tan & Partners**").

FINANCIAL REVIEW

Revenue

The Group's overall revenue amounted to approximately S$13,724,000 for the Year, representing an increase of approximately S$262,000 or 1.9% as compared with the revenue of S$13,462,000 for FY2019.

The Group provides an all-round treatment solution that is tailored to the patients' individual needs. These are achieved through the provision of personalised services, including consultation services, prescription and dispensing services and treatment services. The following table sets forth a breakdown of our revenue for the periods indicated:

	Year 2020		Year 2019	
	S$'000	%	S$'000	%
Revenue				
Consultation	**1,296**	**9.4**	1,355	10.1
Medical Investigation	**3,382**	**24.7**	4,040	30.0
Treatment Services	**9,046**	**65.9**	8,067	59.9
	13,724		13,462	

Revenue generated from consultation services decreased by approximately S$59,000 from approximately S$1,355,000 in FY2019 to S$1,296,000 for the Year. The decline is mainly due to Covid-19 pandemic, which affects the number of patient visits due to movement restriction imposed by the Singapore government. Furthermore, some of the clinics we operate are located within the business district, which is dependent on office crowds.

Revenue generated from medical investigation services dipped by approximately S$658,000 from approximately S$4,040,000 for FY2019 to approximately S$3,382,000 for the Year. The cause for a lower investigation services was mainly due to the Covid-19 pandemic, where patients generally avoided non-essential investigations during the period coupled by the high safety distancing measures in place ("**Circuit Breaker**") to avoid the spread of Covid-19 virus.

Despite the above, revenue generated from treatment services buck the trend to achieve an increase of approximately S$979,000 from approximately S$8,067,000 for FY 2019 to approximately S$9,046,000 for the Year as the Group continues to retain and attract existing customer base to return to seek treatment with the Group's panel of clinics. The opening of the 3 new clinics, namely, Kovan, Orchard and Tanjong Pagar, had also allowed us to avail our services to new and/or existing patients. The percentage contribution for treatment services increased by 6.0% from 59.9% in FY2019 to 65.9% for the Year.

Other income

Other income for the Year represented primarily government grants (Jobs Support scheme, SPRING Singapore Productivity grant, Lifelong Learning Endowment Fund, P-max grant, wage credits and Covid-19 rent concessions) whilst other income for FY2019 comprise of cash pay-out from the government related bodies in relation to the hiring of certain groups of employees (P-max grant and wage credits).

Consumables and medical supplies used

Our consumables and medical supplies used amounted to S$3.0 million and S$3.1 million for FY2019 and the Year respectively. The marginal increase is in line with the increase in revenue. These comprised costs of treatment consumables, skincare products and medications necessary for the provision of our services at our clinics.

Our cost of medication and consumables is predominantly driven by the amounts of medication and consumables we used and our procurement costs. The amount of medication and consumables we used is primarily driven by the number of patient visits, the number and complexity of treatments and other aesthetics and procedural services provided.

Medical professional costs

Our medical professional costs are mainly attributable to the laboratory charges, which are fees charged by laboratories engaged by us for providing blood, urine and other testing services for our patients.

We generally outsource medical tests such as blood, urine and other testing services, where we believe that there is insufficient demand to warrant the necessary investment for the development of the expertise and the in-house infrastructure. Therefore, we have subcontracted such services to external service providers and incurred laboratory charges for the provision of such services.

Employee benefits expenses

Employee benefit expenses relate to the Directors' remuneration, salaries for other professional staff such as clinic assistants and others. For the Year, employee benefits expenses increased by S$1,759,000 or 38.6% to S$6,311,000 as a result of the increased headcounts in the Year mainly due to the addition of manpower to support the 3 new clinics.

Employee benefits expenses relate to the doctors, Executive Director and Independent Directors' remuneration and salaries for other professional staff such as trained therapists, clinic assistants and other administrative staff working at the clinics, Central Provident Fund contribution and bonuses.

Our total staff count for employees (including part time staff), as at the end of the respective financial years is as follow:

	Year 2020	Year 2019
Total staff count	**66**	51

Depreciation of plant and equipment

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substitute for cost, less its residual value. Depreciation is recognised on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Our depreciation expenses primarily comprised:

(a) Professional equipment, mainly our medical equipment such as dermatological laser equipment used at our clinics;

(b) Computer and office equipment at our various premises used for our operations; and

(c) Leasehold improvements in relation to the leased premises for our operations.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the Year. Our medical equipment and office equipment are generally depreciated over three to five years, which we considered as reasonable for the useful lives for assets of such nature.

Other operating expenses

Our other operating expenses comprised rental and property upkeep, administrative fees, professional fees and other expenses.

The other operating expenses for the Year increased by approximately S$458,000 or 18.2% from approximately S$2.5 million for FY2019 to approximately S$3.0 million for the Year. The increase was largely due to an increase in marketing expenses by approximately S$477,000 from approximately S$725,000 in FY2019 to approximately S$1,202,000 for the Year. The increase is mainly due to greater marketing efforts and advertorial works to create market awareness of the services offered by DTAP clinics and S Aesthetics Clinic.

The aforementioned resulted in an overall increase in other operating expenses as such.

	Year ended 31 December	
	2020	2019
	S$	S$
Auditors' remuneration	**140,000**	120,000
Legal and professional fees	**537,023**	721,175
Marketing expenses	**1,202,467**	724,939
Credit card and bank charges	**245,660**	257,621
Written off of plant and equipment	**7,958**	98,519
Bad debt written-off on trade receivables	**33,339**	—
Foreign currency exchange losses, net	**—**	39,635
Lease expense — short-term leases	**3,500**	15,120
Director's fee	**140,000**	209,213
Non-capitalised equipment	**64,501**	47,536
Transport and travelling	**71,557**	57,582
Others	**527,270**	224,354

Finance costs

Interest expense on lease liability increased by approximately S$6,000 from approximately S$112,000 in FY2019 to approximately S$118,000 for the Year.

Income tax expense

Income tax expense was approximately S$50,000 for the Year and S$462,000 for FY2019.

Total comprehensive income for the Year

Due to the combined effect of the aforementioned factors, we recorded total comprehensive income of approximately S$44,000 for the Year, as compared to the total comprehensive income of approximately S$638,000 for FY2019. The decline in total comprehensive income was mainly due to the impacts of Covid-19 illustrated above and the higher operating costs as a result of the 3 new clinics, namely, Kovan, Orchard and Tanjong Pagar.

Dividends

The Board has resolved not to declare the payment of a final dividend for the Year (FY2019: Nil).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital structure of the Group only comprises the Shares in issue.

As at 31 December 2020, the total equity of the Group was approximately S$13.3 million (FY2019: approximately S$13.2 million). The Group generally financed its operation with internally generated cash flows. The Group had bank balances and cash of approximately S$13.1 million as at 31 December 2020 (FY2019: approximately S$5.9 million). As at 31 December 2020, the Group had net current assets of approximately S$11.3 million (FY2019: approximately S$11.6 million).

As at 31 December 2020, the gearing ratio of the Group was 20.8% (FY2019 approximately 18.6%), calculated based on total debt divided by total equity as at the end of the year. As at 31 December 2020, the Group's lease liabilities was approximately S$2.8 million (FY2019: S$2.5 million).

Net cash generated from operating activities are approximately S$0.8 million (FY2019: used in $2.7 million). With the healthy bank balances and cash on hand, the Group's liquid position remained strong and it had sufficient financial resources to meet its working capital requirement.

For the Year, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately S$13.3 million. The Shares in issue were initially listed on GEM of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Group since then.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL

During the Year, the Group did not have any significant investment, material acquisitions nor disposal of subsidiaries, associates on joint ventures save for those reorganisation activities done for the purpose of Listing as set out in the paragraph headed "History, Reorganisation and Development — Reorganisation" in the prospectus of the Company dated 1 June 2018 (the "**Prospectus**").

TREASURY POLICIES

The management will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

FOREIGN EXCHANGE EXPOSURE

The Group operates in Singapore and transacts mainly in Singapore dollar, which is the functional currency of the majority of the Group's operating subsidiaries. However, the Group retained a certain amount of the proceeds from the Share offer in Hong Kong dollar which contributed to realised foreign exchange gain of approximately S$159,000 as Hong Kong dollar strengthened against Singapore dollar.

COMMITMENTS

The capital commitments of the Group were primarily related to renovation related to new clinic. As at 31 December 2020, the Group's capital commitments amounted to approximately S$265,000 (FY2019: Nil).

SEGMENTAL INFORMATION

Segmental information has been set out in Note 4 to the Consolidated financial statements of this annual report.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this annual report, the Group did not have plans for material investments and capital assets as at 31 December 2020.

CONTINGENT LIABILITIES

As at 31 December 2020, the Group did not have material contingent liabilities (FY2019: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group had a total of 66 staff (including part time staff) (FY2019: 51). Staff costs, including Directors' remuneration, of the Group were approximately S$6.3 million for the Year (FY2019: approximately S$4.6 million). Remuneration is determined by reference to factors such as comparable market salaries and work performance, time commitment and responsibilities of each individual. Employees are provided with relevant inhouse and/or external training from time to time. In addition to a basic salary, year-end discretionary bonuses are offered to employees who performed outstandingly to attract and retain eligible employees to contribute to the Group.

CHARGES ON THE GROUP'S ASSETS

The Group short-term bank deposit of S$130,000 (2019: S$Nil) is pledged to bank for security deposit.

ENVIRONMENTAL POLICIES AND PERFORMANCE

For details of environment, social and governance performance of the Group, please refer to the "Environmental, Social and Governance Report" on pages 49 to 68 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's business. The following are the key risks and uncertainties identified by the Group:

Business risk

The Group's business is dependent on our ability to attract and retain skilled and competent professional staff. Our ability to provide our services is reliant on the services provided by these professionals. The ability to attract and retain them is dependent on several factors such as our continued reputation, financial remuneration and job satisfaction. As we engage in a service related industry, in the event that we are unable to find suitable and timely replacements should a significant number of our skilled professional staff resign, our financial position and results, business operations as well as future growth and prospects may be adversely affected. The number of doctors with necessary experience and qualifications is limited in the market and we are competing for suitable candidates. We cannot assure that we will be able to attract and retain sufficient doctors with similar expertise, experience or network to enter into or maintain employment agreements with our Group to keep pace with our growth while maintaining consistent service quality across our clinics. Our business, financial condition and results of operations could accordingly be materially and adversely affected.

Industry risk

The medical services care industry is sensitive to negative media reports or allegations, which may affect consumer confidence, reputation and market perception of the industry. The industry is also subject to rapidly changing market trends and intense competition amongst other market players. This may materially and adversely affect the Group's business performance. To maintain competitiveness, our doctors seek to keep abreast of the latest and most suitable treatment products and technologies available.

Reputation risk

The Group's success depends to a significant extent on the recognition of our brand and reputation in the industry as a reliable medical service provider. Any litigation, claims or complaints from our customers in relation to the quality of services or products provided by our clinics may adversely affect the reputation and image of the Group, and may in turn, materially and adversely affect the demand for our Services.

Regulatory risk

The Group recognises the importance of compliance with regulatory requirements and the risks of non-compliance with the applicable laws and regulations. During the Year and up to the date of this report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. There was no material breach or non-compliance with the applicable laws and regulations by the Group during the Year and thereafter up to the date of this report.

Key stakeholder risk

The Group's clinics are currently on the panel of preferred healthcare providers of various insurance companies and medical corporations. Our business and results of business operations may be adversely affected in the event that the relevant clinics are removed from such panels of preferred healthcare providers of insurance companies and medical corporations. Some of our patients rely on public insurance and healthcare schemes. If there are any changes to these schemes that affect the amount of subsidies to patients, they may then choose to go to public clinics or hospitals instead. We cannot assure that our financial condition and results of operations of the Group would not be affected as a result of any such changes to the policies and laws relating to the healthcare system.

USE OF PROCEEDS

The net proceeds from the placing and the public offer (the "**Share Offer**") were approximately S$9.1 million, which was based on the offer price of HK$0.60 per share and the actual expenses related to the Listing. After the Listing, these proceeds were and will be used for the purposes in accordance with the future plans as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

The net proceeds from the Share Offer as at 31 December 2020 were used as follows:

	Notes	Net proceeds from the Listing (S$'000)	Actual use of Net Proceeds from the Listing Date up to 31 December 2020 (S$'000)	Balance as at 31 December 2020 *(Note a)* (S$'000)	Expected timeline for utilising the remaining unused Net Proceeds *(Note)*
Strategically expanding and strengthening our network of DTAP clinics	*b*	2,600	740	1,860	2HFY2021
Establishing New SA clinics	*b*	1,400	456	944	2HFY2022
Continuing to attract and retain talent pool of doctors and staff	*c*	4,300	1,639	2,661	2HFY2021
Upgrading and improving our information technology infrastructure and system	*d*	600	378	222	2HFY2021
Setting up a centralised pharmacy	*e*	100	—	100	2HFY2021
General working capital		100	100	—	—
		9,100	3,313	5,787	

Notes:

(a) The unused proceeds are deposited in licensed banks in both Hong Kong and Singapore.

(b) The main use of such proceeds is towards opening of new DTAP clinics. We are also in the midst of identifying potential sites.

(c) As at 31 December 2020, we had hired 2 doctors, 9 new clinic assistants and 1 Operations Director to support the new clinics for the year and we are working on new initiatives to improve our employees' benefits to stay abreast with the market practice.

(d) We have since upgraded our clinic management system in 2H2020 for all clinics including SA Clinic and invested in a new HRM system to better manage our HR records and staff claims. We are also embarking on a new ERP system.

(e) We are deliberating on the centralised pharmacy model as this model may not be sustainable and faces regulatory restrictions.

The expected timeline for utilising the remaining Net Proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the Period is set out below:

Business objective as stated in the Prospectus	Business plan stated in the prospectus	Actual business progress up to 31 December 2020
Strategically expanding and strengthening our network of DTAP clinics	Explore and identify location in Jurong, for the new DTAP clinic Negotiate and enter into tenancy for the new DTAP clinic in Jurong, and carry out renovation on the premises Procure fixed assets, furniture, equipment and treatment devices for the new DTAP clinic in Jurong	As at 31st December 2020, the Group has spend approximately S$740,000 on renovations and purchase of fixed assets. The Group will continue to explore more clinics over the next 1 year.
Establishing new SA clinics	Explore and identify location in Jurong for the new DTAP clinic Negotiate and enter into tenancy for the new SA clinic in Jurong and carry out renovation on the premises Negotiate and enter into tenancy for the new SA clinic in Jurong and carry out renovation on the premises Negotiate and enter into tenancy for the new SA clinic in Jurong and carry out renovation on the premises	As at 31st December 2020, the Group has spent approximately S$456,000 on renovation of new clinic and purchase of fixed assets.

Business objective as stated in the Prospectus	Business plan stated in the prospectus	Actual business progress up to 31 December 2020
Continuing to attract and retain talent pool of doctors and staff	Recruitment of two resident doctors, two clinic assistants for DTAP Clinics Recruitment of one chief operating officer Continued employment of our newly hired staff for our new SA Clinics and our chief operating officer	As at FY2020, we have incurred approximately S$404,000 to ensure we have sufficient staff to support our clinic operation and paid out bonus of approximately S$144,000 to employees.
Upgrading and improving our information technology infrastructure and systems	Upgrading existing information technology infrastructure and systems	As at 31 December 2020, the Group has incurred approximately S$378,000 to upgrade its existing information infrastructure and systems.

EXECUTIVE DIRECTORS

Dr. Tan Cher Sen Alan ("Dr. Alan Tan"), aged 45, is an executive director and the chairman of the Board (the "**Director**"). Dr. Alan Tan is primarily responsible for the overall strategic planning, management and business development of the Group.

Dr. Alan Tan graduated from National University of Singapore in the Republic of Singapore ("**Singapore**") in July 2001 with a Bachelor of Medicine degree and a Bachelor of Surgery degree. He further obtained a degree of Master of Business Administration (Information Technology Management) from University of Leicester in the United Kingdom in January 2009. He became a full registration member of the Singapore Medical Council ("**SMC**") and the General Medical Council in the United Kingdom in May 2002 and November 2003, respectively. He is currently holding the practising certificate granted by the SMC.

Dr. Alan Tan has over 18 years of experience in the healthcare and medical industry and has extensive experience in marketing and management in the healthcare industry. From 2001 to 2002, he worked as a house officer and medical officer in Singapore Healthcare Services, Ang Mo Kio Community Hospital, KK Woman's and Children's Hospital, National University Hospital and Alexandra Hospital, where he was principally responsible for medical care of in patients and out patients.

From 2002 to 2006, Dr. Alan Tan held various management and administrative positions in Singhealth Cluster, Singapore General Hospital and National Heart Centre, where he contributed to research ethics, doctors training programme, staffing, policy development and other general operational aspects of the hospital. From 2006 to 2007, Dr. Alan Tan worked as regional medical advisor, Asia-Pacific region in Schering AG (now known as Bayer Schering Pharma) where he was involved in the development, launch and marketing of various medicinal products such as a medical expert for gynaecology and andrology.

From 2008 to 2010, Dr. Alan Tan worked as the regional head of medical affairs and oncology in Invida Pharmaceutical Holdings Pte. Ltd., where he was primarily responsible for leading the medical department in day-to-day activities and overseeing the marketing and regional business development for major oncological medicines. Based on his knowledge and skills in the medical profession, he founded the Group in 2010.

Dr. Alan Tan is a director of Cher Sen Holdings Limited, wholly-owned by him, which directly holds 75% of the shares of the Company in issue.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Low Wee Siong ("Mr. Low") aged 43, was appointed as an independent non-executive Director (the "**INED**") on 30 September 2020. Mr. Low is also the chairman of the Audit Committee and a member of each of the Nomination Committee and Remuneration Committee and is responsible for providing independent judgement on issues of strategy, policy, accountability and standard of conduct to the Group.

Mr. Low has more than a decade of experience in capital markets and corporate finance. Mr. Low is currently in legal practice as a partner of CNPLaw LLP.

Mr. Low is recommended by Legal 500 Asia-Pacific for capital markets (2018, 2020, 2021) and banking and finance (2021) and named amongst the most influential lawyers aged 40 and under in Singapore (2016) by the Singapore Business Review. Mr. Low is also currently an independent director of Beng Kuang Marine Limited (stock code: BEZ) and Propnex Limited (stock code: OYY), the shares of both of which are listed on the main board of the Singapore Exchange Securities Trading Limited (the "**Singapore Stock Exchange**").

Mr. Low holds degrees in accountancy and law from Nanyang Technological University and National University of Singapore respectively. Mr. Low is admitted as an Advocate and Solicitor of the Supreme Court of Singapore, as a solicitor on the Roll of Solicitors in England and Wales and as a Chartered Accountant of Singapore.

Mr. Soh Sai Kiang ("Mr. Soh"), aged 52, was appointed as an INED on 18 May 2018. Mr. Soh is also the chairman of the Nomination Committee and a member of each of the Audit Committee and Remuneration Committee and is responsible for providing independent judgement on issues of strategy, policy, accountability and standard of conduct to the Group.

Mr. Soh obtained a Bachelor of Arts degree majoring in economics and political science from National University of Singapore in Singapore in June 1993 and has over 26 years of experience in the banking and finance industry. From June 1993 to December 1996, Mr. Soh worked with United Overseas Bank as a banking officer and was primarily responsible for asset management, marketing and operations of unit trust, and from January 1997 to June 1999, he worked with Wee Investments Pte. Ltd. as an investment officer and was primarily responsible for bond trading, equity trading, property research and proxy for board representation. Mr. Soh then joined Lum Chang Securities Pte. Ltd. from June 1999 to July 2001 and his last position was the head of internet trading and was primarily responsible for the establishment and operation of the Internet platform for Internet trading. Mr. Soh has been working with UOB Kay Hian Pte. Ltd. since August 2001 and is currently a director of capital markets group, responsible for structuring companies for listing on the Singapore Stock Exchange.

Mr. Soh was the founder of Artivision Technologies Limited (a company listed on the Singapore Stock Exchange, stock code: 5NK). Since June 2015, Mr. Soh has been acting as the executive chairman of Asidokona Mining Resources Pte. Ltd.. Since August 2012, Mr. Soh has been acting as an independent director of Sin Heng Heavy Machinery Limited (a company listed on the Singapore Stock Exchange, stock code: BKA). Since November 2019, Mr. Soh has been acting as a non-executive chairman of Blackgold Natural Resources Ltd (a company listed on the Singapore Stock Exchange, stock code: 41H).

Mr. Kevin John Chia ("Mr. Chia"), aged 61, was appointed as an INED on 16 September 2019. Mr. Chia is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee.

Mr. Chia graduated from University of Strathclyde in the United Kingdom in July 1991 with a master degree in business administration. He resigned as a non-executive director of Transcorp Holdings Limited (which was delisted on 8 January 2021 on the Singapore Stock Exchange (Catalyst), stock code: T19) on June 2020. Mr. Chia worked for UMBC Finance (currently known as RHB Bank) in Singapore followed by Overseas Union Bank until 2001 and OCBC Bank from 2003 to 2013 where his last position was the head of strategic business unit overseeing mortgage alliance, auto financing and assure banking. Mr. Chia then worked for AM Automotive (S) Pte. Ltd in Singapore as a general manager from 2013 to 2019. Mr. Chia is currently the director of several private companies in Singapore which principally engaged in the business of mortgage brokering and renting and leasing of private cars and land transport equipment.

SENIOR MANAGEMENT

Dr. Ng Siew Boon ("Dr. Ng"), aged 43, has been appointed as the deputy chief executive of the Group on 16 November 2020 and is responsible for the operations, management and medical affairs of the Group.

Dr. Ng graduated from National University of Singapore in 2002 with a Bachelor of Science degree in microbiology and obtained his Master of Science degree in 2005 and Bachelor of Medicine and Bachelor of Surgery degree in 2009 from the University of Sydney in Australia.

Dr. Ng has over 10 years of experience in medical practice. During 2009, Dr. Ng worked in Australia as an intern doctor in the areas of respiratory medicine, vascular surgery, rehabilitation medicine and adult emergency medicine. Dr. Ng then returned to Singapore and since 2010, he worked in the areas of pediatrics emergency and microbiology as well as supervising hospital projects at various public hospitals in Singapore. Between 2015 to 2019, Dr. Ng joined Parkway Shenton network to continue his private medical practice. As Dr. Ng sees his special interests in paediatrics, chronic diseases management and sexually transmitted diseases, he joined the Group in January 2018 and was promoted to the chief medical officer since January 2020 and is currently practicing at the Novena branch of the Group.

Mr. Tan Chee Heng ("Mr. Tan"), aged 45, is a financial controller of the Group. Mr. Tan graduated from Monash University, Australia, in 2003 with a Bachelor of Business degree in banking and finance and went on to obtain his CPA Australia membership in 2020 and Graduate Certificate in Financial Technology in 2020 from Singapore University of Social Sciences.

Mr Tan has more than 10 years of working experience in the healthcare sector (tertiary, secondary and primary care). Mr. Tan started off his healthcare career with Parkway Group, as a Manager for Financial Planning and Analysis cum business support and subsequently went on to assume leadership roles in renowned healthcare institutions, holding various portfolios such as finance, human resource, operations, IT and procurement. Prior to joining Republic Healthcare Group in mid-November 2020, Mr. Tan worked for a telehealth start-up to gain a deeper understanding on the role of technology within healthcare setup.

DIRECTORS' REPORT

The directors of Republic Healthcare Limited (the "**Company**") hereby present the annual report to the members together with the audited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2020 (the "**Consolidated Financial Statements**" and the "**Year**", respectively).

In the opinion of the Directors:

(i) the Consolidated Financial Statements of the Group as set out on pages 74 to 127 are properly drawn up so as to give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") and the disclosure requirements of the Hong Kong Companies Ordinance; and

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

Reference to this statement shall include the "Directors' Report" as referred to under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

CORPORATE REORGANISATION AND LISTING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 3 January 2018 under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Pursuant to the corporate reorganisation of the Group (the "**Reorganisation**") to rationalise the group structure in preparation of the Company's listing of the shares of the Company (the "**Shares**") in issue on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**" and the "**GEM**", respectively), the Company became the holding company of the Group on 1 June 2018. Further details of the Reorganisation are set out in the section headed "History and Reorganisation" in the prospectus of the Company dated 1 June 2018 (the "**Prospectus**"). The Shares in issue were listed on GEM on 15 June 2018 by placing (the "**Listing Date**" and the "**Listing**", respectively).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in the clinic business in the Republic of Singapore ("**Singapore**") and provision of management advisory services. Details of the principal activities of its subsidiaries are set out in the Note 11 to the Consolidated Financial Statements. There were no significant changes in the nature of our Group's principal activities during the Year.

PRINCIPAL PLACE OF BUSINESS

The Company's principal place of business in Singapore is at 1 Scotts Road, #16-05 Shaw Centre Singapore 228208 and the principal place of business in Hong Kong is 46/F, Hopewell Center,183 Queen's Road East, Wan Chai, Hong Kong.

BUSINESS REVIEW

Discussion and analysis of the business of the Group, principal risks and uncertainties, outlook of the business and the analysis of the Group's performance for the Year can be found out in the sections headed "Chairman's statement" and "Management discussion and analysis" of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the Year are set out in the section headed "Consolidated statement of comprehensive income" of this annual report.

The board of Directors (the "**Board**") does not recommend the payment of any dividend for the Year (2019: Nil).

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (the "**2021 AGM**") is scheduled to be held on Friday, 25 June 2021 at 2:00 p.m. The register of members of the Company will be closed from Monday, 21 June 2021 to Friday, 25 June 2021 (the "**Closure Period**"), both days inclusive, for the purposes of determining the entitlements of the shareholders of the Company (the "**Shareholders**") to attend and vote at the 2021 AGM.

During this Closure Period, no transfer of the shares of the Company (the "**Shares**") will be registered. In order to qualify for attending and voting at the 2021 AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by no later than 4:30 p.m. on Friday, 18 June 2021.

SUMMARY OF FINANCIAL INFORMATION

A summary of the results, assets, liabilities and net assets of the Group is set out in the section headed "Financial Summary" of this annual report. This summary does not form part of the audited Consolidated Financial Statements.

PLANT AND EQUIPMENT

Details of the movements in the plant and equipment of the Group during the Year are set out in Note 12 to the Consolidated Financial Statements.

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Details of the movements in the right-of-use assets and lease liabilities of the Group during the Year are set out in Note 13 to the Consolidated Financial Statements.

BORROWINGS

As at 31 December 2020, the Group was in net cash position with no bank borrowings.

INTEREST CAPITALISED

The Group has not capitalised any interest during the Year.

CHARITABLE CONTRIBUTIONS

The Group did not make charitable contributions during the Year.

SHARE CAPITAL

Details of the Company's share capital for the Year are set out in Note 23(a) to the Consolidated Financial Statements.

RESERVES

Details of the movements in the reserves of the Company and the Group during the Year are set out in Note 23(c) to the Consolidated Financial Statements and in the consolidated statement of changes in equity of this annual report, respectively.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") as the code of conduct for dealing in the securities of the Company by the Directors. In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Required Standard of Dealings for the Year.

DISTRIBUTABLE RESERVES

As at 31 December 2020, the Company did not have any reserves available for distribution (Year 2019: Nil).

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company did not redeem any of its listed securities; nor did the Company or any of its subsidiaries purchase, or sell such securities.

DIRECTORS

The Directors during the Year and up to the date of this annual report were as follows:

Executive Directors

Dr. Tan Cher Sen Alan ("**Dr. Alan Tan**") *(Chairman)*
Mr. Toh Han Boon ("**Mr. Toh**") *(Chief Financial Officer) (resigned on 30 September 2020)*

Independent Non-executive Directors (the "INEDs")

Mr. Low Wee Siong ("**Mr. Low**") *(appointed on 30 September 2020)*
Mr. Soh Sai Kiang ("**Mr. Soh**")
Mr. Kevin John Chia ("**Mr. Chia**")
Mr. Leung Ho San Jason ("**Mr. Leung**") *(resigned on 30 September 2020)*

The Company has received, from each of the INEDs, a confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and considers that the INED to be independent.

On 30 September 2020, Mr. Toh resigned as an executive Director in pursuit of his own career development. Mr. Toh confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention to the Shareholders and the Stock Exchange in relation to his resignation.

On 30 September 2020, Mr. Leung resigned as an INED and ceased to be the chairman of the audit committee of the Board (the "**Audit Committee**") and a member of each of the Board's remuneration Committee (the "**Remuneration Committee**") and the nomination committee (the "**Nomination Committee**") to devote to his other business development. Mr. Leung also confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention to the Shareholders and the Stock Exchange in relation to his resignation.

Following Mr. Leung's resignation, on 30 September 2020, Mr. Low was appointed as independent non-executive Director of the Company, and the chairman of the Audit Committee and a member of each of the Remuneration Committee and Nomination Committee.

Article 83(3) of the articles of association of the Company (the "**Articles of Association**") provides that any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an AGM.

Article 84(1) and (2) of the Articles of Association provide that (1) one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM, provided that every Director shall be subject to retirement by rotation at least once every three years; and (2) a retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election.

Each of Dr. Alan Tan, Mr. Low and Mr. Chia will retire from office at the 2021 AGM and all of them, being eligible, will offer themselves for re-election at the 2021 AGM.

DIRECTORS' AND SENIOR MANAGEMENT BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out in the section headed "Biographies of Directors and Senior Management" of this annual report.

DIRECTORS' SERVICE CONTRACTS

Dr. Alan Tan has entered into a service agreement with the Company on 18 May 2018 for an initial term of three years commencing from 15 June 2018 (the "**Listing Date**"), which may be terminated by not less than three months' notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association.

Mr. Soh, an INED, has entered into a letter of appointment with the Company for a term of one year commencing from 15 June 2020, which may be terminated by not less than one month's notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association.

Mr. Chia, an INED, has entered into a letter of appointment with the Company for a term of one year commencing from 16 September 2020, which may be terminated by not less than one month's notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association.

Mr. Low, an INED, has entered into a letter of appointment with the Company for an initial term of one year commencing from 30 September 2020, which may be terminated by not less than one month's notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association.

None of the directors who are proposed for re-election at the forthcoming 2021 AGM has a service contract or letter of appointment with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

PERMITTED INDEMNITY PROVISION

According to Article 164 of the Articles of Association, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

During the Year under review and up to the date of this annual report, the Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against the Directors.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as those disclosed in Note 24 to the Consolidated Financial Statements, there were no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with him has or had a material interest, whether direct or indirect, subsisting at any time during or at the end of the Year.

CONTRACT OF SIGNIFICANCE

Save as those disclosed in Note 11 to the Consolidated Financial Statements, no contract of significance in relation to the Group's business (1) has been entered into between the Company, or one of its subsidiaries, and a controlling shareholder (as defined under the GEM Listing Rules) (the "**Controlling Shareholder**") or any of its subsidiaries; (2) has been entered into for the provision of services to the Company or any of its subsidiaries by a Controlling Shareholder or any of its subsidiaries.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or their respective associates (as defined under the GEM Listing Rules) to acquire benefits by means of the acquisition of Shares in or debentures of the Company or of any other body corporate.

DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS AND REMUNERATION POLICY

Details of the Directors' remuneration and five highest paid individuals of the Group are set out in Note 7 to the Consolidated Financial Statements. The remuneration policy of the Company can be found in the subsection headed "Employees and remuneration policies" in the section of "Management Discussion and Analysis" of this annual report. The Remuneration Committee has reviewed the overall remuneration policy and structure relating to all Directors and senior management of the Group by reference to the Group's operating results and individual performance.

MANAGEMENT CONTRACTS

No contract, other than the employment contracts, concerning management and administration of the whole or any substantial part of the Group's businesses was entered into or existed during the Year.

CONNECTED PARTIES TRANSACTIONS

Amongst these related party transactions, the employment contract with spouse of Dr Alan Tan, the Executive Director of the Group, has become continuing connected transaction under Chapter 20 of the GEM Listing Rules. This transaction falls within the de minimis rule under Rule 20.74 (I) of the GEM Listing Rules and are fully exempt from shareholders' approval, annual review and all disclosure requirements. Save as aforesaid, none of the related party transactions set out in note 24 to the consolidated financial statements constitute a "connected transaction" or "continuing connected transaction" under Chapter 20 of the GEM Listing Rules because either (i) the transaction was an one-off transaction which took place before the Listing; or (ii) the transaction was continuous in nature but had been discontinued before the Listing.

COMPETING INTEREST

The Directors are not aware that any Controlling Shareholders or Directors or their close associates (as defined under the GEM Listing Rules) were interested in any business apart from the business operated by our Group which competed or was likely to compete, directly or indirectly with our Group's businesses during the Year.

COMPLIANCE OF NON-COMPETITION UNDERTAKINGS

The Group and the Controlling Shareholders (as defined under GEM Listing Rules) of the Company (each a "**Controlled Person**" and collectively, the "**Controlled Persons**") have entered into a deed of non-competition (the"**Deed of Non-competition**" and the "**Non-competition**", respectively) with the Company (for itself and for the benefit of each other member of the Group) on 18 May 2018, details of which are set out in the Prospectus. Pursuant to the Deed of Non-competition, each of the Controlled Persons has, among other things, irrevocably and unconditionally undertaken to the Company (for itself and on behalf of its subsidiaries) that, during the Year that the Deed of Non-competition remains effective, he/it shall not, and shall procure that his/its close associates (as defined under the GEM Listing Rules) not to, expect through any member of the Group, directly or indirectly (whether on its own account or with each other or in conjunction with or on behalf of any person or company, or as principal or agent, through any body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise), carry on, engage in, invest or be interested or otherwise involved in (in each case whether as a shareholder, director, partner, agent or otherwise and whether for profit, reward or otherwise) any business that is similar to or in competition with or is likely to be in competition with any business currently and from time to time engaged by the Group in Singapore and any other country or jurisdiction in which the Group carries on business from time to time.

Each of the Controlled Persons further undertakes that if any of he/it or his/its associates (as defined under the GEM Listing Rules) is offered or becomes aware of any new project or business opportunity (the "**New Business Opportunity**"), whether directly or indirectly, each of them (i) will promptly notify the Company of such New Business Opportunity in writing, providing all the information and documents available to them or their close associates (as defined under the GEM Listing Rules) in respect of the New Business Opportunity and all the assistance as may be reasonably required by the Company to make an informed assessment of such New Business Opportunity; (ii) will not, and will procure that the Controlled Persons or any member of the Group shall not, invest or participate in any such New Business Opportunity unless such New Business Opportunity shall have been declined by the Company and the principal terms of which they and/or their close associates (as defined under the GEM Listing Rules) invest or participate in are no more favorable than those made available to the Company.

For further details of the Deed of Non-competition, please refer to the section headed "Relationship with our Controlling Shareholders" in the Prospectus.

The Company has received from each of the Controlled Persons a written confirmation on the compliance with the Non-competition during the Year. The INEDs have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-competition have been complied with by each of the Controlled Persons and duly enforced during the Year.

RETIREMENT BENEFIT SCHEMES

Other than payments to the Central Provident Fund in Singapore, the Group has not operated any other retirement scheme for its employees. Particulars of the retirement benefit schemes are set out in Note 7 to the Consolidated Financial Statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, no revenue from any individual patient contributing more than 1% of the total revenue of the Group and the revenue attributable to the five largest customers accounted for approximately 1% of the Group's revenue for the Year. Purchases from the Group's five largest suppliers accounted for S$2.8 million representing approximately 80% of the total purchases for the Year, purchases from the largest supplier representing approximately 47% of the total purchases for the Year, comprising of both drugs and laboratories providers.

To the best knowledge of the Directors, none of the Directors or any of their close associates (as defined under the Listing Rules) or the Shareholders that owned 5% or more of the Shares in issue had any direct or indirect interest in the five largest customers or the five largest suppliers of the Group during the Year.

SHARE OPTION SCHEME

A share option scheme (the "**Scheme**") was approved and conditionally adopted on 18 May 2018. The Scheme became effective on the Listing Date. The purpose of the Scheme is to advance the interests of our Company and the Shareholders by enabling our Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to our Group and by enabling such persons' contribution to further advance the interests of our Group. Under the Scheme, the Directors may grant options to any eligible persons of the Group, including (1) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of any member of our Group; (2) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of our Group (whether on an employment or contractual or honourary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to our Group; any customer of our Group; or any holder of securities issued by any member of our Group; and (3) any other person, who at the sole discretion of the Board, has contributed to our Group (the assessment criteria of which are (1) such person's contribution to the development and performance of our Group; (2) the quality of work performed by such person for our Group; (3) the initiative and commitment of such person in performing his duties; (4) the length of service or contribution of such person to our Group; and (5) such other factors as considered to be applicable by the Board). Options granted are exercisable for a period (up to ten years from the date of grant of the option) as decided by the Board.

The exercise price (subject to adjustment as provided therein) of the option under the Scheme is equal to the highest of (i) the closing price per Share as stated in the Stock Exchange's daily quotation sheet on the offer date which must be a business day; (ii) the average of the closing prices per Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date; or (iii) the nominal value of the Share on the offer date. The maximum number of shares in respect of which the options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company (i.e. 52,000,000 shares) at the date of Shareholders' approval of the Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any one grantee in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue on the last date of such 12-month period from time to time, without prior approval obtained from the Company's shareholders. There is no minimum period for which an option must be held before it can be exercised unless otherwise determined by the Board at the time of grant. The amount payable by the grantee to the Company on acceptance of the offer shall be a nominal amount to be determined by the Board.

No share option has been granted by the Company or agreed to be granted under the Scheme since the adoption date and up to the date of this annual report. Therefore, no share options lapsed or were exercised or cancelled during the Year and there were no outstanding share options as at 31 December 2020.

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**") which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the Shares

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of Shares/underlying Shares interested (Note 1)	Percentage of the Company's issued Shares
Dr. Tan Cher Sen Alan ("**Dr. Alan Tan**")	Interest of a controlled corporation (Note 2)	390,000,000 (L)	75%*

Notes:

(1) The Letter "L" denotes the person's long position in the relevant Shares.

(2) These Shares are held by Cher Sen Holdings Limited ("**Cher Sen**"). The entire issued shares of Cher Sen are legally and beneficially owned by Dr. Alan Tan, the chairman of the Board and an executive Director. Accordingly, Dr. Alan Tan is deemed to be interested in all the Shares held by Cher Sen under Part XV of the SFO.

* The percentage represents the total number of underlying Shares interested, if any, divided by the number of Shares in issue of 520,000,000 as at 31 December 2020.

Saved for the disclosed above, as at 31 December 2020, none of the Directors nor the chief executive of the Company had any interests and short positions in any Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register referred to therein pursuant to Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Long position in the shares of associated corporation

Name of Director/ Chief Executive	Name of associated corporation	Capacity/ Nature of interest	Number of shares held	Percentage of interest
Dr. Alan Tan (Note (2))	Cher Sen (Note (1))	Beneficial owner	1	100%

Notes:

(1) Cher Sen is a direct Shareholder and is an associate corporation of the Company within the meaning of Part XV of the SFO.

(2) Dr. Alan Tan is a director of Cher Sen.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2020, so far as is known to the Directors, the following entity, other than the Directors and the chief executive of the Company, had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of Shares interested or held(Note 1)	Percentage of interest
Cher Sen(Note (2) and (3))	Beneficial owner	390,000,000 (L)	75%*

Notes:

(1) The Letter "L" denotes the entity's long position in the relevant Shares.

(2) Cher Sen is a direct Shareholder of the Company.

(3) Cher Sen is legally and beneficially owned as to 100% by Dr. Alan Tan.

* The percentage represents the number of the Shares interested divided by the number of Shares in issue of 520,000,000 as at 31 December 2020.

Saved for the disclosed above, as at 31 December 2020, so far as is known by or otherwise notified to the Directors, no other entity (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE PRACTICES

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly.

Details of the principal corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on page 32 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

As the date of this annual report, based on the information that is publicly available to the Company and within the best knowledge of the Directors, the Board confirmed that the Company has maintained a sufficient public float as required under the GEM Listing Rules (i.e. at least 25% of the Company's Shares in issue in public hands) during the Year and up to the date of this annual report.

EQUITY-LINKED AGREEMENTS

Saved for the "Share Option Scheme" section contained in this report, the Company did not enter into or subsist any equity-linked agreements for the year ended 31 December 2020.

COMPLIANCE ADVISER'S INTEREST IN THE COMPANY

As at the date of this annual report, as notified by the Company's compliance adviser, Titan Financial Services Limited (the "**Compliance Adviser**"), except for (i) the participation of the Compliance Adviser as the sponsor in relation to the listing of the ordinary shares of the Company on the Listing Date; and (ii) the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 25 January 2018, none of the Compliance Adviser nor its directors, employees or its close associates (as defined under the GEM Listing Rules) had any interests in relation to the Group or in the share capital of the Company or any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Directors are aware, save as those disclosed in this annual report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. The Group has complied with all relevant laws and regulations in relation to its business including health and safety, workplace conduct, employment and the environment.

The "Environmental, Social and Governance Report", which forms part of this report, is set out on page 49 of this annual report.

TAX RELIEF

The Company is not aware of any relief on taxation to the Shareholders by reason of their holding of the Shares. If unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising of any rights relating to the Shares, Shareholders are advised to consult their professional advisers.

EVENTS AFTER THE YEAR END

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2020 and up to the date of this annual report.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Board (the "**AC**") was established on 18 May 2018 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provisions C.3.3 and C.3.7 of the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules. The primary duties of the AC are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditors and to review and monitor the financial reporting process, risk management and internal control systems of the Group. The AC currently comprises all the three INEDs, namely Mr. Low, Mr. Soh and Mr. Chia. Mr. Low is the chairman of the AC.

The AC has reviewed the audited Consolidated Financial Statements for the Year and is of the view that such statements have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

INDEPENDENT AUDITOR

The Consolidated Financial Statements for the financial year ended 31 December 2018 were audited by PricewaterhouseCoopers. Baker Tilly TFW LLP ("**Baker Tilly**") was appointed by the Directors to fill the vacancy following the resignation of PricewaterhouseCoopers. Except for the appointment of Baker Tilly for the financial year ended 31 December 2019, there have been no other changes of auditors in the past three years.

The Consolidated Financial Statements for the Year have been audited by Baker Tilly, who will retire and, being eligible, offer itself for re-appointment at the 2021 AGM. Having approved by the Board upon the recommendation of the AC, a resolution will be proposed to the Shareholders at the 2021 AGM to re-appoint Baker Tilly as the independent auditor of the Company.

By Order of the Board
Republic Healthcare Limited

Tan Cher Sen Alan
Chairman and Executive Director

Singapore, 22 March 2021

The Company and its subsidiaries (collectively, the "**Group**") are committed to fulfilling its responsibilities to its shareholders (the "**Shareholders**") and protecting and enhancing Shareholders' value through good corporate governance.

The directors of the Company (the "**Directors**") recognise the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance to protect the interests of the Shareholders of the Company. The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code ("**CG Code**") in Appendix 15 to the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

During the year ended 31 December 2020, the Company has adopted and has complied with all applicable code provisions as set out in the CG Code contained in Appendix 15 of the GEM Listing Rules.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") as the code of conduct for dealing in the securities of the Company by the Directors. In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had fully complied with the Required Standard of Dealings and the required standards set out in the Own Code of Conduct during the year ended 31 December 2020.

BOARD OF DIRECTORS

Responsibilities

The board of Directors (the "**Board**") is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support is in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group's business and investment plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group's corporate governance practices and all other functions reserved to the Board under the Company's articles of association (the "**Articles of Association**"). The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. The Board may from time to time delegate certain functions to management of the Group (the "**Management**") if and when considered appropriate. The Management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and other duties assigned to it from time to time.

The Directors have full access to information of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

Composition

The Company is committed to holding the view that the Board should include a balanced composition of executive Directors (the "**EDs**") and non-executive Directors (including independent non-executive Directors (the "**INEDs**")) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

During the year ended 31 December 2020 and up to the date of this annual report, the Board comprises the following four Directors, of which the INEDs in aggregate represent more than 50% of the Board members:

EDs
Dr. Tan Cher Sen Alan ("**Dr. Alan Tan**") *(Chairman)*
Mr. Toh Han Boon ("**Mr. Toh**") *(Resigned on 30 September 2020)*

INEDs
Mr. Low Wee Siong ("**Mr. Low**") *(Appointed on 30 September 2020)*
Mr. Soh Sai Kiang ("**Mr. Soh**")
Mr. Kevin John Chia ("**Mr. Chia**")
Mr. Leung Ho San Jason ("**Mr. Leung**") *(Resigned on 30 September 2020)*

The biographical details of each of the Directors are set out in the section headed "Biographies of Directors and Senior Management" of this annual report.

There was no financial, business, family or other material relationship among the Directors during the year ended 31 December 2020.

The INEDs have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Company.

Throughout the year ended 31 December 2020, the Company had three INEDs, meeting the requirements of the GEM Listing Rules that the number of INEDs must represent at least one-third of the Board members, and that at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received a confirmation of independence in writing from each of the INEDs pursuant to Rule 5.09 of the GEM Listing Rules. Based on such confirmation and not aware of any unfavorably reported incidents, the Company considers that all the INEDs are independent and have met the independence guidelines as set out in Rule 5.09 of the GEM Listing Rules.

The chairman of the Board (the "**Chairman**"), being an executive Director has held one meeting with the INEDs without the presence of other executive Directors during the Year.

Proper insurance coverage has been arranged by the Company to cover the Directors against any liability incurred by them in their discharge of their duties.

Directors' Induction and Continuing Professional Development

Each of the Directors has received a formal, comprehensive and tailored induction on the first occasion of his appointment to ensure that he has a proper understanding of the Company's operations and business and is fully aware of the Director's responsibilities under statute and common law, the GEM Listing Rules, other legal and regulatory requirements and the Company's business and governance policies.

During the year ended 31 December 2020, all Directors have participated in continuing professional development by attending training sessions, including but not limited to, seminars, briefings, conferences, forums and workshops or reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities in order to develop and refresh their knowledge and skills on the roles, functions and duties of a listed company director.

The Company will from time to time provide briefings to all Directors to develop and refresh their duties and responsibilities, such that their contribution to the Board remains informed and relevant. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records.

Meetings of the Board and Directors' Attendance Records

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least three days before the intended date of the Board meeting, or such other period as agreed. Minutes of Board meetings and meetings of board committees is open for inspection at any reasonable time on reasonable notice by any director. According to the articles of the Company, minutes shall be kept by the secretary of the Company at the head office. Draft and final versions of the minutes will also be circulated to the Directors for comments and record respectively within a reasonable time after each meeting and the final version is open for the Directors' inspection.

Set out below are details of the attendance records of each Director at the Board meetings, committee meetings and general meeting of the Company held during the year ended 31 December 2020:

Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	General Meeting
Dr. Alan Tan	5/5	—	—	—	1/1
Mr. Toh(note 1)	4/4	—	—	—	1/1
Mr. Leung(note 2)	3/4	3/3	1/1	1/1	1/1
Mr. Low(note 3)	1/1	1/1	—	—	—
Mr. Soh	4/5	4/4	1/1	1/1	1/1
Mr. Chia	5/5	4/4	1/1	1/1	1/1

Notes:

(1) Mr. Toh resigned as an ED with effect from 30 September 2020.

(2) Mr. Leung resigned as an INED and ceased to be the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee on 30 September 2020.

(3) Mr. Low appointed as the Company's INED and the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee on 30 September 2020.

Board Diversity Policy

During the year ended 31 December 2020, the Board adopted a policy of the Board diversity and discussed all measurable objectives set for implementing the same.

The Company recognises and embraces the benefits of a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, language, cultural and educational background, ethnicity, professional experience, qualifications, skills, knowledge, industry and regional experience and length of service.

The Nomination Committee has reviewed the Board composition pursuant to the above policy and the requirements of the GEM Listing Rules, and considers that the current composition of the Board is characterised by diversity. For details on the composition of the Board, please refer to section headed "Biographical of Directors and Senior Management" in this annual report. The Nomination Committee monitors, from time to time, the implementation of the policy, and reviews, as appropriate, the policy to ensure the effectiveness of the policy. The Nomination Committee will continue to give adequate consideration to these measurable objectives when making recommendations of candidates for appointment to the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the year ended 31 December 2020 and up to the date of this report, Dr. Alan Tan acted as the Chairman and Dr. Tan Kok Kuan ("**Dr. K. K. Tan**") had acted as the chief executive officer (the "**CEO**") till 16 November 2020. Dr. K. K. Tan resigned as the CEO to devote more time to his clinical practice. Dr. K. K. Tan has confirmed to the Board that he has no disagreement with the Board and that there are no other matters relating to his resignation that need to be brought to the attention of Directors, shareholders of the Company and the Stock Exchange. Following Dr. K. K. Tan's resignation, Dr. Ng Siew Boon ("**Dr. Ng**") has been appointed as the deputy chief executive officer of the Group and is responsible for the operations, management and medical affairs of the Group on the same day.

The roles of the Chairman and the CEO have been separated and assumed by different individuals to ensure a balance of power and authority so that power is not concentrated in any member of the Board.

The respective roles and responsibilities of the Chairman and the CEO are set out in writing.

BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

Audit Committee

The written terms of reference of the Audit Committee are published on the respective websites of the Stock Exchange and the Company. As at 31 December 2020, the Audit Committee comprises all three INEDs, namely Mr. Low, Mr. Soh and Mr. Chia. Mr. Low is the chairman of the Audit Committee. During the year ended 31 December 2020, Mr. Leung ceased to act as the chairman of Audit Committee and Mr. Low was appointed as a chairman of the Audit Committee, both with effect from 30 September 2020.

The principal roles and functions of the Audit Committee include but are not limited to:

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving its remuneration and terms of engagement, and handling any questions regarding its resignation or dismissal;

- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and discussing with the external auditor on the nature and scope of the audit and reporting obligations before the audit commences;

- developing and implementing a policy on engaging external auditor to supply non audit services and reporting to the Board, identifying and making recommendations on any matters where action or improvement is needed;

- reviewing and monitoring the integrity of the Company's financial statements and annual reports and accounts, half-year reports and quarterly reports, and reviewing significant financial reporting judgments contained in them;
- reviewing the Company's financial controls, and the Group's risk management and internal control systems;
- discussing the risk management and internal control systems with the Management to ensure that the Management has performed its duty to have such effective systems;
- reviewing the arrangements that the employees of the Group can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters;
- acting as the key representative body for overseeing the Company's relations with the external auditor;
- considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the Management's response to these findings;
- where an internal audit exists, ensuring co-ordination between the internal and external auditors, and ensuring that the internal audit is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
- reviewing the Group's financial and accounting policies and practices;
- reviewing the external auditor's management letter, any material queries raised by the external auditor to the Management about accounting records, financial accounts or systems of control and the Management's response;
- ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- reporting to the Board on the matters in these terms of reference;
- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the Directors and the senior management of the Company (the "**Senior Management**");
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to the employees of the Company and the Directors; and
- considering other topics as defined by the Board.

During the year ended 31 December 2020, four Audit Committee meetings were held to review the unaudited consolidated quarterly results, the unaudited consolidated interim results and the audited consolidated annual results of the Group and make recommendations to the Board; to review the effectiveness of risk management and internal control systems; and to make recommendations to the Board on the re-appointment of external auditor.

Nomination Committee

The written terms of reference of the Nomination Committee are published on the respective websites of the Stock Exchange and the Company. As at 31 December 2020, the Nomination Committee comprises three INEDs, namely Mr. Low, Mr. Soh and Mr. Chia. Mr. Soh is the chairman of the Nomination Committee. During the year ended 31 December 2020, Mr. Leung ceased to act as the member of the Nomination Committee and Mr. Low was appointed as a member of the Nomination Committee, both with effect from 30 September 2020.

The principal roles and functions of the Nomination Committee include but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of the INEDs;
- making recommendations to the Board on appointment or re-appointment of the Directors and succession planning for the Directors, in particular the Chairman and the chief executive;
- reviewing the Board diversity policy adopted by the Board on a regular basis; making recommendations to the Board on measurable objectives for achieving diversity of the Board and monitoring the progress on achieving the objectives; and
- confirming to any requirement, direction, and regulation that may from time to time be contained in the Articles of Association or imposed by the GEM Listing Rules or applicable law.

During the year ended 31 December 2020, the Nomination Committee held a meeting and, amongst other matters, reviewed the structure, size, composition and diversity of the Board, reviewed the independence of the INEDs and recommended to the Board for consideration the re-appointment of the retiring Directors at the annual general meeting of the Company held on 26 June 2020.

Nomination Policy

The Nomination Policy which was adopted by the Board sets out the selection criteria and procedures for the Nomination Committee to select and recommend suitable candidates for directorship with a view to ensuring that the Board has a balance of skills, experience, knowledge and diversity of perspectives appropriate to the requirements of the Company's business.

The Nomination Committee shall consider a variety of factors in assessing the suitability of a proposed candidate for directorship, including but not limited to the following selection criteria (the "**Criteria**"):

- Diversity in the aspects, amongst others, of gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
- Commitment for responsibilities of the Board in respect of available time and relevant interest;
- Qualifications, including accomplishment and experience in the relevant industries in which the Company's business is involved;
- Independence;
- Reputation for integrity;
- Potential contributions that the individual can bring to the Board;
- Plan(s) in place for the orderly succession of the Board;
- The overall contribution and service of the retiring Director(s) to the Company, including but not limited to the attendance of the meetings of the Board and/or its committees and general meetings of the Company where applicable, in addition to the level of participation and performance on the Board and/or its committees; and
- Independence with reference to the independence guidelines set out in Rules 5.05(2) and 5.09 of the GEM Listing Rules if the candidate is nominated as an independent non-executive Director.

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

- will giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- may consult any source it considers appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from a third party agency firm and proposals from shareholders of the Company with due consideration given to the Criteria;
- may adopt any process it considers appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third party reference checks;

- will consider a broad range of candidates who are in and outside of the Board's circle of contacts;
- will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- will provide the relevant information of the selected candidate to the Remuneration Committee of the Company for consideration of the remuneration package of such selected candidate;
- will make the recommendation to the Board in relation to the proposed appointment, and where a non-executive Director is considered, the Remuneration Committee will make the recommendation to the Board on the proposed remuneration package;
- may arrange for the selected candidate to be interviewed by the members of the Board who are not members of the Nomination Committee and the Board will thereafter deliberate and decide the appointment as the case may be; and
- all appointment of Directors will be confirmed by the filing of the consent to act as Director of the relevant Director (or any other similar filings requiring the relevant Director to acknowledge or accept the appointment as Director, as the case may be) to be filed with the relevant regulatory authorities, if required.

If the Board recognises the need to appoint a new director subject to the provisions in the Company's Articles of Association, the Nomination Committee, with or without assistance from external agencies, shall identify candidates in accordance with the selection criteria set out in the Nomination Policy, evaluate the candidates and recommend to the Board the appointment of the appropriate candidate for directorship. The Board decides the appointment based upon the recommendation of the Nomination Committee and the Board has the final authority on determining suitable director candidate for directorship.

Candidates for appointment as Directors may also be sourced internally or externally through various channels such as using the services of specialist executive search firms. The aim is to appoint individuals of the highest caliber in their area of expertise and experience.

Remuneration Committee

The written terms of reference of the Remuneration Committee are published on the respective websites of the Stock Exchange and the Company. As at 31 December 2020, the Remuneration Committee comprises three INEDs, namely Mr. Low, Mr. Soh and Mr. Chia. Mr. Chia is the chairman of the Remuneration Committee. During the year ended 31 December 2020, Mr. Leung ceased to act as the member of the Remuneration Committee and Mr. Low was appointed as a member of the Remuneration Committee, both with effect from 30 September 2020.

The principal roles and functions of the Remuneration Committee include but are not limited to:

- making recommendations to the Board on the Company's policy and structure for all Directors' and the Senior Management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

- making recommendations to the Board on the remuneration packages of all individual EDs and the Senior Management, including benefits-in-kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of the non-executive Director and considering the factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors, and employment conditions elsewhere in the Group and desirability of performance-based remuneration;

- reviewing and approving the Management's performance-based remuneration proposals by reference to the Board's corporate goals and objectives from time to time;

- reviewing and approving compensation payable to the EDs and the Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

- reviewing and approving the compensation arrangements relating to the dismissal or removal of the Directors for misconduct to ensure that they are consistent with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate;

- ensuring that no Director or any of his associates (as defined in the GEM Listing Rules) is involved in deciding his own remuneration;

- advising the Shareholders on how to vote with respect to any service contracts of the Directors that require the Shareholders' approval under Rule 17.90 of the GEM Listing Rules; and

- accommodating a model where the Remuneration Committee performs an advisory role to the Board, with the Board retaining the final authority to approve executive directors' and senior management's remuneration.

During the year ended 31 December 2020, the Remuneration Committee held a meeting and, amongst other matters, reviewed and recommended to the Board for consideration certain remuneration-related matters of the Directors and the Senior Management.

Corporate Governance Functions

The Audit Committee and the Board are responsible for performing the corporate governance functions, which include:

- developing and reviewing the Company's policies and practices on corporate governance;

- reviewing and monitoring the training and continuous professional development of the Directors and the Senior Management;

- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual applicable to the Directors and the Group's employees, if any; and
- reviewing the Company's compliance with the CG Code and disclosure in this report.

TERM OF APPOINTMENT AND RE-ELECTION OF DIRECTORS

Dr. Alan Tan has entered into a service contract with the Company for an initial term of three years commencing on the 15 June 2018, which may be terminated by not less than three months' notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association.

Mr. Low, an INED, has entered into a letter of appointment with the Company for an initial term of 1 year commencing on 30 September 2020, which may be terminated by either party giving at least one month's notice in writing.

Mr. Soh and Mr. Chia has individually entered into a letter of re-appointment with the Company for a term of 1 year commencing on the 15 June 2020 and 16 September 2020 respectively , which may be terminated by either party giving at least one month's notice in writing.

Save as disclosed aforesaid, none of the Directors has a service agreement or letter of appointment with the Company or any of its subsidiaries other than the contracts/letter of appointment expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

All the Directors, including INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each annual general meeting of the Company ("**AGM**"), one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director shall be subject to retirement by rotation at an AGM at least once every three years. A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout an AGM at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and does not offer himself for re-election. Any further Directors so to retire shall be those of other Directors subject to retirement by rotation who have been the longest in office since their last re-election or appointment and so that as between the persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A Director is not required to retire upon reaching any particular age.

The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall be subject to retirement by rotation.

The Board shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. Any such Director appointed shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at an AGM.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the year ended 31 December 2020 are set out in Note 7(c) to the audited Consolidated Financial Statements of the Group for the year ended 31 December 2020 of this annual report. Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the Senior Management (other than the Directors) whose particulars is contained in the section headed "Biographies of Directors and Senior Management" in this annual report for the year ended 31 December 2020 by band is set out below:

Remuneration band (in S$)	Number of individuals
Nil to 180,000	1
180,001 to 270,000	1
More than 270,001	1

INDEPENDENT AUDITOR'S REMUNERATION

During the year ended 31 December 2020, the remuneration payable to the external auditors in respect of the audit and non-audit services are as follows:

Type of services	Amount (in S$)
Audit services	140,000
Non-audit services	0
Total:	140,000

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the annual report and audited Consolidated Financial Statements of the Group for the year ended 31 December 2020 that give a true and fair view of the state of affairs of the Group.

The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

In addition, Baker Tilly TFW LLP has stated in the independent auditor's report its reporting responsibilities on the Company's Consolidated Financial Statements for year ended 31 December 2020.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has in place policies and procedures in relation to risk management and internal control. The Board is primarily responsible for overseeing the risk management and internal control systems and for reviewing their effectiveness. The Company's internal control system and procedures are designed to meet its specific business needs and to minimise its risk exposure. The Company has adopted different internal guidelines, along with written policies and procedures to monitor and lessen the impact of risks which are relevant to its business and control its daily business operations. The Management will identify the risks associated with the Group's day-to-day operations for review by the Board. The Board is responsible for evaluating and determining the nature and extent of the risks that the Company is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The Board acknowledges that such risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss. During the year ended 31 December 2020, the internal audit function of the Company has been carried out under the leadership of the Board and the Audit Committee.

The Board, through the Audit Committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group covering all material controls, including financial, operational and compliance controls functions. The Board considers that the Group's risk management and internal control systems are adequate and effective during the year under review.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and the GEM Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the GEM Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company's website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the EDs and the CFO are authorised to communicate with parties outside the Group.

COMPANY SECRETARY

On 17 August 2020, Ms. Tong Suet Fong resigned as the company secretary of the Company (the "**Company Secretary**") and following her resignation, Ms. Tang Wing Shan Winza ("**Ms. Tang**") has been appointed by the Board as the Company Secretary on the same day. Ms. Tang had been nominated by Computershare Hong Kong Development Limited ("**CDL**") to act as the Company Secretary and CDL provided certain corporate secretarial services to the Company pursuant to an engagement letter entered into between the Company and CDL. The primary person at the Company with whom Ms. Tang has been contacting in respect of company secretarial matters are Mr. Toh, the CFO and ED and Mr. Tan Chee Heng, financial controller of the Group.

Ms. Tang delivered and attended over 15 hours' relevant continuous professional training pursuant to Rule 5.15 of the GEM Listing Rules.

All members of the Board have access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary has been/will be subject to the Board's approval at its meeting.

COMPLIANCE OFFICER

On 30 September 2020, Mr. Toh resigned as the compliance officer of the Company (the "**Compliance Officer**") and following his resignation, Dr. Alan Tan has been appointed by the Board as the Compliance Officer on the same day. The biography of Dr. Alan Tan is set out in the section headed "Biographies of Directors and Senior Management" of this annual report.

SHAREHOLDERS' RIGHTS

Procedures for Putting Forward Proposals at Shareholders' Meetings

There is no provision allowing Shareholders to make proposals or move resolutions at an AGMs under the Articles of Association or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the "**EGM**") in accordance with the"Procedures for Shareholders to convene an EGM" set out below.

Procedures for Shareholders to Convene an EGM

Any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company (the "**Eligible Shareholder(s)**") shall at all times have the right, by written requisition to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned (the "**Requisitionist(s)**") at the principal place of business of the Company in Hong Kong (presently 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) for the attention of the Company Secretary.

The Requisition must state clearly the name(s) of the Requisitionist(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

The Company will check the Requisition and the identity and shareholding of the Requisitionist(s) will be verified with the Company's branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the Company Secretary will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM within two months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Requisitionist(s) will be advised of the outcome and accordingly, the Board or the Company Secretary will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM.

If within 21 days of the deposit of the Requisition the Board or the Company Secretary fails to proceed to convene such EGM, the Requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Board or the Company Secretary to convene an EGM shall be reimbursed to the Requisitionist(s) by the Company.

Procedures for Shareholders to Send Enquires to the Board

Shareholders may direct their enquiries about their shareholdings, share transfer/registration or their notification of change of their correspondence address or dividend/distribution instructions to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Shareholders may send their enquiries and concerns to the Board by post to the headquarters and principal place of business of the Company in Singapore at 1 Scotts Road, #16-05 Shaw Centre Singapore 228202 or by email to feedback@republichealthcare.asia for the attention of the Company.

Upon receipt of the enquiries, the Company will forward the communications relating to:

1. the matters within the Board's purview to the EDs;

2. the matters within a Board committee's area of responsibility to the chairman of the appropriate committee; and

3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate management of the Company.

COMMUNICATION WITH THE SHAREHOLDERS

The Company has adopted a Shareholders' communication policy with the objective of ensuring that the Shareholders will have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company.

Information will be communicated to the Shareholders through the Company's financial reports, AGMs and other EGMs that may be convened as well as all the published disclosures submitted to the Stock Exchange.

DIVIDEND POLICY

The declaration and payment of dividends shall remain to be determined at the absolute discretion of the Board and shall be in accordance with the applicable laws, including the Companies Law, Chapter 22 of the Cayman Islands and the requirements under the articles of association of the Company.

In deciding whether to propose a dividend and in determining an appropriate basis for dividend distribution, the Board will take into account the Group's strategies, business cycle, operations, earnings, financial condition, cash requirements and availability as well as capital expenditure and future development requirements; the possible effects of the Group's credit-worthiness, the financial covenants to which the Group is subject and any restrictions on the payment of dividends that may be imposed by the Group's lenders; the interests of the Shareholders, the dividend received/receivable by the Company from its subsidiaries and the taxation consideration; the general economic and political conditions and other internal and external factors that may have an impact on the business and financial performance of the Group; any restrictions under all applicable laws (including the Companies Law of the Cayman Islands), rules, codes and regulations, the financial reporting standards that the Group has adopted as well as the articles of association of the Company and other factors that the Board may consider appropriate.

The Company will continually review the Dividend Policy and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

CONSTITUTIONAL DOCUMENTS

Except for the conditional adoption of the amended and restated memorandum of association and Articles of Association (the "**M&A**") by the Company to comply with the applicable legal and regulatory requirements (including the GEM Listing Rules) on 18 May 2018, which took effect from 15 June 2018, there was no change in the constitutional documents of the Company during the year ended 31 December 2020.

The amended and restated M&A is available on the respective websites of the Stock Exchange and the Company.

INTRODUCTION

The Group was established in 2010 and has become one of the leading brands in providing world class medical care and having friendly and approachable doctors. Starting from one single medical practice to have grown steadily over several strategic locations in Singapore, each having its own unique clinical focus in various aspects of medicine, such as Men's health, Women's health, Sexual health and Aesthetics medicine, Allergy, Chronic disease management and others. In addition, the Group has also established another medical group with a primary focus on aesthetic medicine providing the latest in injection techniques, skin rejuvenation, anti-ageing, facial contouring and laser technology in 2017.

The Group's major businesses are (i) the provision of healthcare services operating a network of general practice clinics; (ii) the provision of treatment solutions for common medical conditions with a focus on sexual health and infectious diseases; and (iii) the operation of a medical aesthetics clinic which focuses on providing treatment solutions for common skin conditions and basic medical aesthetics services.

This Environment, Social and Governance Report ("**ESG Report**") summarises the environmental, social and governance ("**ESG**") initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

The ESG Governance Structure

The board of Directors (the "**Board**") oversees and sets out ESG strategies for the Group. The Board is also responsible for ensuring the effectiveness of the Group's risk management and internal controls through an annual assessment.

The Group has assigned personnel to systematically identify and cater to ESG issues. The said personnel are responsible for collecting and analysing relevant ESG data and identifying the Group's ESG issues. In addition, the said personnel periodically report to the Board for the evaluation and subsequent implementation or revision of the Group's ESG strategies.

REPORTING SCOPE

This ESG Report covers all the Group's business operations and activities as well as the administrative office in Singapore. The key performance indicators ("**KPIs**") gathered are shown in the ESG Report and are supplemented by explanatory notes to establish benchmarks. The Group will extend the scope of disclosure when and where possible.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide ("**ESG Reporting Guide**") as set out in Appendix 20 of the Rules Governing the Listing of Securities on GEM (the "**GEM Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Information relating to the Group's corporate governance practices can be found in the Corporate Governance Report on pages 32 to 48 of this annual report.

REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges and measures taken by the Group during the financial year ended 31 December 2020 ("**FY2020**").

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG aspects. The Group maintains close communication with its key stakeholders, including but not limited to, shareholders and investors, patients and customers, suppliers, employees, regulatory bodies and government authorities, the community, NGO and media.

Stakeholders' expectations have been taken into consideration by utilising diversified engagement methods and communication channels as shown below:

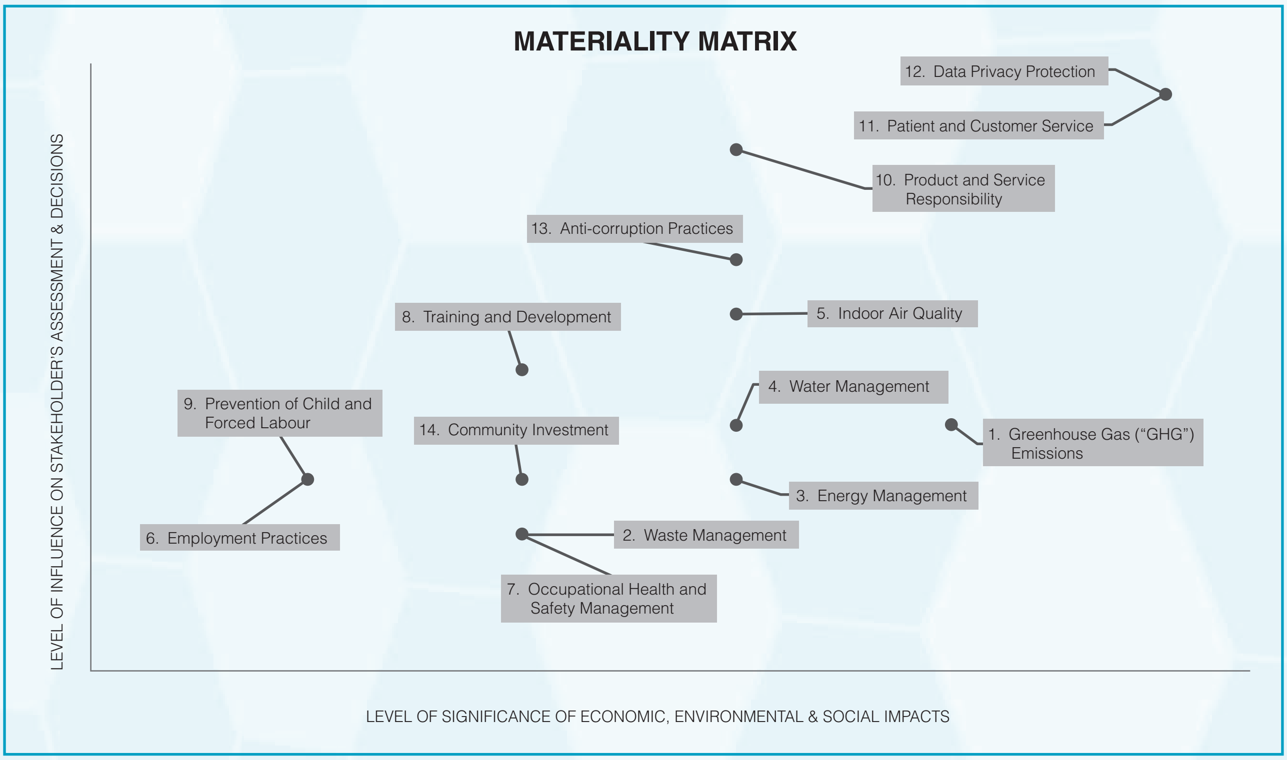
Stakeholders	Concerns	Engagement Methods
Shareholders and investors	• Corporate governance system • Business strategies and performance • Financial results • Investment returns	• Annual general meeting and other shareholder meetings • Financial reports • Announcements and circulars • Company website and email
Patients and customers	• Privacy protection • Business integrity and ethics	• Customer support hotline and email • Visits to clinics
Suppliers	• Fair and open procurement • On-time payment • Sustainable relationship	• Management meetings and emails • Procurement processes • Audits and assessments
Employees	• Career development • Health and safety • Remuneration and benefits • Equal opportunities	• Training, seminars and briefing sessions • Staff appraisals
Regulatory bodies and government authorities	• Compliance with rules and laws • Stability in business operations	• Written or electronic correspondences • On-site inspections
The community, NGO and media	• Giving back to society • Environmental protection • Social welfare • Health and safety	• Community activities • ESG reports • Media

The Group endeavours to actively listen to and collaborate with its stakeholders to ensure that their opinions can be voiced out through a proper communication channel. In the long run, the stakeholders' contribution will aid the Group in improving potentially overlooked ESG performances and sustaining the success of the Group's business in the challenging market.

MATERIALITY ASSESSMENT

The Board and management responsible for key functions of the Group have participated in the preparation of the ESG Report. They have assisted the Group in reviewing its operations, identifying key ESG issues and assessing its importance to its businesses and stakeholders.

The Group's material ESG issues according to its relative importance are shown below:



For FY2020, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of the ESG Report or the Group's performances in sustainable development by email to feedback@republichealthcare.asia.

A. ENVIRONMENTAL

A1. Emissions

General Disclosure and KPIs

Environmental protection and sustainable development rely on concerted efforts from all industries and society. The Group is committed to expanding its business while not sacrificing the environment. Therefore, the Group strives to integrate environmental sustainability into its business operations; green measures are described in the following sections.

Due to the Group's clinic-based business nature, the Group does not cause a significant impact on the environment through emissions. The Group nevertheless continuously improves existing guidelines and is looking into incorporating new policies with the intention of mitigating potential direct and indirect negative environmental impacts arising from its business operations.

During FY2020, the Group strictly complied with local environmental laws and regulations and was not aware of any material non-compliance with laws and regulations that would have a significant impact on the Group including but not limited to, the Environmental Protection and Management Act and the Environment Public Health (Toxic Industrial Waste) Regulations of Singapore.

Air Emissions

The Group did not own any vehicles. Therefore, the Group considers that air emissions generated by the Group in FY2020 were immaterial.

GHG Emissions

The principal GHG emissions of the Group were generated from purchased electricity (Scope 2).

Scope 2 — Indirect GHG Emissions

Electricity consumption accounted for the largest percentage of GHG emissions within the Group. The Group has implemented measures to reduce electricity consumption, said measures are mentioned in "Aspect A2 — Use of Resources".

Scope 3 — Other Indirect GHG Emissions

Office paper waste disposal accounted for a small percentage of other indirect GHG emissions. Measures implemented to reduce paper waste disposal can be found in the section headed "Waste Management". The Group is actively looking into implementing a tracking system to better record the total amount of non-hazardous waste generated in the Group. When the said data collection process matures, the Group shall consider expanding the scope of disclosure.

Through the implementation of such measures, employees' awareness of reducing GHG emissions has been noted to have increased.

Summary of GHG emissions performance:

Indicator[1]	Unit	FY2020
Scope 1 — Direct GHG Emissions	tCO_2e[2]	—
Scope 2 — Energy Indirect GHG Emissions		
• Purchased electricity	tCO_2e	30.55
Total GHG Emissions	tCO_2e	30.55
Total GHG Emissions Intensity[3]	tCO_2e/million revenue (S$)	2.23

Note:

1. GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5), and the latest Electricity Grid Emission Factors issued by the Energy Market Authority of Singapore.

2. tCO_2e is defined as tonnes of carbon dioxide equivalent.

3. For FY2020, the Group recorded a revenue of approximately S$13.7 million. This data is used for calculating other intensity data.

Sewage Discharges into Water and Land

Due to the Group's business nature, the sewage discharge into land is insignificant. Similarly, there was no significant and unreasonable amount of sewage water discharged.

Waste Management

Hazardous Waste Management

Due to the Group's business nature, the major hazardous wastes produced in the Group's operations were clinical wastes.

The Group remains vigilant to the management of proper clinical wastes disposal and ensures that the disposal process complies with statutory requirements. The Group has entered into a service agreement with a company duly licensed under the Singapore Environmental Public Health (Toxic Industrial Waste) Regulations as a toxic industrial waste collector for the collection and disposal of medical waste at each of their clinics and dispose of it in any authorised incineration plants approved under the laws of Singapore. In addition, each of its clinics has a designated biological waste bin for the disposal of medical waste such as used syringes and needles, which will be periodically collected by the licensed service provider.

In FY2020, the total hazardous waste generated accounted to approximately 0.35 tonnes.

Summary of major hazardous waste disposal performance:

Category of waste	Unit	FY2020
Total Hazardous Waste	Tonnes	0.35
• Clinical Waste	Tonnes	0.35
Total Hazardous Waste Intensity	Tonnes/million revenue (S$)	0.03

Non-hazardous Waste Management
Non-hazardous wastes generated were principally office paper, the Group did not note a disproportional amount of waste produced. During daily operations, waste paper and plastics are collected and delivered to a third party for recycling. The Group continues to place great effort in educating its employees on the importance of reducing waste production and has adopted the following environmentally friendly initiatives to enhance its environmental performance.

Green measures include but are not limited to the following:

- Reuse single-sided paper;
- Recycle office paper, including those that are to be shredded;
- Set duplex printing as the default mode for office printers.

As a result, employees' awareness of waste management has been increased through these implementations.

Summary of major non-hazardous waste disposal performance:

Category of waste	Unit	FY2020
Total Non-hazardous Waste	Tonnes	1.11
• Office Paper	Tonnes	1.11
Total Non-hazardous Waste Intensity	Tonnes/million revenue (S$)	0.08

A2. Use of Resources

General Disclosure and KPIs
The Group takes the initiative to introduce green measures to reduce environmental impact arising from its business operations. Measures on reducing office paper waste have been mentioned in the preceding "Waste Management" section.

Energy Efficiency

The Group recognises the scarcity of finite natural resources and has therefore implemented policies to better govern the use of resources. The Group strives to further reduce energy consumption by adopting the following energy-saving measures:

- Set all electrical appliance and medical equipment to energy saving mode; and
- Switch off all idle appliances and unnecessary lightings upon leaving the office.

Anomaly in electricity consumption will be investigated to find out the root cause and preventive measures will be taken. The implementation of these energy-saving measures have been useful in raising employees' awareness of energy conservation.

Summary of energy consumption performance:

Types of energy	Unit	FY2020
Direct Energy consumption	kWh	—
Indirect Energy Consumption	kWh	74,780.00
• Electricity	kWh	
Total Energy Consumption	kWh	74,780.00
Total Energy Consumption Intensity	kWh/million revenue (S$)	5,458.39

Water Consumption

Water was mainly used in the clinics. The Group nevertheless actively promotes the importance of water conservation to its employees. The Group encourages its employees to monitor the water usage in the clinics on a monthly basis to identify sudden spikes in consumption as well as water leaking in the piping system. Through the implementation of said water-saving measures, employees' awareness of water conservation has been increased.

Due to the Group's business nature, the Group did not encounter any problem in sourcing water that is fit for purpose.

Summary of water consumption performance:

Indicator	Unit	FY2020
Water Consumption	m^3	100.20
Intensity	m^3/million revenue (S$)	7.31

Use of Packaging Material

Due to the Group's business nature, the use of packaging material is not considered to be a material ESG aspect to the Group.

A3. Use of Resources

General Disclosure and KPIs

The Group's business operations have a limited impact on the environment and natural resources, save for the aforementioned. However, the Group realises its responsibility in minimising any negative environmental impacts in its business operations. The Group remains conscious of its potential impact, therefore, regularly assesses the environmental risks of its business model, adopts preventive measures to reduce risks and ensures compliance with relevant laws and regulations.

Indoor Air Quality

Indoor air quality is regularly monitored and measured. During FY2020, the indoor air quality of the Group's office has been satisfactory. To improve indoor air quality, air filtration systems are in placed in the office and are cleaned periodically. These measures resulted in maintaining indoor air quality at a satisfactory level.

B. SOCIAL

B1. Employment

General Disclosure

Human resources are the cornerstone of the Group. The Group attaches great importance to its employees' contribution and dedication to sustainable business development. Human resource policies are formally documented in the Employee Policy, covering recruitment, compensations, promotion, working hours, rest periods, remuneration, diversity and equal opportunities, etc. The Group periodically reviews existing policies and employment practices to ensure continuous improvement of its employment standards and competitiveness against other service providers. As at 31 December 2020, the Group had a total of 64 employees.

During FY2020, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Act of Singapore.

Recruitment, Remuneration, Performance Appraisal and Dismissal

Employees' qualification, professional skills and experiences exert a significant influence on the quality of services. In line with the Group's manpower needs and its business development, the Group has formulated a standard operating procedure to select the best and suitable qualified candidates through open recruitment or internal promotion process. Probation and payroll management are specified in the Employee Policy.

Moreover, the Group has developed a series of sound employment rules and regulations and specified the rights and obligations imposed on the employees in the Employee Policy. It also determines the daily working hours and rest periods for employees, including but not limited to statutory holidays and annual leave benefits in accordance with respective national laws. Apart from providing employees with various types of leaves such as marriage leave, childcare leave, compassionate leave and birthday leave, the Group also provides mental and dental benefit as well as a high coverage insurance of work injury compensation.

Employees are also subjected to bi-annual performance appraisals. Various factors are evaluated by the appraiser, including but not limited to job knowledge, performance, skills, working efficiency and attitude. Along with the appraisal process, recommendations and comments will be given to the employee and the appraisal result will be used in their annual salary review and promotion consideration.

Detailed resignation or termination process has been standardised and outlined in the Employee Policy. In case of dismissal for misconduct or contravention of the express or implied terms and conditions of employment, the Group will conduct an inquiry before deciding whether to dismiss the staff or to take other forms of disciplinary action.

Diversity, Equal Opportunities and Anti-discrimination

In order to maintain the high quality of its professional team, it is vital to offer equal opportunities to its employees to attract and retain talent. Therefore, the Group is an equal opportunity employer. The Group provides its employees with equal opportunities in terms of hiring, promotion, development opportunities, pay, and benefits, regardless of religion, age, gender, national origin, sexual orientation, race, or colour.

Communication Channels

Recognising the value and importance of a full discussion in clearing up any misunderstanding and in preserving harmonious work relations, the Group is dedicated to looking into or dealing with any suggestions, enquiries or complaints from employees. The grievance process has been specified in the Employee Policy.

B2. Health and Safety

General Disclosure

Occupational Health and Safety Management

During FY2020, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group, including but not limited to the Workplace Safety and Health Act, Workplace Safety and Health (General Provisions) Regulations and the Work Injury Compensation Act of Singapore.

The Group places a high priority on providing employees with a safe and healthy working environment. The Group has adopted occupational health and safety management procedures and a Business Process Manual for its staff, all of which are in compliance with the latest statutory requirements. Written procedures and guidelines are also in place for health and safety-related requirements, which includes the handling of medical equipment and clinical wastes and the use of personal protective equipment.

The Group's in-house doctors are responsible for the provision of support and resources required to maintain safe and ideal working conditions within the clinics. On the other hand, they are responsible for the implementation and planning of proper administrative procedures, including adhering to an agreed reporting structure and investigation methodology in the event of an accident occurring within the workplace. In FY2020, there were zero reported work-related injuries and no lost days due to work injury.

Response to the Outbreak of the Coronavirus Disease 2019 ("COVID-19") Pandemic

The Singapore government introduced the circuit breaker ("Circuit Breaker") measures from 7 April 2020 to 1 June 2020 where healthcare services may remain open only for the delivery of essential services and all non-essential appointments should be deferred. In compliance with government regulations, all headquarters staff were required to work at home unless they had specific reasons to go into the office.

To combat the spread of COVID-19, the Group has implemented a number of measures to safeguard the health of its employees and patients. Temperature screening was conducted before the employees and patients enter the Group's premises. Vendors and suppliers were not allowed to meet the Group's employees unless for the delivery of goods, during which the relevant parties were required to fill in the declaration of COVID-19 risks form and have their temperature taken.

The Group reminds its employees of the importance of staying home when feeling sick, frequently washing hands with soap and avoiding public places. Facial masks were to be worn at all times except during meals or consumption of fluids. Employees were required to strictly enforce social distancing to prevent congregating in the premises during breaks or lunchtime. Any employee who felt unwell was advised to seek medical assistance. All physical meetings were replaced by virtual meetings to reduce the risk of spreading the virus. After exiting the Circuit Breaker, all of the above-mentioned measures were maintained except that half of the headquarters staff were allowed to work in the office.

In the clinics, all patients were required to declare their health status in relation to COVID-19 and have their temperature taken. Hand sanitisers were provided to patients at various locations. With regard to the clinics performing COVID-19 PCR swab or COVID-19 Antigen swab, the following precautions were in place:

(1) A separate room was used to perform the swab of patients;

(2) Doctors or nurses performing the swab were in full personal protective equipment;

(3) Any processing of the swab was done in a biohazard safety cabinet Class 2;

(4) All surfaces and high touch surfaces were cleaned with either diluted chlorine solution or disinfectant wipes after each patient was swabbed;

(5) A sign was posted at the door of the clinics to prevent the entry of any persons; and

(6) After the last patient has swabbed and the room was disinfected as mentioned above, no one was allowed to enter the room for 30 minutes. Thereafter, another terminal disinfection using either diluted chlorine solution or disinfectant wipes was conducted again.

All employees except those with contraindications to the COVID vaccine were encouraged to get vaccinated. Thus far, approximately 90% of the doctors have completed 2 doses of Pfizer vaccine. Approximately 50% of clinic assistants have completed 2 doses of Pfizer vaccine. On the other hand, approximately 20% of headquarters staff have completed 2 doses of the Pfizer vaccine while another 50% of headquarters staff are scheduled to complete the second dose.

B3. Development and Training

General Disclosure

Training and Development

Training and continuous development are indispensable to the Group's employees to keep abreast of the ever-changing trend of the industry and also to satisfy its customers' evolving needs. The Group holds firm belief that the provision of training opportunities and continuous development to its employees provides the Group with a solid foundation for its continuing success.

Provision of Training Opportunities

The Group arranges its doctors and staff to attend industry conferences, seminars and workshops to keep up with the latest developments of the industry. Medical device suppliers or senior clinic staff will provide training in relation to the use of a new product or with regard to service-related knowledge and also safety precautions of medical equipment. The Group's in-house doctors will also conduct on-the-job assessments for all of its professional staff to maintain the highest quality and standard of services to be provided to its clients. All new staff is provided with training by the Group's in-house doctors to familiarise the daily operations and equipment handling procedures.

B4. Labour Standard

General Disclosure

Prevention of Child and Forced Labour

The Group respects the provisions outlined by the Labour Law in Singapore and strictly prohibits any child and forced labour in its employment practices. The Group has formulated a specific standard operating procedure for hiring to ensure a legal recruitment process and positive labour relations between the management and employees. To avoid illegal employment of child labour and underage workers, personal data are collected during the recruitment process to assist the selection of suitable candidates and to verify candidates' identities. The Group performs a stringent screening process on qualified candidates to ensure that they have achieved the required minimum working age. In addition, the Group has formulated policies in the Employee Policy and provided written labour contracts specifying their rights with regard to compensation and dismissal, working hours, rest periods, and other issues related to preventing forced labour. If violations are involved, they will be dealt with in the light of circumstances.

During FY2020, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Act of Singapore.

B5. Supply Chain Management

General Disclosure

Procurement Practices

The Group places great emphasis on maintaining quality control and safety standard as these factors directly affect the Group's reputation, service quality and competitiveness. The Group's major purchases are medications, skincare products and the engagement of external service providers for laboratory and/or radiology tests in relation to its medical investigation services. The Purchase and Procurement Policy has been established to govern the procurement process. The Group takes into account suppliers' job reference, technical submission, prevailing market price, delivery time and reputation. The Group strives to maintain a supply chain management that ensures high quality and safety standards by adopting two approaches, i) maintaining a sustainable relationship with existing suppliers and ii) developing new connections with new prospective suppliers. The Group endeavours to support local economies and prioritises the procurement from local and regional suppliers to lower the carbon footprint during transportation.

The Group will conduct a thorough due diligence prior to establishing any long-term business relationship with potential suppliers. Due diligence is conducted to ensure suppliers' compliance to trade laws and regulations as well as with the requirements within the Group's Purchasing and Procurement Policy.

B6. Product Responsibility

General Disclosure

During FY2020, the Group was not aware of any non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress that would have a significant impact on the Group, including but not limited to the Consumer Protection (Trade Descriptions and Safety Requirements) Act and the Personal Data Protection Act of Singapore.

Quality Control of Products and Services

The Group has formulated quality standards and purchasing guidelines in selecting and sourcing skincare products. An approval must be obtained from in-house doctors of the Group prior to the acceptance of any new over-the-counter skincare products that the clinics of the Group will be distributing. The Group has established and implemented the Purchasing and Procurement Policy to facilitate the quality control procedures to the S Aesthetics brand skincare products. In-house doctors will perform review on the medical journals, reports, commentaries as well as the list of ingredients used for the new type of skincare products to ensure the products are safe for users, while the management will request for few rounds of sample testing on the new skincare products to observe the quality consistency and to assess for potential defects. In addition, the sales and operation staff will perform inspection upon delivery of the new skincare products to ensure that there are no physical damages on the products, the products have not passed the expiry date and clear private labels are applied to containers. Furthermore, inventory monitoring procedures such as recording the delivery and manufacturing date of products, monitoring and maintaining the stock level for all the products in the inventory management system are carried out to ensure no product exceeds the expiry date.

Data Privacy Protection and Patients' Informed Consent

As a healthcare service provider, the protection of patients' and customers' data privacy is of utmost importance to the Group. The Group endeavours to safeguard all sensitive information pertaining to the patients and assures that informed consents from patients are properly obtained under the framework of respective jurisdictions.

The Group has established a comprehensive protocol to govern the handling, storage, retrieval and access of the personal data and medical records of its patients and customers. The protocol was drafted in compliance with local laws and regulations of respective jurisdictions. The Information Technology Policy has been established to ensure that all staff is familiar with the proper handling method with regard to patients' and customers' sensitive data.

To protect patients' and customers' data against unauthorised physical access by third parties, these data are processed by external data intermediaries on behalf of the Group and will be bound by contractual information security arrangements that the Group has with them. Access to classified and encrypted information without appropriate authentication is prohibited.

Advertising and Labelling

Due to the Group's principal focus on the provision of healthcare services, matters pertaining to advertising and labelling are not considered to be material to the Group. However, the Group recognises the gravity of misleading health advertisements. Therefore, the Group takes careful precautions to prevent its patients from receiving misleading health-related information or advice via advertisements and poor labelling practices. The Group has circulated the Explanatory Guidance to the Private Hospitals and Medical Clinics (Advertisement) Regulations 2019 published by Singapore Ministry of Health to all employees to ensure patients' and customers' data and preferences are handled with due care.

B7. Anti-corruption

General Disclosure

During FY2020, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group, including but not limited to the Prevention of Corruption Act of Singapore. During FY2020, there were no concluded legal cases regarding any forms of bribery, extortion, fraud and money laundering brought against the Group or its employees.

Whistle-blowing Mechanism

Solid corporate governance is the bedrock of the Group's growth and development. The Group is committed to developing a culture of openness, accountability and integrity. The Group has established a comprehensive Whistle-blowing Policy Manual, addressing its commitment to integrity and ethical behaviour by fostering and maintaining an environment where employees can act appropriately, without fear of retaliation. Within the said manual, the Group has set out a detailed reporting and investigative procedure to encourage employees to report fraudulent activities and to ensure that their reports are given due regard. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

B8. Community Investment

General Disclosure

Corporate Social Responsibility

The Group empathetically stresses the importance to give back to the communities where it operates. Therefore, guidelines have been established on community investment to nurture the corporate culture and encourage its employees to participate in community services to give back to the members of the public. The Group encourages its in-house doctors and employees to attend medical conferences, seminars and workshops in Singapore and overseas as guest speakers or participants to help raise the awareness of prevention and treatment of medical conditions towards the community.

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1 ("comply or explain")	The types of emissions and respective emissions data.	Emissions — Air Emissions, GHG Emissions, Waste Management
KPI A1.2 ("comply or explain")	GHG emissions in total (in tonnes) and intensity.	Emissions — Air Emissions, GHG Emissions
KPI A1.3 ("comply or explain")	Total hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management
KPI A1.4 ("comply or explain")	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management
KPI A1.5 ("comply or explain")	Description of reduction initiatives and results achieved.	Emissions — Air Emissions, GHG Emissions, Waste Management
KPI A1.6 ("comply or explain")	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions — Waste Management

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1 ("comply or explain")	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources — Energy Efficiency
KPI A2.2 ("comply or explain")	Water consumption in total and intensity.	Use of Resources — Water Consumption
KPI A2.3 ("comply or explain")	Description of energy use efficiency initiatives and results achieved.	Use of Resources — Energy Efficiency
KPI A2.4 ("comply or explain")	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources — Water Consumption
KPI A2.5 ("comply or explain")	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources — Use of Packaging Material
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1 ("comply or explain")	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1 (Recommended Disclosures)	Number and rate of work-related fatalities.	Health and Safety
KPI B2.2 (Recommended Disclosures)	Lost days due to work injury	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1 (Recommended Disclosures)	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2 (Recommended Disclosures)	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product and Service Responsibility

Subject Areas, Aspects, General Disclosures, and KPIs	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1 (Recommended Disclosures)	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment

OPINION

We have audited the accompanying consolidated financial statements of Republic Healthcare Limited (the "**Company**") and its subsidiaries (the "**Group**") as set out on pages 74 to 127, which comprise the consolidated balance sheet of the Group as at 31 December 2020, and 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 consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with International Financial Reporting Standards ("**IFRSs**") approved by the International Accounting Standards Board (the "**IASB**") and the disclosure requirements of the Hong Kong Companies Ordinance so as to give a true and fair view of the consolidated financial position of the Group as at 31 December 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 International Standards on Auditing ("**ISAs**"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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.

KEY AUDIT MATTER

Key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements for the financial year ended 31 December 2020. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KEY AUDIT MATTER (Continued)

Revenue recognition from medical services

The key audit matter:

We refer to Note 2.18 for the relevant accounting policies and Note 5 for the breakdown of revenue.

The Group principally generates revenue from operations of medical clinics and other medical services, and provision of aesthetics service treatments. The Group recognised revenue from medical services of S$13,724,406 for the financial year ended 31 December 2020.

Revenue from provision of consultation services and medical investigation services are recognised when the performance obligations for such services are satisfied at point in time when the services to be provided are completed. Within medical services are package arrangements for aesthetics treatment services which are generally prepaid and revenue is recognised over time by reference to the Group's progress towards completing the service to be rendered. The measure of progress is determined based on the number of sessions utilised as a proportion of the total sessions sold in a package. Payments from customers that are related to services not yet rendered are shown as contract liabilities on the consolidated balance sheet.

We focused on this area due to the significance of revenue to the consolidated financial statements and hence significant audit attention and resources were spent on performing the audit procedures on revenue recognition.

Our procedures to address the key audit matter:

- Obtained an understanding of the Group's accounting policies on revenue recognition and evaluated appropriateness of those revenue recognition policies so that they are in accordance with IFRS 15 *Revenue from Contracts with Customers*.

- Tested the design and implementation of key relevant internal controls over revenue transactions and revenue recognition processes.

- Performed substantive audit procedures, which include test of details on a sample basis to address the risk of material misstatement over recognition of revenue. For package arrangements for aesthetics services, we verified the upfront package payments to the sales invoices, checked the proceeds received and the underlying treatment records, which supported the services rendered, checked computation of the amount of revenue recognised and the amount to be deferred at the end of the financial year.

- Performed cut-off procedures to ascertain that revenue is properly accounted for in the correct accounting period.

- Assessed the Group's disclosures in respect of the accounting policies on revenue recognition and its revenue transactions.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the 2020 Annual Report and the Directors' Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the 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 the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 the directors.

- Conclude on the appropriateness of the directors' 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 auditor's report to the related disclosures in the consolidated 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 auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's 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.

The engagement partner on the audit resulting in this independent auditor's report is Chan Sek Wai.

Baker Tilly TFW LLP
Public Accountants and Chartered Accountants
Singapore

22 March 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	**2020 S$**	2019 S$
Revenue	*5*	**13,724,406**	13,462,387
Other income and other gains	*6*	**1,119,889**	177,046
Consumables and medical supplies used		**(3,131,160)**	(2,958,986)
Medical professional costs		**(766,392)**	(1,056,378)
Employee benefit expenses	*7*	**(6,310,958)**	(4,551,641)
Depreciation of plant and equipment	*12*	**(444,251)**	(509,518)
Depreciation of right-of-use assets	*13*	**(984,454)**	(835,721)
Interest expense on lease liabilities	*13*	**(117,598)**	(112,103)
Other operating expenses		**(2,973,275)**	(2,515,694)
Profit before income tax	*8*	**116,207**	1,099,392
Income tax expense	*9*	**(50,305)**	(461,825)
Profit after income tax		**65,902**	637,567
Other comprehensive loss:			
Items that are or may not be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation		**(21,579)**	–
Total comprehensive income for the financial year attributable to owners of the Company		**44,323**	637,567
Earnings per share attributable to owners of the Company for the financial year (expressed in Singapore cents per share)			
Basic and diluted	*10*	**0.01**	0.12

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

CONSOLIDATED BALANCE SHEET

At 31 December 2020

	Note	2020 S$	2019 S$
Non-current assets			
Plant and equipment	*12*	**845,395**	694,504
Right-of-use assets	*13*	**2,954,644**	2,426,589
Deposits, prepayments and other receivables	*15*	**99,000**	208,708
Total non-current assets		**3,899,039**	3,329,801
Current assets			
Trade receivables	*14*	**84,742**	94,082
Deposits, prepayments and other receivables	*15*	**1,409,152**	765,110
Other financial assets at amortised cost	*16*	**–**	8,008,019
Inventories	*17*	**883,274**	527,056
Cash and cash equivalents	*18*	**13,068,057**	5,910,074
Total current assets		**15,445,225**	15,304,341
Total assets		**19,344,264**	18,634,142
Non-current liabilities			
Lease liabilities	*13*	**1,698,873**	1,674,406
Provision for reinstatement costs	*19*	**237,969**	43,505
Deferred tax liabilities	*20*	**8,000**	4,451
Total non-current liabilities		**1,944,842**	1,722,362
Current liabilities			
Trade payables	*21*	**1,037,841**	794,940
Contract liabilities	*5*	**561,935**	381,811
Accruals and other payables	*22*	**1,059,821**	706,392
Lease liabilities	*13*	**1,056,659**	783,806
Provision for reinstatement costs	*19*	**148,640**	16,500
Amount due to a director	*24(a)*	**177,801**	358,820
Current income tax payable		**100,221**	657,330
Total current liabilities		**4,142,918**	3,699,599
Total liabilities		**6,087,760**	5,421,961
Net assets		**13,256,504**	13,212,181

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

	Note	2020 S$	2019 S$
Equity and reserves			
Share capital	*23(a)*	**896,552**	896,552
Share premium	*23(b)*	**10,710,421**	10,710,421
Currency translation reserve	*23(c)*	**(21,579)**	–
Other reserves		**420,000**	420,000
Retained earnings		**1,251,110**	1,185,208
Total equity		**13,256,504**	13,212,181

The consolidated financial statements on pages 74 to 127 were approved and authorised for issue by the Board of Directors on 22 March 2021 and was signed on its behalf by:

Tan Cher Sen Alan
Chairman and Executive Director

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

		Attributable to equity holders of the Company							
	Note	Share capital S$	Share premium S$	Currency translation reserve S$	Other reserves* S$	Retained earnings S$	Total S$	Non-controlling interests S$	Total equity S$
Balance at 1 January 2019		896,552	10,710,421	–	420,000	547,801	12,574,774	(160)	12,574,614
Total comprehensive income									
Profit for the financial year		–	–	–	–	637,567	637,567	–	637,567
Transactions with owners recognised directly in equity									
Effects of acquiring part of non-controlling interest in subsidiaries	*11(c)*	–	–	–	–	(160)	(160)	160	–
Balance at 31 December 2019 and 1 January 2020		896,552	10,710,421	–	420,000	1,185,208	13,212,181	–	13,212,181
Profit for the financial year		–	–	–	–	65,902	65,902	–	65,902
Other comprehensive loss									
Currency translation differences arising on consolidation		–	–	(21,579)	–	–	(21,579)	–	(21,579)
Total comprehensive (loss)/ income for the financial year		–	–	(21,579)	–	65,902	44,323	–	44,323
Balance as at 31 December 2020		**896,552**	**10,710,421**	**(21,579)**	**420,000**	**1,251,110**	**13,256,504**	**–**	**13,256,504**

Note:

* Other reserves as at 31 December 2020 and 31 December 2019 represented the difference between the consideration paid by the Company and the share capital of Get Republic Pte Ltd (formerly known as Dtap @ Bencoolen Pte Ltd), Dtap @ Holland V Pte Ltd, Dtap @ Somerset Pte Ltd, Republic Healthcare Pte Ltd, Republic Healthcare Holdings Pte Ltd and Z Aesthetics Clinic Pte Ltd.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	2020 S$	2019 S$
Cash flows from operating activities			
Profit before income tax		**116,207**	1,099,392
Adjustments for:			
Bad debts written-off on trade receivables		**33,339**	–
Depreciation of plant and equipment	12	**444,251**	509,518
Depreciation of right-of-use assets	13	**984,454**	835,721
Write-off of plant and equipment	8	**7,958**	98,519
Foreign currency exchange (gain)/loss		**(69,958)**	61,086
Gain on derecognition of lease liabilities	6	**(3,320)**	–
Gain on lease modifications	6	**(12,756)**	–
Interest expense on lease liabilities	13	**117,598**	112,103
Interest income	6	**(16,457)**	(116,927)
Operating cash flows before working capital changes		**1,601,316**	2,599,412
Inventories		**(356,218)**	(138,704)
Receivables		**(619,311)**	(293,044)
Payables and contract liabilities		**776,454**	516,113
Provision for reinstatement costs	19	**(5,500)**	–
Cash generated from operations		**1,396,741**	2,683,777
Income tax paid		**(603,865)**	(12,749)
Currency translation adjustments		**(21,579)**	–
Net cash generated from operating activities		**771,297**	2,671,028
Cash flows from investing activities			
Interest received		**127,435**	5,949
Purchases of plant and equipment	12	**(538,933)**	(599,185)
Redemption/(payments) for financial assets at amortised cost		**8,077,977**	(8,069,104)
Loan to a third party		**(50,000)**	–
Net cash generated from/(used in) investing activities		**7,616,479**	(8,662,340)
Cash flows from financing activities			
Repayment of lease liabilities	30	**(938,665)**	(715,674)
Placement of fixed deposits pledged	18	**(130,000)**	–
Interest paid	30	**(110,109)**	(112,103)
(Repayment)/amount due to a director	30	**(181,019)**	358,820
Net cash used in financing activities		**(1,359,793)**	(468,957)
Increase/(decrease) in cash and cash equivalents		**7,027,983**	(6,460,269)
Cash and cash equivalents at beginning of the financial year		**5,910,074**	12,370,343
Cash and cash equivalents at end of the financial year	18	**12,938,057**	5,910,074

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

1 GENERAL INFORMATION AND REORGANISATION

1.1. General information

The Company was incorporated in the Cayman Islands on 3 January 2018 as an exempted company with limited liability under the Companies Law (Cap. 22, Law of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 5th Floor, Genesis Building, Genesis Close, George Town, P.O. Box 446, Grand Cayman KY1-1106, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries (collectively, the "Group") are principally engaged in the operating of medical clinics business in Singapore and provision of management advisory services.

The shares of the Company (the "Shares") were listed on GEM of the Stock Exchange of Hong Kong Limited (the "Listing") by way of placing and public offer (the "Share Offer") on 15 June 2018 (the "Listing Date").

1.2 Reorganisation

2019

On 1 January 2019, Z Aesthetics Clinic Pte. Ltd. (formerly known as S Aesthetics Clinic Pte Ltd) and S Aesthetics Spa Pte. Ltd. (formerly known as Dtap @ Novena Pte Ltd) acquired 1 clinic from Republic Healthcare Pte. Ltd. respectively. On 1 July 2019, Dtap Clinics Pte. Ltd. (formerly known as Dtap @ Robertson Pte Ltd) also acquired 1 clinic from Republic Healthcare Pte. Ltd.. These transactions have been accounted as a common control transaction which involves acquiring the businesses of an existing company (Republic Healthcare Pte. Ltd.).

2020

On 1 April 2020, Dtap Clinics Pte. Ltd. acquired 6 clinics from S Aesthetics Spa Pte. Ltd., Dtap @ Somerset Pte. Ltd., S Aesthetics Clinic Pte. Ltd. (formerly known as Dtap @ Raffles Place Pte. Ltd.), Dtap @ Holland V Pte. Ltd., Dtap Express Pte. Ltd. (formerly known as Dtap @ Siglap Pte. Ltd.) and Republic Healthcare Pte. Ltd.. On the same date, S Aesthetics Clinic Pte. Ltd. acquired 1 aesthetics clinic from Z Aesthetics Clinic Pte. Ltd. (formerly known as S Aesthetics Clinic Pte. Ltd.). These transactions have been accounted as a common control transaction which involves acquiring the businesses of existing companies (S Aesthetics Spa Pte. Ltd., Dtap @ Somerset Pte. Ltd., S Aesthetics Clinic Pte. Ltd., Dtap @ Holland V Pte. Ltd., Dtap Express Pte. Ltd., Republic Healthcare Pte. Ltd. and Z Aesthetics Clinic Pte. Ltd.).

These are internal reorganisation of businesses within the Group and there are no impact to the consolidated financial statements for the financial year ended 31 December 2020 and 31 December 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are presented in Singapore dollar ("S$"), which is the Company's functional currency. The financial statements have been prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance and International Financial Reporting Standards (International) ("IFRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial year, the Group has adopted all the new and revised IFRSs and International Financial Reporting Interpretations Committee Interpretations ("IFRIC INT") that are relevant to its operations and effective for the current financial year. In addition, the Group has also early adopted the Amendment to IFRS 16: *COVID-19 – Related Rent Concessions*. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs and IFRIC INT.

The adoption of these new and revised IFRSs and IFRIC INT did not have any material effect on the financial results or position of the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

New and revised standards (Continued)

During the financial year, the Group has elected to early adopt the amendment to IFRS 16: *COVID19-Related Rent Concessions* which provided practical relief for lessees in accounting for rent concessions. Under the practical expedient, the lessees are not required to assess whether a rent concession is a lease modification and instead are permitted to account for them as if they were not lease modifications, if all of the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to all leases. As a result of applying the practical expedient, rent concessions of S$241,366 was recognised as other income in the consolidated statement of comprehensive income during the financial year. The amendment has no impact on retained earnings at 1 January 2020.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the consolidated balance sheet date but are not yet effective for the financial year ended 31 December 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

2.2 Subsidiaries

2.2.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the consolidated balance sheet date. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and plant and equipment, are eliminated in full.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Basis of Consolidation (Continued)

Business combinations involving entities or businesses under common control are accounted for by applying the pooling of interest method.

The financial statements of the Group were prepared by applying the pooling of interest method. Under this method, the Company has been treated as the holding company of the subsidiaries for the financial period presented. Accordingly, the results of the Group include the results of the subsidiaries for the entire period under review. Such manner of presentation reflects the economic substance of the companies, which were under common control throughout the relevant period, as a single economic enterprise, although the legal parent-subsidiary relationships were not established.

Pursuant to this:

— assets and liabilities are reflected at their existing carrying amounts;

— no adjustments are made to reflect the fair values on the date of combination or recognise any new assets or liabilities;

— no amount is recognised for goodwill;

— any difference between the consideration paid by the Company and the share capital of the subsidiaries is reflected within the equity of the Group as other reserves; and

— prior to the issue of shares by the Company, the aggregate paid-up capital and retained earnings of the subsidiaries held directly by the Company is shown as the Group's share capital and retained earnings for financial period under review.

Other business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Basis of Consolidation (Continued)

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

2.2.2 Separate financial statements

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who make strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Singapore dollar ("S$"), which is the Company's functional and the Group's presentation currency.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Foreign currency translation (Continued)

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currencies") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

(c) *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2.5 Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation of plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over its estimated useful lives, as follows:

Medical equipment	3 years
Leasehold improvements	3–5 years
Computers and office equipment	3–5 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Plant and equipment (Continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other operating expenses" in the consolidated statement of comprehensive income.

Renovation-in-progress are carried at cost, less any recognised impairment loss until renovation is completed. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2.6 Impairment of non-financial assets

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets

(a) *Recognition, classification and measurement*

Regular way purchases and sales of financial assets are recognised on the trade date-the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all risk and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss. Trade receivables without a significant financing component is initially measured at transaction prices.

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Group classifies its financial assets at amortised cost.

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

(b) *Subsequent measurements*

Financial assets include cash and cash equivalents and trade and other receivables (excluding prepayments, goods and service tax receivable and JSS grant receivable).

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial assets (Continued)

(b) *Subsequent measurements (Continued)*

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

(c) *Impairment of financial assets carried at amortised cost*

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

For trade receivables that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents include bank deposits with banks and cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.10 Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.11 Financial liabilities

Financial liabilities include trade and other payables (excluding goods and service tax payable and deferred grant income), lease liabilities and amount due to a director. Financial liabilities are recognised on the consolidated balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

2.12 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at each balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Current and deferred income tax (Continued)

(b) *Deferred income tax*

Deferred income tax is recognised based on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liability is provided on all taxable temporary differences arising on investments in subsidiaries, 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.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

(c) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.13 Employee benefits

(a) *Defined contribution plan*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund ("CPF") on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

2.16 Leases

The Group assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration.

When the Group is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Leases (Continued)

When the Group is the lessee (Continued)

Right-of-use assets (Continued)

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset, as follows:

Office unit	3 years
Medical equipment	3 years
Clinic unit	3–5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of use assets are presented as a separate line in the consolidated balance sheet. The Group applies IAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.6.

As a practical expedient, IFRS 16 *Leases* permits a lessee not to separate the non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient of its leases of office unit and clinic units.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liabilities are presented as a separate line in the consolidated balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Leases (Continued)

When the Group is the lessee (Continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the consolidated balance sheet in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.18 Revenue recognition

Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes).

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. Performance obligation is satisfied either at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Medical services

Medical services relate to consultation services, medical investigation services and treatment services.

Revenue from provision of consultation services and medical investigation services relate to contracts with patients which the performance obligations are to provide consultation. Revenue is recognised when the performance obligations for such services are satisfied at point in time when the services to be provided are completed.

Revenue from provision of aesthetics treatment services relate to contracts with patients in which the performance obligations are to provide the required treatment services to the patients. For package arrangements of aesthetics treatment services, the contract amounts are billed to customers before performance obligation is satisfied. For these service arrangements, revenue is recognised over time by reference to the Group's progress towards completing the service to be rendered. The measure of progress is determined based on the number of sessions utilised as a proportion of the total sessions sold in a package. Payments from customers that are related to services not yet rendered are shown as contract liabilities on the consolidated balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Revenue recognition (Continued)

Medical services (Continued)

There is no element of financing in the Group's revenue transactions as the period between the transfer of promised services to customers and when the customers pay for that services is one year or less.

Interest income

Interest income is recognised using the effective interest method.

2.19 Government grants

Grants from the government are recognised as receivables at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

2.20 Provision for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

The Group recognises the estimated costs of dismantlement, removal or restoration items of assets arising from the use of assets (Note 2.16). This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value. Changes in the estimated timing or amount of the expenditure or discount rate is adjusted against the cost of the related assets unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in profit or loss immediately.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements that the management has made in the process of applying the Group's accounting policies during the financial year that have the most significant effect on the amounts recognised in the consolidated financial statements.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of office unit and clinic units, the following factors are considered to be most relevant:

- If there are significant penalties to terminate the lease, the Group will typically reasonably certain not to terminate the lease;

- If the shop spaces are located in strategic locations that will contribute to the continued profitability of the medical services segment, the Group will typically include the extension option in lease liabilities; and

- Otherwise the Group considers other factors including its historical lease periods and the costs and business disruption required to replace the leased assets.

The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee. During the financial year, the financial effect of revising lease terms to reflect the effect of exercising extension options was an increase in recognised lease liabilities and right-of-use assets of S$446,544 (2019: S$1,251,217).

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the consolidated balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Estimating the incremental borrowing rate for leases

The Group uses the incremental borrowing rate to measure the lease liabilities because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs such as market interest rates, when available and is required to make certain entity-specific estimates, such as the subsidiary's stand-alone credit rating. Any changes in estimation of incremental borrowing rate may have a significant impact to the determination of lease liabilities and right-of-use assets at the commencement date of new leasing transactions. The carrying amount of lease liabilities and right-of-use assets are disclosed in Note 13.

4 SEGMENT INFORMATION

The CODM has been identified as the executive directors who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of profit after income tax and considers all businesses to be included in a single operating segment.

The Group is principally engaged in the business of operating medical clinics in Singapore. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

100% (2019: 100%) of the Group revenue were generated from external customers located in Singapore for the financial year ended 31 December 2020. All of the assets of the Group were located in Singapore as at 31 December 2020 and 31 December 2019. Accordingly, no geographical segment analysis is presented.

The CODM considers medical services and other services as the sole segment.

Other than revenue analysis (Note 5), no operating results and other discrete financial information is available for the assessment of performance and allocation of resources. Accordingly, other than entity-wide information, no analysis of this single operating segment is presented.

5 REVENUE

Revenue represents the net amounts received and receivable for services rendered by the Group in the normal course of business to external customers. The following is an analysis of the Group's revenue from its major business activities:

	2020 S$	2019 S$
Medical services		
Treatment services	**9,046,260**	8,067,315
Medical investigation services	**3,382,497**	4,039,567
Consultation services	**1,295,649**	1,355,505
	13,724,406	13,462,387
Timing of revenue recognition		
At a point in time	**12,998,197**	12,303,494
Over time	**726,209**	1,158,893
	13,724,406	13,462,387

There was no revenue from any individual patient contributing over 10% (2019: 10%) of the total revenue of the Group for the financial year ended 31 December 2020 and 31 December 2019.

The Group receives payments from customers based on package arrangements of aesthetics services as established in contracts. Contract liabilities relate to deferred revenue. Contract liabilities are recognised as revenue when the Group satisfies the performance obligations under its contracts.

	31.12.2020 S$	31.12.2019 S$	1.1.2019 S$
Contract liabilities			
Aesthetics service treatments	**561,935**	381,811	314,480

There were no significant changes in the contract liability balances during the financial year.

The Group applies the practical expedient in IFRS 15 *Revenue from Contracts with Customers* and does not disclose information about its remaining performance obligation if the performance obligation is part of a contract that has an original expected duration of one year or less.

6 OTHER INCOME AND OTHER GAINS

	2020 S$	2019 S$
Interest income:		
– Short term bank deposits	**1,317**	5,949
– Debt instruments at amortised cost	**15,140**	110,978
	16,457	116,927
Jobs Support Scheme (“JSS”)*	**521,151**	–
Other government grant income**	**115,723**	36,879
Rent concessions***	**241,366**	–
Gain on lease modifications	**12,756**	–
Gain on derecognition of lease liabilities	**3,320**	–
Sundry income	**49,708**	23,240
Foreign currency exchange gains	**159,408**	–
	1,119,889	177,046

* JSS grant income of S$521,151 (2019: S$Nil) was recognised during the financial year under the Jobs Support Scheme (the “JSS”). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Group’s operations.

** Included within other government grant income are cash grant from SPRING Singapore, Lifelong Learning Endowment Fund, Wage Credit Scheme and P-max grant (2019: Wage Credit Scheme and P-max grant).

*** COVID-19 related rent concessions received from lessors of S$241,366 to which the Group applied the practical expedient as disclosed in Note 2.1.

7 EMPLOYEE BENEFITS EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

(a) Employee benefits expenses

	2020 S$	2019 S$
Wages and salaries	**5,698,701**	4,168,330
Employer's contribution to defined contribution plans	**390,847**	323,591
Other benefits	**221,410**	59,720
	6,310,958	4,551,641

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the financial year ended 31 December 2020 includes the Executive Director and Chief Executive Officer (2019: Chief Executive Officer) whose emoluments are reflected in the analysis shown in Note 7(c). The emoluments payable to the remaining three (2019: four) individuals during the year are as follows:

	2020 S$	2019 S$
Wages and salaries	**1,136,395**	959,405
Employer's contribution to defined contribution plans	**36,759**	48,960
	1,173,154	1,008,365

The emoluments payable to the remaining three (2019: four) individuals above fell within the following bands:

	Number of individuals	
	2020	2019
Emolument band		
HK$1,000,001– HK$2,000,000		
(equivalent to S$177,801– S$355,600)	**2**	4
HK$2,000,001– HK$4,000,000		
(equivalent to S$355,601– S$711,200)	**1**	–

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals during the financial years ended 31 December 2020 and 31 December 2019.

7 EMPLOYEE BENEFITS EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (Continued)

(c) Executive directors' and Chief Executive Officer's emoluments

For the financial year ended 31 December 2020:

Name	Fees S$	Salaries S$	Discretionary bonuses S$	Allowances and benefits in kind S$	Employer's contribution to defined contribution plans S$	Total S$
Executive directors:						
Dr Tan Cher Sen, Alan	36,000	450,000	60,000	–	12,240	558,240
Mr. Toh Han Boon *(resigned on 30 September 2020)*	30,000	37,609	–	–	5,034	72,643
	66,000	487,609	60,000	–	17,274	630,883
Independent non-executive directors:						
Mr. Leung Ho San Jason *(resigned on 30 September 2020)*	20,000	–	–	–	–	20,000
Mr. Soh Sai Kiang	24,000	–	–	–	–	24,000
Mr. Kevin John Chia	24,000	–	–	–	–	24,000
Mr. Low Wee Siong *(appointed on 30 September 2020)*	6,000	–	–	–	–	6,000
	74,000	–	–	–	–	74,000
CEO						
Dr. Tan Kok Kuan *(resigned on 16 November 2020)*	–	473,957	–	–	11,220	485,177
Dr. Ng Siew Boon *(appointed on 16 November 2020)*	–	22,650	–	–	1,530	24,180
	–	496,607	–	–	12,750	509,357

7 EMPLOYEE BENEFITS EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (Continued)

(c) Executive directors' and Chief Executive Officer's emoluments (Continued)

For the financial year ended 31 December 2019:

Name	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to defined contribution plans	Total
	S$	S$	S$	S$	S$	S$
Executive directors:						
Dr Tan Cher Sen, Alan	36,000	110,000	–	–	10,540	156,540
Mr. Toh Han Boon	36,000	95,652	–	–	12,240	143,892
Mr. Xu Xue *(resigned on 15 August 2019)*	65,213	–	–	–	–	65,213
	137,213	205,652	–	–	22,780	365,645
Independent non-executive directors:						
Mr. Leung Ho San Jason	24,000	–	–	–	–	24,000
Mr. Soh Sai Kiang	24,000	–	–	–	–	24,000
Mr. Kevin John Chia *(appointed on 16 September 2019)*	7,000	–	–	–	–	7,000
Mr. Tan Chee Ken *(resigned on 16 September 2019)*	17,000	–	–	–	–	17,000
	72,000	–	–	–	–	72,000
CEO						
Dr. Tan Kok Kuan	–	583,990	–	–	12,240	596,230

The remuneration shown above represents remuneration received and receivable from the Group by directors and Chief Executive Officer in their capacities as employees to the Group and/or in their capacity as directors of the Company. No directors waived any emolument during the financial year ended 31 December 2020 (2019: Same).

(d) Appointment of independent non-executive directors

2020

Mr. Low Wee Siong was appointed as the Company's independent non-executive director on 30 September 2020.

2019

Mr. Kevin John Chia was appointed as the Company's independent non-executive director on 16 September 2019.

7 EMPLOYEE BENEFITS EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS (Continued)

(e) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the financial years ended 31 December 2020 and 31 December 2019.

(f) Directors' termination benefits

None of the directors received or will receive any termination benefits during the financial years ended 31 December 2020 and 31 December 2019.

(g) Consideration provided to third parties for making available directors' services

During the financial years ended 31 December 2020 and 31 December 2019, the Group did not pay consideration to any third parties for making available directors' services.

(h) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the financial years ended 31 December 2020 and 31 December 2019, there were no loans, quasi-loans and other dealing arrangements in favour of directors, or controlled bodies corporate by and connected entities with such directors.

(i) Directors' material interests in transactions, arrangements or contracts

Except as disclosed in Note 24, no significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director had a material interest, whether directly or indirectly; subsisted at the end of the year or at any time during the financial years ended 31 December 2020 and 31 December 2019.

8 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	2020 S$	2019 S$
Auditors' remuneration	140,000	120,000
Legal and professional fees	537,023	721,175
Marketing expenses	1,202,467	724,939
Credit card and bank charges	245,660	257,621
Write-off of plant and equipment	7,958	98,519
Bad debts written-off on trade receivables	33,339	–
Foreign currency exchange losses, net	–	39,635
Lease expense – short-term leases	3,500	15,120

9 INCOME TAX EXPENSE

Singapore corporate income tax has been provided for at the rate of 17% (2019: 17%) on the estimated assessable profit for the financial year ended 31 December 2020 (2019: 31 December 2019) as the Group is principally operating in Singapore.

No overseas profits tax has been calculated for entities of the Group that are incorporated in the BVI or the Cayman Islands as they are exempted from tax (2019: Nil).

The amount of income tax expense charged to the consolidated statement of comprehensive income represents:

	2020 **S$**	2019 S$
Current income tax		
– Current year	**52,100**	225,486
– (Over)/under provision in respect of previous financial years	**(5,344)**	236,339
	46,756	461,825
Deferred income tax (Note 20)		
– Current year	**(8,797)**	–
– Under provision in respect of previous financial years	**12,346**	–
	3,549	–
Income tax expense	**50,305**	461,825

9 INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the Group entities as follows:

	Note	2020 S$	2019 S$
Profit before income tax		**116,207**	1,099,392
Tax calculated at domestic tax rates applicable to profit in the respective jurisdictions		**17,782**	186,897
Expenses not deductible for tax purposes		**156,099**	224,978
Income not subject to tax	*i*	**(100,912)**	(18,866)
Partial tax exemption	*ii*	**(46,113)**	(118,463)
Tax rebates	*iii*	**–**	(55,666)
Utilisation of deferred tax assets not recognised		**(2,971)**	(8,637)
Deferred tax assets not recognised		**18,885**	19,059
Under provision of income tax in respect of previous financial years		**7,002**	236,339
Others		**533**	(3,816)
Income tax expense		**50,305**	461,825

Note:

(i) Included in income not subject to tax mainly comprise of JSS grant income of S$521,151 (2019: S$Nil).

(ii) Partial tax exemption of 75% (2019: 75%) of the first S$10,000 (2019: S$10,000) of the chargeable income and a further of 50% (2019: 50%) tax exemption on the next S$190,000 (2019: S$190,000) of chargeable income applies thereafter.

(iii) In 2019, tax rebates relate to 25% tax reduction to tax payable capped at S$15,000 for each Singapore incorporated entity. No such tax rebates during the current financial year.

Deferred tax assets are recognised for unutilised tax losses and other deductible temporary differences carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unutilised tax losses of S$11,753 (2019: S$Nil) and other deductible temporary differences of approximately S$118,860 (2019: S$37,000) respectively at the consolidated balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. No deferred tax asset has been recognised in respect of these unutilised tax losses and other deductible temporary differences as it is not probable that future taxable profits will be sufficient to allow the related tax benefits to be realised.

10 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the earnings attributable to owners of the Company by the number of ordinary shares in issue during the financial year.

	Note	**2020** **S$**	2019 S$
Profit attributable to the owners of the Company		**65,902**	637,567
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	*23*	**520,000,000**	520,000,000
Earnings per share (S$ cents per share)		**0.01**	0.12

(b) Diluted

The diluted earnings per share is the same as the basic earnings per share due to the absence of dilutive ordinary shares during the respective years.

11 SUBSIDIARIES

(a) Details of the subsidiaries of the Company as at 31 December 2020 are as follows:

Name of entity	Place and date of incorporation	Issued and paid-up capital	Kind of legal entity	Principal activities and principal country of operation	Equity interest attributable to the Group 2020 %	2019 %
Directly held by the Company						
Republic Healthcare Holdings Ltd[1]	British Virgin Island, 4 January 2018	US$1	Limited liability company	Investment holding, British Virgin Island	**100**	100
Unicorn Rise Limited[1]	British Virgin Island, 21 November 2018	US$100	Limited liability company	Investment holding, British Virgin Island	**–**	–
Indirectly held by the Company						
Republic Healthcare Holdings Pte. Ltd.	Singapore, 4 February 2017	S$100,000	Limited liability company	Investment holding, Singapore	**100**	100
Get Republic Pte. Ltd. (formerly known as Dtap @ Bencoolen Pte. Ltd.)	Singapore, 7 January 2014	S$10,000	Limited liability company	Dormant, Singapore	**100**	100
Dtap @ Holland V Pte. Ltd.[3]	Singapore, 2 February 2015	S$200,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100
Dtap @ Somerset Pte. Ltd.[3]	Singapore, 7 July 2015	S$100,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100
Republic Healthcare Pte. Ltd.[3]	Singapore, 5 February 2016	S$100,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100
Z Aesthetics Clinic Pte. Ltd.[3]	Singapore, 21 October 2016	S$10,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100
S Aesthetics Clinic Pte. Ltd.	Singapore, 11 December 2018	S$10,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100

11 SUBSIDIARIES (Continued)

(a) Details of the subsidiaries of the Company as at 31 December 2020 are as follows (Continued):

Name of entity	Place and date of incorporation	Issued and paid-up capital	Kind of legal entity	Principal activities and principal country of operation	Equity interest attributable to the Group	
					2020 %	2019 %
Indirectly held by the Company (Continued)						
S Aesthetics Spa Pte. Ltd.[(3)]	Singapore, 11 December 2018	S$10,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100
Republic Medical Trading Pte. Ltd. (formerly known as Dtap @ Duo Pte. Ltd.)	Singapore, 20 December 2018	S$100,000	Limited liability company	Dormant, Singapore	**100**	100
Dtap Express Pte. Ltd.	Singapore, 20 February 2019	S$10,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100
Dtap Clinics Pte. Ltd.	Singapore, 20 February 2019	S$100,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100
Vietnam Dtap Company Limited[(1)(2)]	Ho Chi Minh, Vietnam, 17 May 2019	S$293,054	Limited liability company	Clinics and other general medical services, Vietnam	**100**	–

All Singapore incorporated subsidiaries are audited by Baker Tilly TFW LLP.

(1) Not required to be audited under the law of country of incorporation.

(2) Incorporated during the financial year, and exempted from audit in 2020 as company is dormant during the financial year.

(3) The entity operated only for the first three months during the financial year ended 31 December 2020 and subsequently became inactive following the internal reorganisation of businesses within the Group on 1 April 2020, as disclosed in Note 1.2.

11 SUBSIDIARIES (Continued)

(b) Incorporation and striking off of a subsidiary

The Group incorporated a wholly-owned subsidiary, Vietnam Dtap Company Limited ("Dtap Vietnam") at a consideration of S$293,054. Dtap Vietnam operated for 12 months and ceased business in April 2020. The Group is in the midst of striking off Dtap Vietnam.

(c) Acquisition of non-controlling interests without change in control

Republic Medical Trading Pte Ltd (formerly known as Dtap @ Duo Pte Ltd) ("Duo")

In 2019, the Company acquired an additional 49% equity interest in Duo from its non-controlling interests. As a result of this acquisition, Duo is now 100% held by the Group. The carrying value of the net liabilities of Duo at 31 July 2019 was S$328 and the carrying value of the additional interest acquired was S$160. The difference of S$160 between the consideration and the carrying value of the additional interest acquired has been recognised within equity.

The following summarises the effect of the change in the Group ownership interest in Duo on the equity attributable to equity holders of the Company.

	2019 S$
Consideration paid for acquisition of non-controlling interests	–
Carrying amount of non-controlling interests acquired	(160)
Decrease in equity attributable to equity holders of the Company	160

(d) Disposal of a subsidiary

In 2019, the Company completed the disposal of its 100% equity interest in a subsidiary, Unicorn Rise Limited in September 2019 with a third party for total cash consideration of S$138. No gain or loss on disposal of subsidiary was recognised in the financial year ended 31 December 2019.

12 PLANT AND EQUIPMENT

	Medical equipment S$	Leasehold improvements S$	Computers and office equipment S$	Renovation-in-progress S$	Total S$
2020					
Cost					
Balance at 1 January 2020	732,769	583,707	490,878	–	1,807,354
Additions	193,535	170,199	5,403	169,796	538,933
Transfer from right-of-use assets	110,000	–	–	–	110,000
Write-off	(121,755)	(81,013)	(78,277)	–	(281,045)
Balance at 31 December 2020	914,549	672,893	418,004	169,796	2,175,242
Accumulated depreciation					
Balance at 1 January 2020	483,742	264,381	364,727	–	1,112,850
Transfer from right-of-use assets	45,833	–	–	–	45,833
Depreciation charge	198,930	176,031	69,290	–	444,251
Write-off	(120,912)	(74,287)	(77,888)	–	(273,087)
Balance at 31 December 2020	607,593	366,125	356,129	–	1,329,847
Net carrying value					
Balance at 31 December 2020	306,956	306,768	61,875	169,796	845,395

12 PLANT AND EQUIPMENT (Continued)

	Medical equipment S$	Leasehold improvements S$	Computers and office equipment S$	Total S$
2019				
Cost				
Balance at 1 January 2019	562,796	246,495	733,113	1,542,404
Additions	169,973	337,212	128,900	636,085
Write-off	–	–	(371,135)	(371,135)
Balance at 31 December 2019	732,769	583,707	490,878	1,807,354
Accumulated depreciation				
Balance at 1 January 2019	315,007	135,486	425,455	875,948
Depreciation charge	168,735	128,895	211,888	509,518
Write-off	–	–	(272,616)	(272,616)
Balance at 31 December 2019	483,742	264,381	364,727	1,112,850
Net carrying value				
Balance at 31 December 2019	249,027	319,326	126,151	694,504

The cash outflow on additions to plant and equipment of the Group was S$538,933 (2019: S$599,185, included in additions of plant and equipment of the Group was an amount of S$36,900 paid in 2018).

13 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group as a lessee

Nature of the Group's leasing activities

The Group's activities comprise the following:

(i) The Group leases office units and various shop spaces from non-related parties to operate the medical clinics. Rental contracts are typically made for fixed period of 2 to 3 years, but may have extension options for additional 1 to 3 years;

(ii) The Group leases a medical equipment from a non-related party with contractual terms of an average of three years. The Group has fully settled the lease liabilities during the financial year and being reclassified from right-of-use assets to plant and equipment; and

(iii) In addition, the Group leases certain medical equipment with contractual terms of less than one year. These leases are short-term items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The maturity analysis of lease liabilities is disclosed in Note 26.1 (iv).

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in consolidated balance sheet

	2020	2019
	S$	S$
Carrying amount of right-of-use assets		
Office unit	**113,452**	151,830
Clinic units	**2,841,192**	2,201,426
Medical equipment	**–**	73,333
	2,954,644	2,426,589
Carrying amount of lease liabilities		
Current	**1,056,659**	783,806
Non-current	**1,698,873**	1,674,406
	2,755,532	2,458,212
Additions to right-of-use assets*	**1,473,257**	1,058,524
Transferred to plant and equipment *(Note 12)*	**(64,167)**	–
Lease modification on right-of-use assets	**103,419**	–

* Included in the 2020 additions to right-of-use assets are provision of reinstatement costs and new leases for clinic units amounting to S$332,104 and S$1,141,153 respectively, and are disclosed in Note 19 and 30.

13 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

Amounts recognised in consolidated statement of comprehensive income

	2020 S$	2019 S$
Depreciation charge for the financial year		
Office unit	**72,878**	72,878
Clinic units	**902,409**	726,176
Medical equipment	**9,167**	36,667
	984,454	835,721
Interest expense on lease liabilities	**117,598**	112,103
Lease expense not included in the measurement of lease liabilities		
Lease expense – short-term leases	**3,500**	15,120

Total cash flows for the Group's leases amounted to S$1,052,274 (2019: S$842,897).

14 TRADE RECEIVABLES

As at 31 December 2020, the ageing analysis of the third-party trade receivables, based on invoice date, are as follows:

	2020 S$	2019 S$
0 to 30 days	**73,173**	70,578
31 to 60 days	**–**	16,341
61 to 90 days	**–**	59
91 to 120 days	**72**	45
Over 120 days	**11,497**	7,059
	84,742	94,082

14 TRADE RECEIVABLES (Continued)

As at 31 December 2020, trade receivables that were aged over 30 (2019: 30) days mainly relate to corporate customers and credit card settlements. Based on the management's past experience, the overdue amounts can be recovered. In addition, management has considered the low historical actual loss rate and forward looking information and concluded that the expected credit loss is expected to be immaterial.

As at 31 December 2020 and 2019, the carrying amounts of trade receivables are denominated in S$ and approximate their fair values.

15 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2020 S$	2019 S$
Deposits and other receivables	**858,136**	677,215
Prepayments	**433,423**	166,095
Goods and service tax receivable	**69,110**	19,530
Interest receivable from debt instruments at amortised cost	**–**	110,978
JSS grant receivable	**37,163**	–
Rental rebates receivable	**60,320**	–
Loan to a third party	**50,000**	–
	1,508,152	973,818
Less non-current portion:		
Deposits and other receivables	**(99,000)**	(208,708)
Total current portion	**1,409,152**	765,110

Included in other receivables are staff loans amounting to S$201,550 (2019: S$405,000). The staff loans are unsecured, interest-free except for amount of S$54,550 (2019: S$180,000) which bear interest at 3% per annum (2019: 3% per annum) and repayable between 1 to 4 years (2019: 1 to 4 years).

Loan to a third party is unsecured, interest-free and repayable on demand.

As at 31 December 2020 and 2019, the carrying amounts of deposits and other receivables are denominated in S$ and approximate their fair values.

16 OTHER FINANCIAL ASSETS AT AMORTISED COST

	2020 S$	2019 S$
Debt instruments		
Unquoted bond with fixed interest of 1.99% per annum and maturity date of 30 January 2020 – Hong Kong	–	6,010,593
Zero coupon bond with maturity date of 10 January 2020 – Singapore	–	1,997,426
	–	8,008,019

In 2019, the carrying amounts of other financial assets at amortised cost approximated their fair values due to short-term nature where the effects of discounting was immaterial.

Debt instruments at amortised cost were fully redeemed in January 2020.

17 INVENTORIES

Inventories comprises consumables and medical supplies.

18 CASH AND CASH EQUIVALENTS

	2020 S$	2019 S$
Cash at banks	**12,918,305**	5,763,397
Cash on hand	**19,752**	16,677
Short term bank deposit	**130,000**	130,000
Cash and cash equivalents as per consolidated balance sheet	**13,068,057**	5,910,074
Less: Short term bank deposit (pledged)	**(130,000)**	–
As per consolidated statement of cash flows	**12,938,057**	5,910,074

The short term bank deposit is denominated in S$ and has an original maturity date of less than one month (2019: less than one month). The short term bank deposit bears an interest rate of 1.35% (2019: 1.35%) per annum.

The Group's short term bank deposit of S$130,000 (2019: S$Nil) is pledged to a bank for security deposit.

19 PROVISION FOR REINSTATEMENT COSTS

	2020 S$	2019 S$
Represented by:		
Non-current liabilities	**237,969**	43,505
Current liabilities	**148,640**	16,500
	386,609	60,005

Movements in provisions for reinstatement costs during the financial year are as follows:

	2020 S$	2019 S$
Balance at 1 January	**60,005**	–
Provision made	**332,104**	60,005
Provision utilised	**(5,500)**	–
Balance at 31 December	**386,609**	60,005

Provision for reinstatement costs is recognised when the Group enters into lease agreements for the office and clinic units. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the Group to the office and clinic units. The office and clinic units shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements. The unwinding discount is not significant.

20 DEFERRED TAX LIABILITIES

The movements on the deferred tax liabilities are as follows:

	Accelerated tax depreciation	
	2020	2019
	S$	S$
Balance at 1 January	**4,451**	4,451
Credited to consolidated statement of comprehensive income *(Note 9)*	**3,549**	–
Balance at 31 December	**8,000**	4,451

21 TRADE PAYABLES

Trade payables at the consolidated balance sheet date comprise amounts outstanding to suppliers. The average credit period taken for trade purchase is generally 30 days. As at 31 December 2020, the ageing analysis of the trade payables, based on invoice date, are as follows:

	2020	2019
	S$	S$
Up to 30 days	**679,617**	487,257
31 to 60 days	**192,576**	81,700
61 to 90 days	**75,002**	13,648
Over 91 days	**90,646**	212,335
	1,037,841	794,940

As at 31 December 2020 and 2019, the carrying amounts of trade payables are denominated in S$ and approximate their fair values.

22 ACCRUALS AND OTHER PAYABLES

	2020 S$	2019 S$
Accruals for operating expenses	**547,215**	328,496
Goods and service tax payable	**209,766**	173,839
Other payables	**212,355**	204,057
Deferred grant income	**90,485**	–
	1,059,821	706,392

The carrying amounts of accruals and other payables approximate their values.

23 EQUITY

(a) Share capital

	Number of shares	Share capital S$
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 January 2019, 31 December 2019 and 31 December 2020	10,000,000,000	17,241,379
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 January 2019, 31 December 2019 and 31 December 2020	520,000,000	896,552

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share at meetings of the Company.

23 EQUITY (Continued)

(b) Share premium

	Share premium S$
Balance at 1 January 2019, 31 December 2019 and 31 December 2020	10,710,421

(c) Currency translation reserve

The currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group.

24 RELATED PARTIES TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

(a) Amount due to a director

Amount due to a director, Dr. Alan Tan, is unsecured, interest free, repayable on demand and non-trade in nature.

(b) Key management compensation

Key management includes executive and non-executive directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	2020 S$	2019 S$
Salaries, allowances and benefits in kind	**1,040,933**	789,642
Director's fees	**140,000**	209,213
Discretionary bonus	**100,000**	–
Employer's contribution to defined contribution plans	**37,031**	35,020
	1,317,964	1,033,875

The key management compensation above includes a total amount of S$84,600 (2019: S$Nil) paid to the spouse of the Chairman and Executive Director.

25 FINANCIAL INSTRUMENTS BY CATEGORIES

The Group's financial instruments at their carrying amounts at the consolidated balance sheet date are as follows:

	2020 S$	2019 S$
Financial assets		
Financial assets at amortised cost		
Trade receivables	**84,742**	94,082
Deposits and other receivables	**968,456**	788,193
Other financial assets at amortised cost	**–**	8,008,019
Cash and cash equivalents	**13,068,057**	5,910,074
	14,121,255	14,800,368
Financial liabilities		
Financial liabilities at amortised cost		
Trade payables	**1,037,841**	794,940
Accruals and other payables	**759,570**	532,553
Lease liabilities	**2,755,532**	2,458,212
Amount due to a director	**177,801**	358,820
	4,730,744	4,144,525

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

26.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, cash flow and fair value interest rate risk and liquidity risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance.

(i) Foreign exchange risk

The Group has currency exposures denominated in a currency other than the functional currency of the Group's entities, which is S$. The foreign currency in which these balances are denominated is mainly Hong Kong Dollar ("HKD").

As at 31 December 2020, the Group's financial assets and financial liabilities are mainly denominated in S$ and have no significant foreign currency risk exposure except for the following which are denominated in HKD.

	S$
2020	
Financial assets denominated in HKD:	
Cash and cash equivalents	**566,366**
Financial liabilities denominated in HKD:	
Accruals and other payables	**(73,302)**
Net financial assets denominated in HKD	**493,064**
2019	
Financial assets denominated in HKD:	
Cash and cash equivalents	109,810
Other receivables	110,978
Other financial assets at amortised cost	6,010,593
	6,231,381
Financial liabilities denominated in HKD:	
Accruals and other payables	(24,280)
Net financial assets denominated in HKD	6,207,101

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.1 Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

Sensitivity analysis

If the HKD strengthened/weakened against the SGD by 5% with all other variables including tax rate being held constant, the profit after tax will increase/decrease by approximately S$20,462 (2019: S$257,595) arising from exchange gain/loss respectively.

(ii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Group Finance department based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the Group Finance department.

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Debts that are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.1 Financial risk factors (Continued)

(ii) *Credit risk (Continued)*

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the consolidated balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and

- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the consolidated balance sheet date.

Definition of default

The Group considers an event of default for internal credit risk management purpose. Management considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowance.

Trade receivables

The Group, being a provider of clinic and aesthetics treatment services to patients, has a highly diversified client base, without any single client contributing material revenue. Any receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Medical related services rendered to walk in patients are on cash terms while medical related services rendered to employees of corporate customers are billed on the monthly basis with 30 days credit terms. Accordingly, the expected credit loss allowance on trade receivables is determined to be insignificant.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

Other financial assets at amortised cost

Other financial assets at amortised cost include investment in debt instruments, other receivables (excluding prepayments, goods and service tax receivable and JSS grant receivable) and cash and cash equivalents.

The credit loss exposure for other financial assets at amortised cost is immaterial as at 31 December 2020 and 31 December 2019.

(iii) Cash flow and fair value interest rate risk

The Group has no significant interest-bearing assets or liabilities and thus its income and operating cash flows are substantially independent of changes in market interest rates.

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.1 Financial risk factors (Continued)

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Group's liquidity risk is further mitigated through the availability of financing through its own cash resources to meet its financial commitments. The Group does not have any significant liquidity risk.

The following tables show the remaining contractual maturities at the consolidated balance sheet date of the Group's financial liabilities based on contractual undiscounted cash flows and the earliest date the Group can be required to pay. Balances due within 12 months equal their carrying balances (including both interest and principal) as the impact of discounting is not significant.

	On demand or due within 1 year S$	Due within 2 to 5 years S$	Due after 5 years S$	Total S$
2020				
Trade payables	**1,037,841**	**–**	**–**	**1,037,841**
Accruals and other payables	**759,570**	**–**	**–**	**759,570**
Amount due to a director	**177,801**	**–**	**–**	**177,801**
Lease liabilities	**1,173,566**	**1,810,017**	**–**	**2,983,583**
	3,148,778	**1,810,017**	**–**	**4,958,795**
2019				
Trade payables	794,940	–	–	794,940
Accruals and other payables	532,553	–	–	532,553
Amount due to a director	358,820	–	–	358,820
Lease liabilities	885,681	1,710,064	113,810	2,709,555
	2,571,994	1,710,064	113,810	4,395,868

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The capital of the Group consists of share capital, retained earnings, share premium, currency translation reserve and other reserves and the Group's overall strategy remains unchanged from 2019.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

26.3 Fair value estimation

The carrying amounts of the Group's current financial assets, including trade receivables, deposits and other receivables and cash and cash equivalents, and current financial liabilities, including trade payables and accruals and other payables, approximate their fair values as at the consolidated balance sheet date due to their short maturities.

27 CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities or guarantees as at 31 December 2020 (2019: Nil).

28 CAPITAL COMMITMENTS

Capital commitments not provided for in the consolidated financial statements:

	2020 **S$**	2019 S$
Capital commitment in respect of plant and equipment	**264,698**	–

29 DIVIDENDS

No dividend has been paid or declared by the Company during the financial year (2019: S$Nil).

30 CASH FLOW INFORMATION – FINANCING ACTIVITIES

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Amount due to a director *(Note 24(a))* S$	Lease liabilities *(Note 13)* S$	Total S$
Balance at 1 January 2019	–	–	–
Adoption of IFRS 16	–	2,151,546	2,151,546
Changes from financing cash flows:			
– Advances received	358,820	–	358,820
– Repayments	–	(715,674)	(715,674)
– Interest paid	–	(112,103)	(112,103)
Non-cash changes:			
– Interest expense	–	112,103	112,103
– New leases	–	1,022,340	1,022,340
Balance at 31 December 2019	358,820	2,458,212	2,817,032
Changes from financing cash flows:			
– Repayments	(181,019)	(938,665)	(1,119,684)
– Interest paid	–	(110,109)	(110,109)
Non-cash changes:			
– Interest expense	–	117,598	117,598
– Modification of lease liabilities	–	90,663	90,663
– Gain on derecognition of lease liabilities	–	(3,320)	(3,320)
– New leases	–	1,141,153	1,141,153
Balance at 31 December 2020	177,801	2,755,532	2,933,333

31 AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors dated 22 March 2021.

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance Sheet of the Company

	Note	2020 S$	2019 S$
Non-current asset			
Investment in subsidiaries		**1**	1
Current assets			
Deposits, prepayments and other receivables		**25,709**	57,440
Amount due from subsidiaries		**7,672,919**	8,163,884
Total current assets		**7,698,628**	8,221,324
Total assets		**7,698,629**	8,221,325
Current liabilities			
Accruals and other payables		**170,302**	125,416
Amount due to a subsidiary		**41**	42
Total liabilities		**170,343**	125,458
Net assets		**7,528,286**	8,095,867
Equity			
Share capital	*(a)*	**896,552**	896,552
Share premium	*(a)*	**10,710,421**	10,710,421
Accumulated losses	*(a)*	**(4,078,687)**	(3,511,106)
Total equity		**7,528,286**	8,095,867

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note:

(a) **Reserve movement of the Company**

	Share capital S$	Share premium S$	Accumulated losses S$	Total S$
Balance at 1 January 2019	896,552	10,710,421	(2,875,890)	8,731,083
Comprehensive loss				
Loss for the financial year	–	–	(635,216)	(635,216)
Balance at 31 December 2019	896,552	10,710,421	(3,511,106)	8,095,867
Comprehensive loss				
Loss for the financial year	–	–	(567,581)	(567,581)
Balance at 31 December 2020	**896,552**	**10,710,421**	**(4,078,687)**	**7,528,286**

The balance sheet of the Company was approved by the Board of Directors on 22 March 2021 and was signed on its behalf:

Tan Cher Sen Alan
Chairman and Executive Director

FINANCIAL SUMMARY

RESULTS

	For the financial year ended 31 December				
	2020	2019	2018	2017	2016
	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue	**13,724**	13,462	10,421	9,957	7,218
Profit for the financial year (before listing expenses)	**66**	638	1,410	2,751	1,975
Listing expenses	**–**	–	(2,141)	(743)	–
Profit/(loss) for the financial year	**66**	638	(731)	2,008	1,975
Total comprehensive income/(loss) for the financial year attributable to the owners of the Company	**44**	638	(731)	2,008	1,975

ASSETS AND LIABILITIES

	As at 31 December				
	2020	2019	2018	2017	2016
	S$'000	S$'000	S$'000	S$'000	S$'000
Non-current assets	**3,899**	3,330	850	827	463
Current assets	**15,445**	15,304	13,304	3,000	2,803
Non-current liabilities	**1,944**	1,722	4	5	30
Current liabilities	**4,143**	3,700	1,575	2,123	1,352
Net current assets	**11,302**	11,604	11,729	877	1,451
Net assets	**13,257**	13,212	12,575	1,699	1,884

No financial statements of the Group for the financial year ended 31 December 2015 has been published.

The financial information for the financial years ended 31 December 2016 and 2017 were extracted from the prospectus of the Company dated 1 June 2018.

The summary above does not form part of the consolidated financial statements.