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The Future Of Healthcare, Now

Republic Healthcare Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8357)

ANNOUNCEMENT OF THIRD QUARTER RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

The board of directors (the “**Directors**”) of Republic Healthcare Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces the unaudited condensed consolidated financial results of the Group for the nine months ended 30 September 2021. This announcement, containing the full text of the 2021 third quarterly report of the Company (the “**2021 Third Quarterly 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 quarterly results. The printed version of the 2021 Third Quarterly 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, 4 November 2021

As at the date of this announcement, the executive Director is Dr. Tan Cher Sen Alan (Chairman); the non-executive Director is Mr. Wen Yongwen and the independent non-executive Directors are Mr. Yeo Teck Chuan, Mr. Soh Sai Kiang and Mr. Kevin John Chia.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules, for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this announcement 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 herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the website of the Company at republichealthcare.asia.

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

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The Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of this report.

This report, for which the directors of Republic Healthcare Limited (the “**Company**”, together with its subsidiaries (the “**Group**”) 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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2021 FINANCIAL HIGHLIGHTS (UNAUDITED)

The Group recorded a revenue of approximately S\$10.4 million for the nine months ended 30 September 2021 (the “**Period**”), representing an increase of approximately 7.9% when compared with that of approximately S\$9.6 million for the corresponding period in 2020 (the “**Corresponding Period**”).

The gross profit of the Group for the Period was approximately S\$6.9 million, representing a slight decline of approximately 0.9% when compared with the Corresponding period of approximately S\$6.8 million.

The Group recorded a net loss after tax of approximately S\$0.9 million for the Period, as compared with a net profit of approximately S\$0.3 million for the Corresponding Period. The net loss after tax is mainly due to (i) an increase in employee benefit expenses by approximately S\$0.6 million or 13.8% from approximately S\$4.0 million for the Corresponding Period to approximately S\$4.6 million for the Period due to higher employment costs to retain and attract staff to ensure businesses and operations continuity; (ii) higher depreciation arising from plant, equipment and right-of-use of assets arising from new clinics by approximately S\$0.7 million or 94.6% from approximately S\$0.7 million for the Corresponding Period to approximately S\$1.4 million; and (iii) an increase in other operating expenses by approximately S\$0.9 million or 60.1% from approximately S\$1.5 million for the Corresponding Period to approximately S\$2.4 million for the Period due to higher marketing expenditures as a result of the various marketing and promotional campaigns to compete for business and investing in rebranding activities to provide a new visual identity for the various business brands under the Group in order to connect with existing and new customers, as well as to differentiate our service offerings with that of our competitors and staying abreast with the ever-changing customers' preference and lifestyle.

The board of Directors (the “**Board**”) has resolved not to declare the payment of a dividend for the Period (the Corresponding Period: Nil).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2021

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021	2020	2021	2020
		(unaudited) S\$	(unaudited) S\$	(unaudited) S\$	(unaudited) S\$
Revenue	3	3,011,270	4,062,421	10,373,246	9,615,431
Other income		241,840	—	733,476	196,057
Consumables and medical supplies used		(749,072)	(993,361)	(2,548,656)	(2,217,102)
Medical professional costs		(228,843)	(261,298)	(970,757)	(603,039)
Employee benefits expenses		(1,526,197)	(1,241,794)	(4,594,851)	(4,038,250)
Depreciation of plant and equipment		(163,552)	(50,520)	(475,215)	(267,974)
Depreciation of right-of-use assets		(288,136)	(28,193)	(946,473)	(462,739)
Interest expense on lease liabilities		(26,382)	(23,963)	(92,869)	(81,858)
Other operating expenses		(641,603)	(492,910)	(2,406,711)	(1,503,281)
(Loss)/Profit before income tax		(370,675)	970,382	(928,810)	637,245
Income tax expense/(income)	4	53,226	(75,000)	46,720	(318,607)
Items that may be reclassified subsequently to profit or loss					
— Net gain/(loss) relating to foreign currency transaction differences arising from consolidation		8,028	—	8,028	(9,196)
(Loss)/Profit and total comprehensive (loss)/income attributable to owners of the Company for the period		(309,421)	895,382	(874,062)	309,442
(Loss)/Earnings per share attributable to owners of the Company for the period (expressed in Singapore cents per share)					
Basic and diluted	5	(0.06)	0.17	(0.17)	0.06

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2021

	Attributable to equity holders of the Company							
	Share capital	Share premium	Currency translation reserve	Other reserves ^(Note)	Retained earnings	Total	Non-controlling interests	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 1 January 2020 (audited)	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
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 and 1 January 2021 (audited)	896,552	10,710,421	(21,579)	420,000	1,251,110	13,256,504	—	13,256,504
Placing of shares, net of placing share expenses	180,336	3,356,457	—	—	—	3,536,793	—	3,536,793
Loss for the financial period	—	—	—	—	(882,090)	(882,090)	—	(882,090)
Currency translation difference on consolidation	—	—	8,028	—	—	8,028	—	8,028
Total comprehensive (loss)/ income for the financial period	—	—	8,028	—	(882,090)	(874,062)	—	(874,062)
Balance as at 30 September 2021 (unaudited)	1,076,888	14,066,878	(13,551)	420,000	369,020	15,919,235	—	15,919,235

Note: Other reserves as at 30 September 2021 represented the difference between the consideration paid by the Company and the share capital of Get Republic 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2021

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

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 unaudited consolidated financial statements for the nine months ended 30 September 2021 and 30 September 2020.

2 Basis of Presentation and Accounting Policies

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board and the applicable disclosure provisions of the GEM Listing Rules. The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Audited 2020 Consolidated Financial Statements. The accounting policies and methods of computation used in the Unaudited Condensed Consolidated Financial Statements are the same as those followed in the preparation of the Audited 2020 Consolidated Financial Statements.

All IFRSs effective for the accounting period commencing on 1 January 2021, together with the relevant transitional provisions, have been adopted by the Group in preparation of these Unaudited Condensed Consolidated Financial Statements. The adoption of these new/revised IFRSs does not result in changes to the Group’s accounting policies and has no material effect on the amounts reported or the current or prior period.

Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation.

These unaudited condensed consolidated financial statements have been reviewed by the audit committee of the Board (the “**Audit Committee**”).

3 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:

	Three months ended 30 September		Nine months ended 30 September	
	2021 (unaudited) S\$	2020 (unaudited) S\$	2021 (unaudited) S\$	2020 (unaudited) S\$
Medical services				
Treatment services	2,037,058	2,645,176	7,232,871	6,221,498
Medical investigation services	695,828	1,049,615	2,239,006	2,466,083
Consultation services	278,384	367,630	901,369	927,850
	3,011,270	4,062,421	10,373,246	9,615,431

4 Income Tax Expense

Singapore corporate income tax has been provided for at the rate of 17% on the estimated assessable profit for the nine months ended 30 September 2021 (30 September 2020: 17%).

No overseas profits tax has been calculated for entities of the Group that are incorporated in the BVI or the Cayman Island as they are exempted from tax (30 September 2020: Nil).

4 Income Tax Expense (Continued)

The amount of income tax expense charged to the unaudited condensed consolidated financial statements:

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	S\$	S\$	S\$	S\$
Current tax:				
Singapore profits tax/(income)	53,226	(75,000)	46,720	(318,607)

5 (Loss)/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 period.

	Three months ended 30 September		Nine months ended 30 September	
	2021	2020	2021	2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	S\$	S\$	S\$	S\$
(Loss)/Profit attributable to the owners of the Company	(317,449)	895,382	(882,090)	318,638
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	554,666,667	520,000,000	531,555,556	520,000,000
(Loss)/Earnings per share (S\$ cents per share)	(0.06)	0.17	(0.17)	0.06

5 (Loss)/Earnings Per Share (Continued)

(a) Basic (Continued)

The calculation of the basic earnings per share is based on the profit for the financial period attributable to owners of the Company and the number of ordinary shares in issue.

(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 periods.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading medical general practice (“GP”) network accredited by the Ministry of Health of Singapore in Singapore, under the brand “**Dr. Tan & Partners**” and now known as “**DTAP**” in short, in Singapore since 2010. The Group provides convenient and quality 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 doctors and trained personnel. The Group provides an all-round solution from diagnosis to treatment that is tailored to our patient’s individual needs. The Group also performs aesthetic treatments to enhance the overall appearance of patients.

For the nine months ended 30 September 2021, the revenue of the Group increased by approximately S\$0.8 million, or 7.9%, to approximately S\$10.4 million, when compared to that for the nine months ended 30 September 2020. The revenue of consultation services, medical investigation services and treatment services amounted to approximately S\$0.9 million, S\$2.2 million and S\$7.2 million, respectively, which accounted for approximately 8.7%, 21.6% and 69.7% of the total revenue of the Group for the Period, respectively, please refer to “**Financial Review**” for further details.

OUTLOOK AND PROSPECTS

Looking forward, the COVID-19 pandemic is placing enormous pressure across Singapore health care sector's workforce and system as witnessed in the recent rising demise cases and escalating number of community infected cases to more than 2,000 cases as Singapore enters into 4-stage plan to live with Covid-19, where the coronavirus would become endemic or permanently circulating amongst the population. In late September 2021, the Singapore government announced further community safe measures (known as "**Heightened Alert Phase 2**") in view of the fast-rising number of covid cases and to avoid a situation of overwhelming the healthcare system. In addition, it was reported that Singapore population (consisting of mainly foreign residents and non-residents) had shrunk by 4.1% to 5.45 million (the sharpest percentage drop since Year 1950) . This means that GP and aesthetics businesses is likely to face stiffer competition amongst the existing players.

As at the date of this report, we operate (i) nine DTAP clinics including the clinics at Robertson, Novena, Somerset, Tanjong Pagar, Raffles Place, Holland Village, Siglap, Duo Galleria and Kovan; (ii) one S Aesthetics Clinic at Scotts Road. We will continue to enhance on our current clinic service offerings by exploring other potential GP business opportunities to grow our revenue.

FINANCIAL REVIEW

Revenue

As at the end of the Period, the Group's revenue increased by approximately S\$0.8 million or 7.9% from approximately S\$9.6 million for the Corresponding Period to approximately S\$10.4 million for the Period. The higher revenue arises from the new clinics as business continues to gain traction in these clinics since their opening in 2nd half of 2020.

During the Period, revenue generated from treatment services saw an increase of approximately 16.3% or S\$1.0 million as compared to the Corresponding Period mainly due to the aforementioned as well as a lower revenue base from aesthetic business segment of the Corresponding Period due to a 2-month very high safe distancing measures during May and June 2020 ("**Circuit Breaker**").

For the three months ended 30 September 2021 (“FY2021Q3”), the revenue of the Group has decreased by S\$0.4 million or 11.8%, to approximately S\$3.0 million, when compared to that for the three months ended 30 June 2021 (“FY2021Q2”). This is mainly due to reversion to safe management measurements for Phase 2 Heightened Alert imposed by the Singapore government coupled with higher manpower attribution rate that had a direct impact on our business revenue. The revenue for consultation services, medical investigation services and treatment services amount to approximately S\$0.3 million, S\$0.7 million and S\$2.0 million, respectively, which accounted for approximately 9.2%, 23.1% and 67.6% of the total revenue of the Group for FY2021Q3, respectively.

Gross profit and gross profit margin

The Group’s gross profit increased by approximately S\$0.1 million from approximately S\$6.8 million for the Corresponding Period to approximately S\$6.9 million for the Period. The Group’s gross profit margin declined from approximately 70.7% for the Corresponding Period to approximately 66.1% for the Period. The decline was mainly due to the increase in both medical supplies and professional costs. Medical supplies witnessed an increase of approximately S\$0.3 million or 15.0% from approximately S\$2.2 million for the Corresponding Period to approximately S\$2.5 million in the Period. Medical professional costs saw an increase of approximately S\$0.4 million or 61.0% from approximately S\$0.6 million for the Corresponding Period to approximately S\$1.0 million in the Period.

Employee benefits expenses

Our employee benefits expenses increased by approximately S\$0.6 million or 13.8% from approximately S\$4.0 million for the Corresponding Period to approximately S\$4.6 million for the Period. Such increase was primarily attributable to higher employment cost to retain and attract staff to ensure businesses and operations continuity.

Depreciation Expenses

The increase in depreciation of assets (plant, equipment and right of use of assets) by approximately S\$0.7 million or 94.6% from approximately S\$0.7 million for the Corresponding Period to approximately S\$1.4 million is mainly due to the newly established clinics, which is in accordance with the sections headed “**Business Objectives and Future Plans**” in the prospectus of the Company dated 1 June 2018 (the “Prospectus”).

Other operating expenses

The increase mainly attributable to the increase of marketing expenditures as a result of the various marketing and promotional campaigns to generate greater business leads and investing in rebranding activities to provide a new visual identity for the various business brands under the Group in order to connect with existing and new customers, as well as to differentiate our service offerings with that of our competitors in order to stay abreast with the ever-changing customers' preference and lifestyle.

(Loss)/Profit for the period attributable to owners of the Company

As a result of the foregoing, the Group recorded a loss of approximately S\$0.9 million for the Period, as compared to a profit of approximately S\$0.3 million during the Corresponding Period. The loss experienced were mainly due to the (i) an increase in employee benefits by approximately S\$0.6 million or 13.8% from approximately S\$4.0 million for the Corresponding Period to approximately S\$4.6 million for the Period as to retain and attract staff to ensure businesses and operations continuity; (ii) higher depreciation arising from plant, equipment and right-of-use of assets arising from the new clinics by approximately S\$0.7 million or 94.6% from approximately S\$0.7 million for the Corresponding Period to approximately S\$1.4 million; and (iii) an increase in other operating expenses by approximately S\$0.9 million or 60.1% from approximately S\$1.5 million for the Corresponding Period to approximately S\$2.4 million for the Period due to higher marketing expenditures as a result of the various marketing and promotional campaigns to generate higher business leads and investing in rebranding activities to provide a new visual identity for the various business brands under the Group in order to connect with existing and new customers, as well as to differentiate our service offerings with that of our competitors and staying abreast with the ever-changing customers' preference and lifestyle.

DIVIDEND

The Board has resolved not to declare the payment of a dividend for the Period (the Corresponding Period: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2021, we had 61 employees in Singapore (As at 31 December 2020: 66 employees), all of whom were employed on a full-time basis. The remuneration package of our employees generally comprises basic salaries, discretionary bonuses and welfare benefits such as annual leave, sick leave, maternity leave and childcare leave.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

During the Period, the Group financed its operations mainly through internally generated cash flows and capital contribution from the Company's shareholders (the **"Shareholders"**).

As at 30 September 2021, we had cash and cash equivalents of approximately S\$13.7 million (31 December 2020: S\$13.0 million) and the Group had no bank borrowings (31 December 2020: Nil).

GEARING RATIO

As at 30 September 2020, the gearing ratio of the Group was approximately 13.4% (31 December 2020: 20.8%). The Group's gearing ratio is calculated based on the total debt divided by total equity as at the end of the Period. As at 30 September 2021, the Group's lease liabilities was approximately S\$2.1 million (31 December 2020: S\$2.8 million).

We believe that our liquidity position would further be strengthened by using a combination of cash generated from operating activities, the Share Offer (the **"Net Proceeds"**) and the recent new share placement under general mandate exercise (the **"Net Placement Proceeds"**). Going forward, we intend to use working capital in accordance with the sections headed "Business Objectives and Future Plans" in the prospectus of the Company dated 1 June 2018 (the **"Prospectus"**) and "Reasons for and Benefits of The Placing and Use of Proceeds" in our placing of new shares under general mandate announcement dated 20 August 2021 (the **"Announcement"**).

CAPITAL STRUCTURE

As at 30 September 2021, the capital structure of the Group only comprises the share capital, retained earnings, share premium and other reserves.

For the Period, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately S\$15.9 million (31 December 2020: S\$13.3 million).

On 20 August 2021, the Company entered into the placing agreement with China On Securities Limited ("**China On**") pursuant to which China On has conditionally agreed, as agent of the Company, to procure on a best effort basis to not less than six placees who and whose ultimate beneficial owners shall be independent third parties to subscribe for up to 104,000,000 placing shares at the placing price of HK\$0.2014 per placing share. Completion of the said placing took place on 15 September 2021 and 104,000,000 placing shares, representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares, were placed to not less than six placees at the placing price of HK\$0.2014 per placing share.

The net proceeds, after deduction of commission and other related expenses incidental to the said placing, amounted to approximately HK\$20 million, of which approximately 60% shall be applied towards the future expansion of the Group's existing businesses, and future acquisitions of and/or investments in business which could leverage on the competitive advantage of the Group when suitable opportunities arise; and approximately 40% shall be applied towards enrichment of the Group's working capital for its operations. Details of the said placing are set out in the Group's announcements dated 20 August 2021, 7 September 2021 and 15 September 2021.

The shares of the Company were listed on the GEM Board of the Stock Exchange on 15 June 2018. As at 30 September 2020, the Company's total number of issued shares was 624,000,000 (31 December 2019: 520,000,000) at HK\$0.01 each. The Company's capital comprises ordinary shares and capital reserves. The Group finances its working capital requirements mainly through a combination of our cash flows generated from operations and proceeds from share offer.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed in this Report, the Group does not have other plans for material investments and capital assets.

SIGNIFICANT INVESTMENTS OR MATERIAL ACQUISITIONS AND DISPOSALS

During the Period, the Group did not make any significant investments or material acquisitions and disposal of subsidiaries, associates or joint ventures.

COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 September 2021, the Group had no material commitment and contingent liabilities.

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 mainly 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 certain amount of proceeds from the Share Offer in Hong Kong dollar for operational purposes.

CHARGE ON ASSETS

As at 30 September 2021, there were no charges on the Group's assets.

SIGNIFICANT EVENT AFTER THE PERIOD

Save as disclosed above, there has been no significant event that affected the Group after 30 September 2021 and up to the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 regularly. The Company has adopted and has complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the “**CG Code**”) during the Period.

On 12 May 2021, Mr. Low Wee Siong (“**Mr. Low**”) resigned as an independent non-executive Director, a member of each of the Remuneration Committee, Nomination Committee and the chairman of the Audit Committee.

Following with the resignation of Mr. Low, the Company had only two independent non-executive Directors and two members in the Remuneration Committee, Nomination Committee and Audit Committee, respectively and hence the number of the independent non-executive Directors and the number of the Audit Committee had fallen below the minimum number required under Rule 5.05 and 5.28 of the GEM Listing Rules.

Following the appointment of Mr. Yeo Teck Chuan as the independent non-executive Director, a member of each of the Remuneration Committee and Nomination Committee and the chairman of the Audit Committee on 1 August 2021, the Board has four members, being one executive Director and three independent non-executive Directors, which fulfils the requirement of Rules 5.05 and 5.28 of the GEM Listing Rules. Further, each of the Audit Committee, Remuneration Committee and Nomination Committee has no less than three members and comprises a majority of independent non-executive Directors, which fulfils the requirements of the terms of reference of the Committees and complies with Chapter 5 and the CG Code of the GEM Listing Rules.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the Directors' securities transactions (the **"Own Code of Conduct"**) on terms no less exacting from the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the **"Required Standard of Dealings"**). 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 standard set out in the Own Code of Conduct during the Period.

SHARE OPTION SCHEME

A share option scheme (the **"Scheme"**) was approved and adopted by way of written resolutions of the Shareholders on 18 May 2018 (the **"Adoption Date"**). 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 or agreed to be granted by the Company under the Share Option Scheme since the Adoption Date and up to the date of this report. Therefore, no share options lapsed or were exercised or cancelled during the Period and there were no outstanding share options as at 30 September 2021.

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

As at 30 September 2021, 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	Percentage of the Company's issued Shares
Dr. Tan Cher Sen Alan ("Dr. Alan Tan")	Interest of a controlled corporation ^(Note 2)	350,000,000 (L)	56.09%

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 the Shares and the underlying Shares interested, if any, divided by the number of Shares in issue of 624,000,000 as at 30 September 2021.

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.

Saved for the disclosed above, as at 30 September 2021, 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 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.

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

As at 30 September 2021, 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	350,000,000 (L)	56.09%
Rivera Vanjill Esteban ("Ms Jill") ^(Note 4)	Interest of spouse	350,000,000 (L)	56.09%
Liu Hewen	Beneficial owner	52,630,000 (L)	8.43%

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.
- (4) Ms. Jill being the spouse of Dr. Alan Tan, is deemed, or taken to be interested in the Shares in which Dr. Alan Tan is interested for the purpose of the SFO.

* The percentage represents the number of the Shares interested divided by the number of Shares in issue of 624,000,000 as at 30 September 2021.

Saved for the disclosed above, as at 30 September 2021, 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.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the controlling Shareholders or their respective close associates (as defined under the GEM Listing Rules) had any business or interest in a business apart from the Group's business which had competed or was likely to compete, either directly or indirectly, with the businesses of the Group and any other conflicts of interest which any such person or entity had or might have with the Group during the Period.

COMPLIANCE ADVISER'S INTERESTS IN THE COMPANY

As at 30 September 2021, as notified by the Company's compliance adviser, Titan Financial Services Limited ("**Titan**"), save for the compliance agreement dated 25 January 2018 and entered into between the Company and Titan concerning the fees payable by the Company to Titan for acting as in the capacity of compliance adviser, none of Titan or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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

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

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 of the CG Code as set out in Appendix 15 to 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 independent non-executive Directors (“**INEDs**”), namely Mr. Yeo Teck Chuan (appointed on 1 August 2021), Mr. Soh Sai Kiang and Mr. Kevin John Chia. Mr. Yeo Teck Chuan is the chairman of the AC. The AC has reviewed the unaudited condensed consolidated financial statements and this report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other legal requirements, and that adequate disclosures have been made.

By Order of the Board
Republic Healthcare Limited
Tan Cher Sen Alan
Chairman and Executive Director

Singapore, 4 November 2021

As at the date of this report, the executive Director is Dr. Tan Cher Sen Alan (Chairman), the non-executive Director is Mr. Wen Yongwen and the independent non-executive Directors are Mr. Yeo Teck Chuan, Mr. Soh Sai Kiang and Mr. Kevin John Chia.