republic healthcare

The Future Of Healthcare, Now

Republic Healthcare Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8357)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021. This announcement, containing the full text of the 2021 annual report of the Company (the "**2021 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 2021 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.

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

Singapore, 23 March 2022

As at the date of this announcement, the executive Director is Dr. Tan Cher Sen Alan (Chairman) 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 Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM"), 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)

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.

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" 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

8/F, Hip Shing Hong Centre
55 Des Voeux Road Central
Central, Hong Kong

EXECUTIVE DIRECTOR

Dr. Tan Cher Sen Alan *(Chairman)*

NON-EXECUTIVE DIRECTOR

Mr. Wen Yongwen *(appointed on 9 August 2021 and resigned on 17 February 2022)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yeo Teck Chuan *(appointed on 1 August 2021)*
Mr. Low Wee Siong *(resigned on 12 May 2021)*
Mr. Soh Sai Kiang
Mr. Kevin John Chia

COMPANY SECRETARY

Mr. Tang Chun Pong *(appointed on 1 December 2021)*
8/F, Hip Shing Hong Centre
55 Des Voeux Road Central
Central, Hong Kong

AUTHORISED REPRESENTATIVES

Dr. Tan Cher Sen Alan
Mr. Tang Chun Pong *(appointed on 1 December 2021)*

COMPLIANCE OFFICER

Dr. Tan Cher Sen Alan

AUDIT COMMITTEE

Mr. Yeo Teck Chuan *(Chairman)*
Mr. Soh Sai Kiang
Mr. Kevin John Chia

REMUNERATION COMMITTEE

Mr. Kevin John Chia *(Chairman)*
Mr. Yeo Teck Chuan
Mr. Soh Sai Kiang

NOMINATION COMMITTEE

Mr. Soh Sai Kiang *(Chairman)*
Mr. Yeo Teck Chuan
Mr. Kevin John Chia

INDEPENDENT AUDITOR

Baker Tilly TFW LLP
Public Accountants and Chartered Accountant
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner in-charge: Mr. Chan Sek Wai

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 2021 (the "**Year**").

OVERVIEW

For the Year, the Group's revenue was approximately S$13.4 million, representing a slight decrease of approximately 2.6% as compared to approximately S$13.7 million for the year ended 31 December 2020 (the "**FY2020**"). The Group recorded a loss of approximately S$0.9 million for the Year (FY2020: loss of S$0.1 million), which was mainly attributable by the prolong impact of the novel coronavirus pneumonia ("**COVID-19**") pandemic and its related variants (delta, delta + and Omicron), the growing number of online consultation platforms offering similar services to our clinics and operated by non-healthcare companies (supported by founders who have proven digital marketing credentials). Despite investing heavily in our marketing expenses to drive business into our clinics, a declining population census in Singapore[1], a lack of social activities due to movement controls/restrictions, as well as higher attrition rate from doctors, a key revenue driver to the business (a phenomenal akin to the "Great Resignation" seen in USA early 2021) contributed to the overall decline of revenue, resulting in a widening loss for the year ended 31 December 2021.

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 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) nine DTAP clinics including the clinics at Robertson, Novena, Somerset, Holland Village, Siglap, Duo Galleria, Kovan, Tanjong Pagar and Paragon; and (ii) one SA clinic at Scotts Road. In FY 2021, we deliberated on some of the leases that are due for renewal and will not renew those that did not meet the revenue and profitability targets significantly. Thus far, we have discontinued the lease at Orchard and Raffles Place due to their lacklustre revenue performance and the lack of doctors, as a result of higher attrition rate, to support the clinic operations.

1 The Straits Times, Justin Ong dated 28 September 2021.

Link: https://www.straitstimes.com/singapore/politics/spores-total-population-falls-41-to-545-million-as-covid-19-hits-foreign#:~:text=Singapore's%20total%20population%20as%20of,from%205.69%20million%20in%202020.&text=Singapore's%20citizen%20population%20also%20decreased,per%20cent%20to%200.49%20million.

Looking forward, we are cognizant that whilst Covid-19 pandemic will continue to impact lives, we are cautiously optimistic that the pre-covid situation would prevail over time as countries across the region begin to open up their border and promote business and personal travels via the setup of vaccinated travel lane with each another. On 15 September 2021, the Group has raised approximately HK$20,396,688 via a placement of 104,000,000 new shares under a general mandate, representing approximately 16.67% of the issued capital of the Group under general mandate. The Group intends to use 60% of the net proceeds 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.

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 FY2021, our Board has also undergone a change where Mr. Yeo Teck Chuan had replaced Mr. Low Wee Siong as the director and Chairman of Audit Committee of the Company and was reappointed during the EGM held on 19 November 2021. On behalf of the Group and the Board, I express our sincere appreciation for Mr. Low Wee Siong's services, guidance, and support during his tenure with the Group and welcome Mr. Yeo onboard.

Tan Cher Sen Alan
Chairman and Executive Director
Singapore, 23 March 2022

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 2021, (the "**Year**" or the "**Year 2021**") the revenue of the Group decline by S$358,000, or 2.6%, to approximately S$13,366,000, when comparing to the previous financial year ended 31 December 2020 (the "**FY2020**" or the "**Year 2020**"). The revenue of consultation services, medical investigation services and treatment services amounted to approximately S$1,169,000, S$2,853,000 and S$9,344,000, respectively, which accounted for approximately 8.8%, 21.3% and 69.9% of the total revenue of the Group for the Year, respectively. The decline in revenue growth was due to the following:

a. Prolong impact of Covid-19 pandemic and its related variants that impede traveling and social gatherings.

b. A lower Singapore population census contributed mainly from foreign residents and non-residents, where population shrunk by 4.1% to 5.45 million (the sharpest decline since Year 1950).

c. Higher attrition rate from doctors who are key revenue driver to the GP and Aesthetics business.

d. The proliferation of online platforms offering sexual health services at much competitive rates.

To add to the above situation, the Singapore government announced further community safe measure (known as "**Heightened Alert Phase 2**") in view of the fast-rising number of covid cases (Omnicon variant) within the community and to ensure that the healthcare system stays intact.

Looking forward, we are cognizant that whilst Covid-19 pandemic would continue to impact lives, we are cautiously optimistic that the pre-covid situation would prevail over time as Singapore steps down on its social distancing measures and countries across the region begin to open up their borders and promote tourism via vaccinated travel lane amongst one another.

FINANCIAL REVIEW

Revenue

The Group's overall revenue amounted to approximately S$13,366,000 for the Year, representing a decrease of approximately S$358,000 or 2.6% as compared with the revenue of S$13,724,000 for FY2020.

FINANCIAL REVIEW (Continued)

Revenue (Continued)

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 2021		Year 2020	
	S$'000	**%**	S$'000	%
Revenue				
Consultation	**1,169**	**8.8**	1,296	9.4
Medical Investigation	**2,853**	**21.3**	3,382	24.7
Treatment Services	**9,344**	**69.9**	9,046	65.9
	13,366		13,724	

Revenue generated from consultation and medical investigation services decreased by approximately S$126,000 and S$529,000 respectively for the Year. The decline is mainly due to a lower patient visits as a result of the aforesaid reasons.

Revenue generated from treatment services buck the trend and increase by approximately S$298,000 from approximately S$9,046,000 for FY 2020 to approximately S$9,344,000 for the Year. The increase is mainly due to growth in sales of existing aesthetic services carried out by our Group with increased market penetration and greater brand awareness. However, due to the attrition of doctors supporting our aesthetic business, we reckon that it will be impacted drastically from the new financial year.

Other income

Other income for the Year represented primarily government grants (Jobs Support scheme, SPRING Singapore Productivity grant, wage credits and Covid-19 rent concessions) and consultancy fee income whilst other income for FY2020 comprise of government grants (Jobs Support scheme, SPRING Singapore Productivity grant, Lifelong Learning Endowment Fund, P-max grant, wage credits and Covid-19 rent concessions).

Consumables and medical supplies used

Our consumables and medical supplies used amounted to S$3.3 million and S$3.2 million for the Year and FY2020 respectively. The marginal increase is in line with the increase in revenue for treatment services, which comprised of consumables and skincare products.

FINANCIAL REVIEW (Continued)

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 decreased by S$231,000 or 3.66% to S$6,080,000 as a result of higher attrition rate of doctors and closure of 2 clinics as aforesaid.

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 2021	Year 2020
Total staff count	49	66

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 years, which we considered as reasonable for the useful lives for assets of such nature.

FINANCIAL REVIEW (Continued)

Other operating expenses

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

The other operating expenses for the Year increased by approximately S$144,000 or 4.8% from approximately S$2,973,000 for FY2020 to approximately S$3,117,000 for the Year. The increase was largely due to an increase in marketing expenses by approximately S$377,000 from approximately S$1,202,000 in FY2020 to approximately S$1,579,000 for the Year. The surge in marketing expenses is due to:

a. Our effort to generate greater business leads through various marketing and promotional campaigns.

b. 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.

c. Differentiate our service offerings with that of our competitors in order to stay abreast with the ever-changing customers' preference and lifestyle.

	Year ended 31 December	
	2021	2020
	S$	S$
Auditors' remuneration	**130,000**	140,000
Fees for non-audit services paid to		
– auditor of the Company	**28,668**	–
– Baker Tilly Hong Kong for tax consultation*	**6,392**	–
Legal and professional fees	**192,058**	297,023
Marketing expenses	**1,578,893**	1,202,467
Consultation expenses	**60,000**	240,000
Credit card and bank charges	**245,205**	245,660
Written off of plant and equipment	**3,262**	7,958
Bad debt written-off on trade receivables	**816**	33,339
Lease expense – short-term leases	**–**	3,500
Directors' fee	**112,299**	140,000
Non-capitalised equipment	**64,621**	64,501
Transport and travelling	**38,728**	71,557
Others	**655,949**	527,270

* An independent member firm of the Baker Tilly International network.

Finance costs

Interest expense on lease liabilities increased by S$50 from S$117,598 in FY2020 to S$117,648 for the Year.

Income tax (credit)/expense

Income tax income was approximately S$20,030 for the Year and income tax expenses was S$29,895 for FY2020.

FINANCIAL REVIEW (Continued)

Total comprehensive loss for the Year

Due to the combined effect of the aforementioned factors, we recorded total comprehensive loss of approximately S$991,000 for the Year, as compared to the total comprehensive loss of approximately S$165,000 for FY2020. The increase in total comprehensive loss was mainly due to the prolong impacts of the novel of Covid-19 illustrated above and the higher operating costs.

Results and Dividends

The Group's results for the year ended 31 December 2021 are set out in the consolidated statement of comprehensive income on page 85 of this annual report.

The Board has resolved not to declare the payment of a final dividend for the Year (FY2020: Nil).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital structure of the Group only comprises the Shares in issue, retained earnings, share premium, and other reserves.

As of 31 December 2021, the number of issued ordinary shares of the Group was 624,000,000 shares (2020: 520,000,000 shares). As disclosed in the Company's announcement of 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 ("**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 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 of the Stock Exchange on 15 June 2018. As at 31 December 2021, the Company's total number of issued shares was 624,000,000 (31 December 2020: 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.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES (Continued)

As at 31 December 2021, the total equity of the Group was approximately S$15.5 million (FY2020: approximately S$13.0 million). The Group generally financed its operation with internally generated cash flows. The Group had bank balances and cash of approximately S$13.3 million as at 31 December 2021 (FY2020: approximately S$13.1 million). As at 31 December 2021, the Group had net current assets of approximately S$14.0 million (FY2020: approximately S$11.1 million).

As at 31 December 2021, the gearing ratio of the Group was 9.9% (FY2020 approximately 21.1%), calculated based on total debt divided by total equity as at the end of the year. As at 31 December 2021, the Group's lease liabilities was approximately S$1.5 million (FY2020: S$2.8 million).

Net cash used in operating activities are approximately S$0.5 million (FY2020: generated from of S$0.5 million). With the healthy bank balances and cash on hand, the Group's liquidity position remained strong and it had sufficient financial resources to meet its working capital requirement.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSAL

During the Year, the Group did not have any significant investment, material acquisitions nor disposal of subsidiaries, associates or joint ventures.

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$28,000 (FY2020: 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 2021, the Group's capital commitments amounted to approximately S$66,000 (FY2020: S$265,000).

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 and the possible acquisition as disclosed in the Company's announcement dated 7 March 2022, the Group did not have plans for material investments and capital assets as at 31 December 2021.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have material contingent liabilities (FY2020: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2021, the Group had a total of 49 staff (including part-time staff) (FY2020: 66). Staff costs, including Directors' remuneration, of the Group were approximately S$6.1 million for the Year (FY2020: approximately S$6.3 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 (2020: S$130,000) 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 51 to 79 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.

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

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.

As disclosed in company's announcement dated 20 August 2021, 7 September 2021 and 15 September 2021, China On Securities Limited ("**China On**") was appointed as placing 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 Placing, amounted to approximately HK$20 million.

The Directors consider that the Placing provides a good opportunity for the Company to raise funds to strengthen the Group's financial position, enhance the liquidity of the Shares, and provide additional working capital to the Group for operations and future plans.

USE OF PROCEEDS (Continued)

The net proceeds from the Share Offer as at 31 December 2021 were used as follows:

	Notes	Net proceeds from the Listing (S$'000)	Net proceeds from new placement (S$'000)	Actual use of Net Proceeds from the Listing Date and new placement up to 31 December 2021 (S$'000)	Balance as at 31 December 2021 *(Note a)* (S$'000)	Expected timeline for utilising the remaining unused Net Proceeds *(Note)*
Strategically expanding and strengthening our network of DTAP clinics	*b*	2,600	–	1,293	1,307	2HFY2022
Establishing New SA clinics	*b*	1,400	–	1,176	224	2HFY2022
Continuing to attract and retain talent pool of doctors and staff	*c*	4,300	–	2,723	1,577	2HFY2022
Upgrading and improving our information technology infrastructure and system	*d*	600	–	385	215	2HFY2022
Setting up a centralised pharmacy	*e*	100	–	–	100	2HFY2022
General working capital		100	1,500	1,600	–	–
Establishing new online business line for DTAP	*f*	–	600	–	600	2HFY2022
Acquiring interest in a potential venture	*f*	–	500	–	500	2HFY2022
Allied health and/or offering ancillary healthcare products and services	*f*	–	1,000	–	1,000	2HFY2022
		9,100	3,600	7,177	5,523	

Notes:

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

(b) The Net Proceeds of approximately S$4.9 million have been partly utilised as at 31 December 2021, as we delayed our plan to open new "DTAP" clinic in the north-eastern part of Singapore and our plan to open new "SA" clinic due the prolong Covid-19 pandemic that cause strain to clinical manpower availability and business uncertainty.

(c) As at 31 December 2021, we had hired 4 doctors, 11 new clinic assistants to support the 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 selected our vendor and commenced the second phase of the improvement and design work and reckon this would be completed by 2HFY2022.

(e) We delayed our plan for a centralised pharmacy due to a lack of suitable location for the warehouse and regulatory restrictions and will continue to deliberate on this matter.

(f) The main use of such proceeds towards the future expansion of the Group's existing businesses, and future acquisitions of and/or investments in businesses which could leverage on the competitive advantage of the Group when suitable opportunities arise.

USE OF PROCEEDS (Continued)

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 2021
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 31 December 2021, the Group has spend approximately S$1,293,000 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 SA clinic Negotiate and enter into tenancy for the new SA clinic in Jurong and carry out renovation on the premises	As at 31 December 2021, the Group has spent approximately S$1,176,000 on renovation of new clinic and purchase of fixed assets.

COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS (Continued)

Business objective as stated in the Prospectus	Business plan stated in the prospectus	Actual business progress up to 31 December 2021
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 FY2021, we have incurred approximately S$1,084,000 to ensure we have sufficient staff to support our clinic operations.
Upgrading and improving our information technology infrastructure and systems	Upgrading existing information technology infrastructure and systems	As at 31 December 2021, the Group has incurred approximately S$385,000 to upgrade its existing information technology infrastructure and systems.
Establishing new online business line for DTAP	Establishing DTAP clinics network, which will involve marketing campaign expenses, manpower expenses, online portal charges, partners' acquisition costs and stock costs.	As at 31 December 2021, the Group has yet to incur any amount and is still in the midst of negotiating with vendors on such matter.
Acquiring interest in a potential venture	Setting up new doctorless clinics	As at 31 December 2021, the Group has yet to incur any amount and is still in the midst of reviewing the potential venture available.
Allied health and/or offering ancillary healthcare products and services	Identifying new opportunities to undergo the strategic thrust of vertical expansion, which may involve setting up a new allied health clinic, and producing ancillary healthcare products and services to support current business climate.	As at 31 December 2021, the Group has yet to incur any amount and is still in the midst of discussing such collaboration.

EXECUTIVE DIRECTORS

Dr. Tan Cher Sen Alan ("Dr. Alan Tan"), aged 46, 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 19 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. Yeo Teck Chuan ("Mr Yeo"), aged 54, has more than 30 years of experience in accounting, auditing and financial management. Prior to joining our Group, from June 1992 to January 1995, he worked as an auditor at Pricewaterhouse. He worked for Arthur Andersen as an audit manager in Beijing from January 1995 to December 1998 and in Singapore from January 1999 to July 2002. From July 2002 to March 2007, he was the financial service director for South and Southeast Asia for BOC Asia Limited (Singapore). From July 2007 to May 2015, he worked at Deloitte Hua Yong Certified Public Accountants LLP as an audit partner. From May 2015 to October 2017, he worked as an audit partner at Shanghai branch of Rui Hua Certified Public Accountants LLP. He worked as a managing director of Laos Rui Hua CPA Co., Ltd. from December 2016 to August 2019. He was a managing director of Beijing Quan Rui Certified Public Accountants LLP from October 2017 to July 2018. He has been a legal representative of Nanchang Yeo Seng Heng Financial Advisory Co. Ltd since August 2015. From July 2018, he has joined SBA Stone Forest Corporate Advisory (Shanghai) Co., Ltd as an advisory partner. Since December 2020, Mr. Yeo has been appointed as an independent non-executive director of Legion Consortium Limited (a company listed on the Stock Exchange, stock code: 2129). Mr. Yeo was an independent non-executive director of China Commercial Credit Inc from September 2016 to May 2019 (a company listed on the Nasdaq Capital Market (NASDAQ CM: GLG)). Mr Yeo was appointed in December 2021 as independent non-executive director of China Shenshan Orchard Holdings Co. Ltd. (a company listed on the Singapore Exchange, stock code: BKV).

Mr. Yeo obtained a bachelor degree of accountancy from Nanyang Technological University in Singapore with second class honors (upper division) in May 1992 and has been a certified internal auditor awarded by The Institute of Internal Auditors and a chartered accountant of Singapore admitted by Institute of Singapore Chartered Accountants since May 2005 and July 2013 respectively. He has been emplaced in the ASEAN chartered professional accountant in Singapore since May 2017 as a Chartered Accountant of Singapore, a certified internal auditor, and an ASEAN Chartered Professional Accountant.

Mr. Soh Sai Kiang ("Mr. Soh"), aged 53, 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 62, 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. Mr. Chia is also a member of the Institute of Public Accountant, Australia. 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 a private company in Singapore which principally engaged in the business of renting and leasing of private cars and land transport equipment.

SENIOR MANAGEMENT

Dr. Ng Siew Boon ("Dr. Ng"), aged 44, has been appointed as the deputy chief executive officer 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.

Mr. Tan Chee Heng ("Mr. Tan"), aged 46, 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.

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 2021 (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 85 to 139 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 2021 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 8/F, Hip Shing Hong Centre, 55 Des Voeux Road Central, Central, 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 (2020: Nil).

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company (the "**2022 AGM**") is scheduled to be held on Friday, 24 June 2022 at 2:00 p.m. The register of members of the Company will be closed from Tuesday, 21 June 2022 to Friday, 24 June 2022 (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 2022 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 2022 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 Monday, 20 June 2022.

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 2021, 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

During the year, the Group donated approximately S$5,000 to a non-profit organisation started by a group of individuals with a focus on the welfare of LGBTQ+.

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 2021, the Company did not have any reserves available for distribution (Year 2020: Nil).

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

During the year, save for the Placing, 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 Director

Dr. Tan Cher Sen Alan ("**Dr. Alan Tan**") *(Chairman)*

Non-executive Director (the "NED")

Mr. Wen Yongwen ("**Mr. Wen**") *(appointed on 9 August 2021 and resigned on 17 February 2022)*

Independent Non-executive Directors (the "INEDs")

Mr. Yeo Teck Chuan ("**Mr. Yeo**") *(appointed on 1 August 2021)*
Mr. Low Wee Siong ("**Mr. Low**") *(resigned on 12 May 2021)*
Mr. Soh Sai Kiang ("**Mr. Soh**")
Mr. Kevin John Chia ("**Mr. Chia**")

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 12 May 2021, Mr. Low resigned as an INED and ceased to be the chairman of the audit committee of the Company (the "**Audit Committee**") and a member of each of the remuneration committee of the Company (the "**Remuneration Committee**") and the nomination committee of the Company (the "**Nomination Committee**") as he would like to focus on his other commitments. Mr. Low 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.

Subsequently, on 1 August 2021, Mr Yeo was appointed as an INED as well as the chairman of the Audit Committee, a member of each of the Nomination Committee and the Remuneration Committee.

Further, Mr. Wen was appointed as an NED on 9 August 2021 and subsequently resigned on 17 February 2022.

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 Mr. Soh and Mr. Chia will retire from office at the 2022 AGM and all of them, being eligible, will offer themselves for re-election at the 2022 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 re-entered into a service agreement with the Company on 15 June 2021 for another three years commencing from the date thereof, 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. Yeo, an INED, has entered into a letter of appointment with the Company for a term of one year commencing from 1 August 2021, 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. Soh, an INED, has entered into a letter of appointment with the Company for a term of one year commencing from 15 June 2021, 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 17 September 2021, 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 2022 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 (l) 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 74% of the total purchases for the Year, purchases from the largest supplier representing approximately 33% 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 2021.

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 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*(Note 1)*	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 underlying Shares interested, if any, divided by the number of Shares in issue of 624,000,000 as at 31 December 2021.

Saved for the disclosed above, as at 31 December 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 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 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%*

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 624,000,000 as at 31 December 2021.

Saved for the disclosed above, as at 31 December 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.

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 34 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 2021.

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 51 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

Other than disclosed in Note 31 to the Consolidated Financial Statements, the directors are not aware of any other significant event requiring disclosure that has taken place subsequent to 31 December 2021 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 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 Audit Committee currently comprises all the three INEDs, namely Mr. Yeo, Mr. Soh and Mr. Chia. Mr. Yeo is the chairman of the Audit Committee.

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 preceding 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 2022 AGM. Having approved by the Board upon the recommendation of the AC, a resolution will be proposed to the Shareholders at the 2022 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, 23 March 2022

CORPORATE GOVERNANCE REPORT

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 2021, 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 2021.

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 (the "**NEDs**") (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 2021 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)*

NEDs
Mr. Wen Yongwen ("**Mr. Wen**") *(appointed on 9 August 2021 and resigned on 17 February 2022)*

INEDs
Mr. Yeo Teck Chuan ("**Mr. Yeo**") *(appointed on 1 August 2021)*
Mr. Low Wee Siong ("**Mr. Low**") *(resigned on 12 May 2021)*
Mr. Soh Sai Kiang ("**Mr. Soh**")
Mr. Kevin John Chia ("**Mr. Chia**")

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 2021.

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 2021, 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 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 2021, 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 2021:

Name of Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting	Extraordinary General Meeting
Dr. Alan Tan	9/9	4/4	4/4	4/4	1/1	1/1
Mr. Wen[(note 1)]	3/3	–	–	–	–	0/1
Mr. Yeo[(note 2)]	5/5	2/2	2/2	2/2	–	1/1
Mr. Low[(note 3)]	2/2	2/2	1/1	1/1	–	–
Mr. Soh	9/9	4/4	4/4	4/4	1/1	1/1
Mr. Chia	9/9	4/4	4/4	4/4	1/1	1/1

Notes:

(1) Mr. Wen was appointed as the Company's NED on 9 August 2021 and subsequently resigned on 17 February 2022.

(2) Mr. Yeo was 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 1 August 2021.

(3) Mr. Low 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 12 May 2021.

Board Diversity Policy

During the year ended 31 December 2021, 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 DEPUTY 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 2021 and up to the date of this report, Dr. Alan Tan acted as the Chairman and 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.

The roles of the Chairman (by Dr. Alan Tan) and the deputy CEO (by Dr. Ng) 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 deputy 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 2021, the Audit Committee comprises all three INEDs, namely Mr. Yeo, Mr. Soh and Mr. Chia. Mr. Yeo is the chairman of the Audit Committee. During the year ended 31 December 2021, Mr. Low ceased to act as the chairman of Audit Committee and Mr. Yeo was appointed as a chairman of the Audit Committee, both with effect from 1 August 2021.

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 2021, 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 2021, the Nomination Committee comprises three INEDs, namely Mr. Yeo, Mr. Soh and Mr. Chia. Mr. Soh is the chairman of the Nomination Committee. During the year ended 31 December 2021, Mr. Low ceased to act as the member of the Nomination Committee on 12 May 2021 and Mr. Yeo was appointed as a member of the Nomination Committee on 1 August 2021.

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 2021, the Nomination Committee held four meetings 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 25 June 2021.

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 2021, the Remuneration Committee comprises three INEDs, namely Mr. Yeo, Mr. Soh and Mr. Chia. Mr. Chia is the chairman of the Remuneration Committee. During the year ended 31 December 2021, Mr. Low ceased to act as the member of the Remuneration Committee and Mr. Yeo was appointed as a member of the Remuneration Committee, both with effect from 1 August 2021.

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 2021, the Remuneration Committee held four meetings 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 re-entered into a service contract with the Company for another three years commencing on the 15 June 2021, 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. Yeo, Mr. Soh and Mr. Chia each has individually entered into a letter of re-appointment with the Company for a term of 1 year commencing on 1 August 2021, 15 June 2021 and 17 September 2021 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 2021 are set out in Note 7(c) to the audited Consolidated Financial Statements of the Group for the year ended 31 December 2021 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 2021 by band is set out below:

Remuneration band (in S$)	Number of individuals
Nil to 180,000	–
180,001 to 270,000	3
More than 270,001	1

INDEPENDENT AUDITOR'S REMUNERATION

During the year ended 31 December 2021, 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	130,000
Non-audit services	35,060
Total:	165,060

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 2021 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 2021.

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 2021, 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. Certain internal control issues were noted in relation to the Company's accrual system and the Audit Committee has agreed on remedial actions as proposed by the Management. Save for the aforesaid, 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 1 December 2021, Ms. Tang Wing Shan Winza resigned as the company secretary of the Company (the "**Company Secretary**") and following her resignation, Mr. Tang Chun Pong ("**Mr. Tang**") has been appointed by the Board as the Company Secretary on the same day. The primary person at the Company with whom Mr. Tang has been contacting in respect of company secretarial matters is Mr. Tan Chee Heng, financial controller of the Group.

Mr. 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

Dr. Alan Tan has been the Compliance Officer of the Company since 30 September 2020. 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 8/F, Hip Shing Hong Centre, 55 Des Voeux Road Central, Central, 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, 17M/F, 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 2021.

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

ABOUT REPUBLIC HEALTHCARE

Republic Healthcare Limited (the "**Company**"), together with its subsidiaries (collectively, the "**Group**" or "**we**"), is a leading medical general practice network accredited by the Ministry of Health of Singapore in Singapore since 2010. Starting from one single medical practice to have grown steadily over several strategic locations in Singapore, each having its 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 injection techniques, skin rejuvenation, anti-ageing, facial contouring and laser technology in 2017.

The Group's major businesses are (i) the operation of a network of general practice clinics under the brand Dr. Tan & Partners ("**DTAP**") which provides treatment solutions for common medical conditions with a focus on sexual health and infectious diseases; and (ii) the operation of 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.

ABOUT THE REPORT

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

Reporting Period

Unless otherwise specified, this ESG Report specifies the ESG activities, challenges and measures taken by the Group during the financial year ended 31 December 2021 ("**FY2021**").

Reporting Scope

The reporting scope is determined based on the materiality and revenue contribution of the business segments under the Group's direct operational control.

As the Group has closed one medical clinic in March 2021, the reporting scope of this ESG Report has been adjusted accordingly. This ESG Report covers the Group's business operations and activities at the headquarters office, 9 DTAP clinics including clinics at Tanjong Pagar, Robertson, Somerset, Holland Village, DUO Galleria, Novena, Raffles Place, Siglap, Kovan and 1 SA clinic at Scotts Road in Singapore, which is in line with the annual report. The key performance indicators ("**KPIs**") are gathered only from these operating segments. 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 (the "**ESG Reporting Guide**") as set out in Appendix 20 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on GEM 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 34 to 50 of this annual report.

During the preparation for this ESG Report, the Group has applied the reporting principles in the ESG Reporting Guide as the following:

Materiality: Materiality assessment was conducted to identify material issues during FY2021, thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. The materiality of issues was reviewed and confirmed by the board of Directors (the "**Board**") and the ESG Task Force ("**Task Force**"). For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: The standards and methodologies used in the calculation of KPIs data in this ESG Report, as well as the applicable assumptions were supplemented by explanatory notes.

Consistency: Unless otherwise stated, the preparation approach of this ESG Report was consistent with the previous year for comparison. If there are any changes in the scope of disclosure and calculation methodologies that may affect comparison with previous reports, explanations will be provided to the corresponding data.

CHAIRMAN'S STATEMENT

Dear Valued Stakeholders,

On behalf of the Board, I am pleased to present the ESG Report of the Group during FY2021, which demonstrates our growing commitment to advancing our ESG performance in respect of corporate governance, environmental protection, employment practices, operating practices and community investment.

Sustainability is of paramount importance for the planet and instrumental to the long-term prosperity and development of the Group's business. In order to pursue a sustainable business model, the Group has taken corresponding measures in its governance perspective, integrated ESG concepts into its business strategies and management system, and implemented the principles of sustainable development at operational levels.

The Group believes that a robust governance structure is critical to the effective management of ESG-related issues. It is essential for the Board to assess the potential impacts of ESG issues on the Group's overall strategy, as these issues could affect the Group's ability to generate returns. To this end, the Board sets out ESG management approach and strategy, and supervises the Group's ESG issues. Information about the Group's ESG governance structure is stated in the section headed "ESG Governance Structure".

To identify and prioritise material ESG issues that have a significant impact on our operations and stakeholders, we constantly communicate with our internal and external stakeholders, and hire an independent third party to conduct materiality assessment. Information about the stakeholder engagement channels and materiality assessment conducted by the Group is stated in the sections headed "Stakeholder Engagement" and "Materiality Assessment" respectively. In order to gain a deeper understanding of stakeholders' expectations of the Group's sustainable development, the Group will further strengthen its communication with stakeholders and formulate relevant policies and measures with reference to their opinions to enhance the Group's ESG performance.

As an enterprise that upholds corporate social responsibility, the Group acknowledges the importance of reducing its impact on the environment. To fulfil the Group's commitment, we have set quantifiable environmental targets with the aim to align with the national vision of carbon neutrality, enhance corporate reputation and optimise ESG performance. In order to achieve the targets, the Group actively incorporates ESG principles into its daily operation and adopted relevant measures. To ensure effective implementation of such measures, the Board delegates the Task Force to collect relevant ESG data, track and review our performance, and evaluate the Group's progress towards the targets.

In closing, on behalf of the Board and the management team of the Group, I would like to express my sincere gratitude to our valued stakeholders for the persistent support, while also expressing my appreciation to our employees for their valuable contribution to the development of the Group. Looking forward, the Group will continue to deepen the integration of ESG concepts both internally and externally and operate its business in a more responsible and sustainable manner in order to create sustainable value for shareholders and pursue a sustainable future.

Tan Cher Sen Alan
Chairman and Executive Director

ESG GOVERNANCE STRUCTURE

The Group has developed an ESG governance structure to ensure ESG governance aligns with its business strategy and to integrate ESG management into its business operations and decision-making process.

The Board holds the overall responsibility for the Group's ESG issues and sets out ESG management approach, strategy, priorities and objectives. In order to better manage the Group's ESG performance, related issues and potential risks, the Board regularly evaluates and determines ESG-related risks and opportunities of the Group, as well as reviews its performance against ESG-related targets. The Board is also responsible for ensuring the effectiveness of the Group's risk management and internal control systems and approving disclosures in the ESG report.

To develop systematic management of ESG issues under the Board's delegations, the Group has established the Task Force. The Task Force is composed of core members from various departments, which facilitates the Board's oversight of ESG matters. The Task Force has the responsibility for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, keeping track of and reviewing the progress made against the Group's ESG-related targets, ensuring compliance with ESG-related laws and regulations, assisting in conducting materiality assessment and preparing ESG reports. The Task Force arranges meetings regularly to evaluate the effectiveness of current policies and procedures, and formulates appropriate solutions to improve the overall performance of ESG policies. The Task Force reports to the Board periodically, assists in assessing and identifying the Group's ESG risks and opportunities, ensuring the implementation and effectiveness of the risk management and internal control systems.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding its businesses and ESG issues. To fully understand, respond and address the core concerns of different stakeholders, the Group maintains close communication with its key stakeholders regularly, including but not limited to, shareholders and investors, patients and customers, suppliers, employees, regulatory bodies and government authorities, and the community, non-governmental organisations ("**NGOs**") and 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.

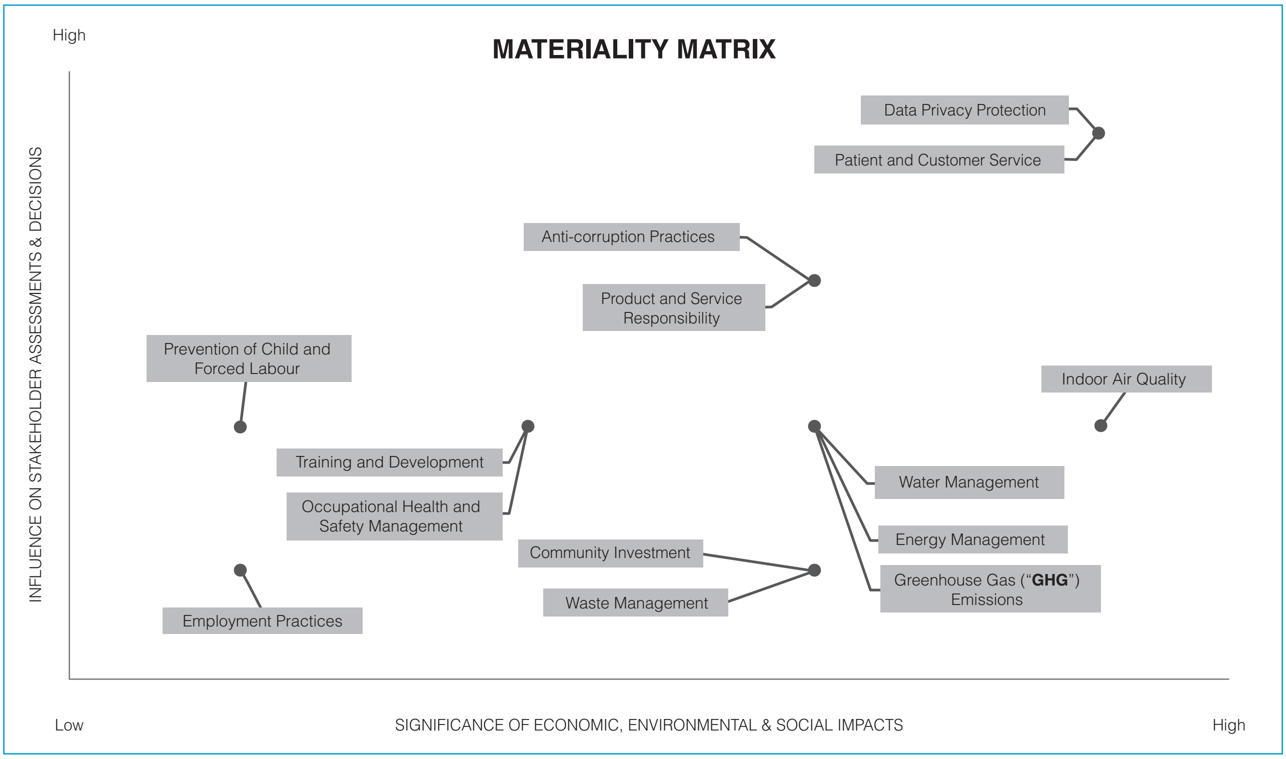
Stakeholders' expectations have been taken into consideration by utilising diversified engagement methods and communication channels as shown below:

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 and training • 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, NGOs and media	• Giving back to society • Environmental protection • Social welfare • Health and safety	• Community activities • ESG reports • Media

MATERIALITY ASSESSMENT

In hope of understanding the views and expectations of stakeholders on the Group's ESG performance effectively, we conduct the materiality assessment regularly. With reference to the Group's business development strategy and industry practices, the Group identified and determined a list of material ESG issues. The Group prepared a questionnaire based on the list and invited relevant stakeholders to rate the potential material issues according to the level of importance of the ESG issues and their impacts on the economy, environment and society. The results of the survey were analysed to develop a materiality matrix. The materiality matrix and the identified material topics were reviewed and confirmed by the Board and the Task Force and disclosed in the ESG Report.

The following matrix is a summary of the Group's material ESG issues:



For FY2021, 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

Environmental protection and sustainable development rely on concerted efforts from all industries and society. The Group is committed to expanding its business without compromising on environmental conservancy. Therefore, the Group strives to integrate environmental sustainability into its business operations by implementing green measures 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. Nevertheless, the Group continuously improves relevant guidelines on GHG emissions and waste disposal, 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 FY2021, 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 FY2021 were immaterial, and no relevant targets were set.

GHG Emissions

The principal GHG emissions of the Group were energy indirect GHG emissions (Scope 2) generated from purchased electricity. The Group did not consume any fossil fuels on site, and therefore did not generate any direct GHG emissions (Scope 1). In response to the growing concerns about climate change, the Group has set a target of reducing the total GHG emissions intensity by 5% by the financial year ended 31 December 2025 ("**FY2025**") compared to FY2021.

In order to mitigate GHG emissions, the Group has implemented measures to reduce electricity consumption, relevant measures are mentioned in the section headed "Energy Efficiency" under aspect A2. Through the implementation of the above measures, employees' awareness of reducing GHG emissions has been noted to have increased.

The Group has resumed its aesthetic services following the implementation of a very stringent safe distancing measures (the "**Circuit Breaker**") by the Singapore government for a period of 2 months in the financial year ended 31 December 2020 ("**FY2020**"). In addition, the Group has refined its data collection system to record the actual consumption during FY2021. As a result, the total GHG emissions intensity has increased significantly compared to FY2020. Summary of the Group's GHG emissions performance:

Indicators[1]	Unit	FY2021	FY2020
Scope 1 — Direct GHG Emissions	tCO_2e[2]	–	–
Scope 2 — Energy Indirect GHG Emissions			
• Purchased Electricity	tCO_2e	**38.81**	30.55
Total GHG Emissions	tCO_2e	**38.81**	30.55
Total GHG Emissions Intensity[3]	tCO_2e/million revenue (S$)	**2.90**	2.23

Notes:

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. The Group recorded a revenue of approximately S$13.366 million in FY2021 (FY2020: 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 discharged into water and land is insignificant. Since the wastewater discharged by the Group is discharged into the municipal sewage pipeline network for processing, the amount of water consumption of the Group represents the wastewater discharge volume.

Waste Management

Hazardous Waste Management

Due to the Group's business nature, the major hazardous waste produced in the Group's operations was clinical waste. To minimise its impact on the environment, the Group has set a target of reducing the total hazardous waste intensity by 5% by FY2025 compared to FY2021.

The Group remains vigilant to the management of proper clinical waste 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 of medical waste at each of the clinics and disposal in 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.

The Group has resumed its aesthetic services following the implementation of the Circuit Breaker by the Singapore government in FY2020. In addition, the Group has refined its data collection system to record the actual amount of waste generated during FY2021. As a result, the total hazardous waste intensity in FY2021 has increased significantly compared to FY2020. Summary of the Group's hazardous waste generation performance:

Types of Waste	Unit	FY2021	FY2020
Total Hazardous Waste			
• Clinical Waste	tonnes	**1.38**	0.35
Total Hazardous Waste Intensity	tonnes/million revenue (S$)	**0.10**	0.03

Non-hazardous Waste Management

Non-hazardous waste generated by the Group was principally office paper. The Group will gradually reduce its total non-hazardous wastes intensity over the next five years. Using FY2021 as the base year, we expect to reduce the total non-hazardous waste intensity by 5% by FY2025 and will increase its paper recycling volume by 5%. The Group will conduct annual activities such as seminars to raise awareness of waste reduction among employees.

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, which include but are not limited to:

- Reuse single-sided paper;
- Recycle office paper, including those that are to be shredded;
- Set duplex printing as the default mode for office printers;
- Encourage our patients to receive electronic invoices, medical certificates, laboratory reports and imaging reports instead of printing physical copies; and
- Encourage our vendors to issue electronic invoices and encourage our laboratory partners and imaging partners to issue electronic reports.

The Group has resumed its aesthetic services following the implementation of the Circuit Breaker by the Singapore government in FY2020. In addition, the Group has refined its data collection system to record the actual amount of waste generated during FY2021. Therefore, the total non-hazardous waste intensity has increased significantly compared to FY2020. Summary of the Group's non-hazardous waste generation performance:

Types of Waste	Unit	FY2021	FY2020
Total Non-hazardous Waste			
• Office Paper	tonnes	**3.77**	1.11
Total Non-hazardous Waste Intensity	tonnes/million revenue (S$)	**0.28**	0.08

A2. Use of Resources

The Group upholds and promotes the principle of efficient use of resources. We have introduced relevant environmental guidelines to reduce the environmental impact arising from its business operations. The Group recognises the scarcity of finite natural resources and has therefore implemented policies to better govern the use of resources.

Energy Efficiency

The energy consumption by the Group was mainly attributed from the use of purchased electricity. The Group has set a target of reducing the total energy consumption intensity gradually over the next 5 years. Using FY2021 as the base year, we expect to reduce the electricity consumption intensity by 5% by FY2025. Moreover, the Group will replace all lighting in offices and clinics to LED lights by FY2025. Activities such as seminars will also be held annually to raise awareness of energy conservation among employees.

The Group strives to further reduce energy consumption by adopting the following energy-saving measures:

- Set all electrical appliances and medical equipment to energy-saving mode;
- Switch off all idle appliances and unnecessary lightings upon leaving the office and clinics
- Enhance the maintenance and repairment of air-conditioners and computers to ensure the best condition of all electronic devices and the efficient use of electricity; and
- Investigate any abnormal electricity consumption, find out the root cause, and take remedial measures to prevent recurrence of similar incidents.

The Group has resumed its aesthetic services following the implementation of the Circuit Breaker by the Singapore government in FY2020. In addition, the Group has refined its data collection system to record the actual consumption during FY2021. Therefore, the total energy consumption intensity has increased significantly compared to FY2020. Summary of the Group's energy consumption performance:

Types of Energy	Unit	FY2021	FY2020
Direct Energy Consumption	kWh	–	–
Indirect Energy Consumption			
• Purchased Electricity	kWh	**95,124.00**	74,780.00
Total Energy Consumption	kWh	**95,124.00**	74,780.00
Total Energy Consumption Intensity	kWh/million revenue (S$)	**7,116.86**	5,458.39

Water Efficiency

Water was mainly used for clinical operations. Due to the geographical location of the Group's operations, the Group did not encounter any issue in sourcing water that is fit for purpose.

To reaffirm the Group's commitment to water conservation, the Group has set a target of reducing the total water consumption intensity gradually over the next 5 years. Using FY2021 as the base year, we expect to reduce the water consumption intensity by 5% by FY2025. The Group will also organise annual activities such as participating in World Water Day and sending water-saving information via email.

The Group actively promotes the importance of water conservation to its employees. The Group encourages its employees to monitor water usage in the clinics on a monthly basis to identify sudden spikes in consumption as well as water leaking in the piping system.

The Group has resumed its aesthetic services following the implementation of the Circuit Breaker by the Singapore government in FY2020. In addition, the Group has refined its data collection system to record the actual consumption during FY2021. As a result, the total water consumption intensity has therefore increased significantly compared to FY2020. Summary of the Group's water consumption performance:

Indicators	Unit	FY2021	FY2020
Total Water Consumption	m^3	**171.07**	100.20
Total Water Consumption Intensity	m^3/million revenue (S$)	**12.80**	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. The Environment and Natural Resources

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 from its business operations. The Group remains conscious of its potential impact, and therefore, regularly assesses the environmental risks of its business model, adopts relevant guidelines and 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 FY2021, the indoor air quality of the Group's office has been satisfactory. To improve indoor air quality, air filtration systems are in place in the office and cleaned periodically. These measures resulted in maintaining indoor air quality at a satisfactory level.

A4. Climate Change

Climate change poses escalating risks and challenges to the global economy, and such risks may inevitably spread to the medical service industry. In response to the community's gradual concern on climate changes and related issues, the Group has implemented relevant management approach on climate-related issues, climate mitigation, adaptation and resilience across its operations and along the value chain.

Pursuant to the international recommendations from Task Force on Climate-Related Financial Disclosures ("**TCFD**") established by the Financial Stability Board, the management of the Group has evaluated and recognised the impact of climate-related risks on the Group's business and corresponding opportunities. With reference to the risk categorisation by TCFD, the identified climate-related risks of the Group and corresponding actions taken to manage them are as follows:

Physical Risks

The increased frequency and severity of extreme weather events such as rising temperature and heavy rainfall events could result in direct damage to the Group's clinics, halt our business operations, and obstruct and injure our employees on the road or during their work. The Group may also experience indirect impacts from the disruption to its supply chain. As a countermeasure, the Group has formulated business continuity plans for emergencies so that loss can be reduced or avoided when extreme weather events affect the Group's operating sites. The Group may also source from alternative suppliers in the event of our suppliers being affected by extreme weather conditions. The Group will identify these risks and prioritise those that may have a significant impact to take precautionary measures in the first place.

Transition Risks

There are more stringent climate-related legislations and regulations to support the global vision of decarbonisation. For instance, the Stock Exchange has required listed companies to enhance climate-related disclosures in their ESG reports. Stricter environmental laws and regulations may expose enterprises to higher risks of claims and lawsuits. Corporate reputation may also decline due to failure to meet the compliance requirements for climate change. The Group's related capital investment and compliance costs may increase. In response to the policy and legal risks as well as the reputation risks, the Group regularly monitors existing and emerging trends, climate-related policies and regulations and be prepared to alert the top management to avoid cost increments, non-compliance fines or reputation risks due to delayed response. The Group will continue to assess the effectiveness of the Group's actions on climate change and enhance its resilience against climate-related issues.

B. SOCIAL

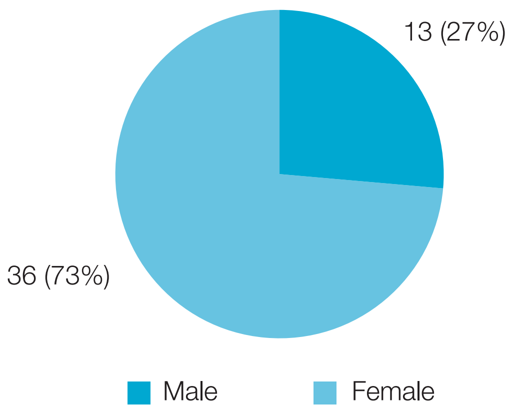
B1. Employment

Human resources are the cornerstone of the Group. The Group attaches great importance to its employees' contribution and dedication to sustainable business development. Human resources 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.

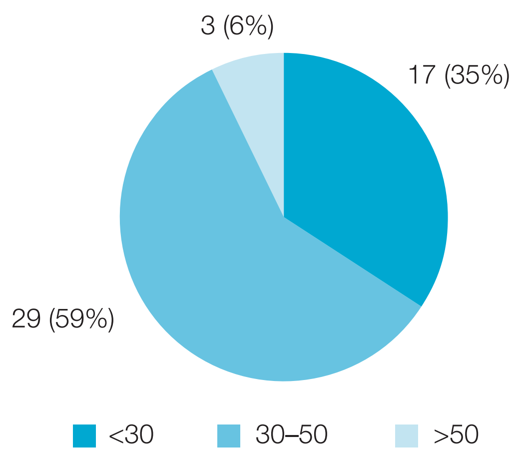
During FY2021, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Act of Singapore.

As at 31 December 2021, the Group had a total of 49 employees within the reporting scope, all of whom were located in Singapore. Employees' breakdown by gender, age group and employment type was as follows:

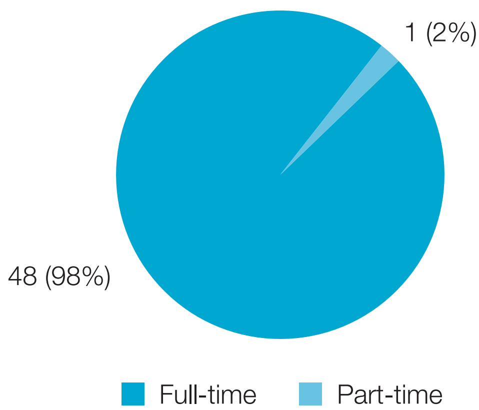
Employee Distribution by Gender



Employee Distribution by Age Group



Employee Distribution by Employment Type



During FY2021, the employee turnover rate[4] of the Group is 103% and the composition is shown as follows:

Indicators	FY2021
By Gender	
Male	94%
Female	106%
By Age Group	
<30	88%
30–50	109%
>50	150%

Note:

4. The employee turnover rate is calculated by dividing the number of employees leaving employment during FY2021 by the average number of employees at the beginning and the end of FY2021.

Recruitment, Remuneration, Performance Appraisal and Dismissal

Employees' qualifications, 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 most suitable and qualified candidates through open recruitment or internal promotion processes. 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 of 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 benefits as well as 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 employees and the appraisal result will be used in their annual salary review and promotion consideration.

Detailed resignation or termination process has been 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

Occupational Health and Safety Management

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 include 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. In addition, they are responsible for the implementation and planning of proper administrative procedures, including adhering to an agreed reporting structure and investigation methodology of accidents occurring within the workplace. In the past three years including FY2021, there were zero reported work-related fatalities and no lost days due to work injury.

During FY2021, 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.

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

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 is conducted before the employees and patients enter the Group's operating locations. Vendors and suppliers are 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 are to be worn at all times except during meals or the consumption of fluids. Employees are required to strictly enforce social distancing to prevent congregating in the premises during breaks or lunchtime. Any employees who felt unwell are advised to seek medical assistance. All physical meetings are replaced by virtual meetings to reduce the risk of spreading the virus.

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

(1) A separated room should be used to perform the swab test of patients;

(2) Doctors or nurses performing the swab test should be in full personal protective equipment;

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

(4) All surfaces and high touch surfaces should be 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 has disinfected as mentioned above, no one is allowed to enter the room for 30 minutes. Thereafter, another terminal disinfection using either diluted chlorine solution or disinfectant wipes can be conducted again.

All employees except those with contraindications to the COVID-19 vaccine were encouraged to get vaccinated. Thus far, all doctors, clinical assistants and headquarters staff have completed 2 doses of Pfizer vaccine.

B3. Development and Training

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 a 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. The Group has formulated relevant training policy in its Employee Policy to govern the Group's training programmes.

Provision of Training Opportunities

All new clinical assistants are provided with on-the-job training by the Group's in-house doctors or senior clinic staff on topics such as company vision, team structure, services provided, job duties and responsibilities, uniform requirements, customer services, daily clinic operations and administrative duties, as well as practical clinical procedures. To evaluate the effectiveness of the training programme and staff performance, the Group's in-house doctors 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.

Apart from internal training, the Group also arranges its doctors and staff to attend industry conferences, seminars and workshops to keep up with the latest development in the industry. To ensure the safety and smooth operation of its healthcare services, the Group also invites medical device suppliers to provide training in relation to the use of a new product, service-related knowledge and safety precautions of medical equipment.

During FY2021, the percentage of employees trained by the Group was approximately 16%[5], and the average training hours completed per employee was approximately 2.14 hours[6]. The breakdown of the percentage of employees trained and the average number of training hours completed per employee by gender and employee category is as follows:

Indicators	Percentage of Employees Trained[7]	Average Training Hours[8]
By Gender		
Male	25%	3.92
Female	75%	1.50
By Employee Category		
Senior management	25%	10.20
Doctors and clinical staff	62%	1.29
Administrative staff	13%	1.00

Notes:

5. This percentage is calculated by dividing the total number of employees who took part in training during FY2021 by the total number of employees at the end of FY2021.

6. The average training hours completed per employee is calculated by dividing the total number of training hours during FY2021 by the total number of employees at the end of FY2021.

7. The percentage of employees trained by category is calculated by dividing the number of employees in the specified category who took part in training during FY2021 by the total number of employees who took part in training during FY2021.

8. The average training hours by category is calculated by dividing the number of training hours for employees in the specified category during FY2021 by the number of employees in the specified category at the end of FY2021.

B4. Labour Standards

Prevention of Child and Forced Labour

The Group respects the provisions outlined by relevant 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 is collected during the recruitment process to assist the selection of suitable candidates and 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 in order to eliminate such practices.

During FY2021, 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

Procurement Practices

The Group places great emphasis on maintaining quality and safety standards along the supply chain as these factors could directly affect the Group's reputation, service quality and competitiveness. The Group mainly purchases medications, skincare products and medical devices as well as engages 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 practice. During the procurement process, the Group takes into account suppliers' job reference, technical submission, prevailing market price, delivery time and reputation. To ensure the stability of its supply chain and lower the risk of disruption, the Group strives to maintain a sustainable relationship with existing reputable suppliers who could meet the requirements mentioned in the said policy and provide us with the best quality products. In FY2021, the Group had a total of 70 key suppliers, all of which are in Singapore and have gone through the procurement practice of the Group.

Sustainable Procurement

The Group also expects suppliers to meet its standards in terms of environment, society, corporate governance, business ethics, etc. The Group will conduct thorough due diligence prior to establishing any long-term business relationship with potential suppliers. Due diligence is conducted to evaluate the environmental and social risks of suppliers' operation and business, and to ensure suppliers' compliance with trade laws, relevant environmental and social regulations as well as the Group's requirements. Any material violation of laws and regulations may lead to the termination of supplier contracts.

Additionally, 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 also prioritises suppliers that use environmentally preferable products and services during the selection process. Through the above approaches, the Group strives to minimise the potential environmental and social risks in the supply chain. The Group will continue to review its supply chain periodically with regard to the suppliers' performance and environmental and social standards.

B6. Product Responsibility

The Group believes product and service quality is one of the key factors in gaining patient's trust. During FY2021, 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 medications and skincare products. Approval must be obtained from in-house doctors of the Group prior to the acceptance of any new over-the-counter 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 for the SA brand skincare products. In-house doctors will review 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 assess for potential defects.

In addition, the sales and operation staff will perform an inspection upon delivery of the new products to ensure that there are no physical damages on the products, the products have not passed the expiry date and clear 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 on a monthly basis to ensure no product exceeds the expiry date. The Group has also formulated standardised procedures in monitoring the environment for product storage. Medications are to be stored at room temperature, away from sunlight, while cold chain items are to be stored in the fridge and dispensed with ice-packs. Staff are required to maintain a temperature log, and report to the operation team if the temperature is out of the acceptable range. As the Group is not involved in any manufacturing activities, no recall of products due to health and safety reasons is required.

The Group is committed to offering quality and professional medical services. We have formulated standardised treatment protocols and medical equipment handling procedures for its DTAP clinics. Guidelines on routine medical procedures and basic clinical and laboratory procedures have been communicated to the clinical assistants to improve medical service capability and maintain the hygiene and safety of the clinics.

Insisting on the patient-oriented service philosophy, the Group attaches great importance to clinic-patient relations and strives to maintain standardised service quality. To provide a quality and warm service experience to its patients, the Group has offered training and circulated guidelines to its staff on customer services and phone etiquette under different scenarios. Besides, the Group has regulated medical dispute handling procedures to ensure the smooth operation of medical services. Clinic staff are required to address the complaints with a professional attitude and follow up with the patients to ensure that corrective action has been taken effectively. In FY2021, the Group received no complaints regarding the Group's services.

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.

Intellectual Property Rights

Despite intellectual property rights are not considered a material ESG aspect to the Group due to the Group's business nature, the Group has established relevant policies to govern the information technology management within the Group. Also, the IT Department is in charge of securing proper licenses for software, hardware and information the Group uses in its business operation. Duplication or downloading of information, software, and images from the internet must be approved by relevant department. Furthermore, the Group closely monitors and prevents any infringement behaviour such as counterfeit trademarks in the market. The Group will continue to monitor to ensure that its intellectual property rights are not being infringed upon.

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 the Singapore Ministry of Health to all employees to ensure patients' and customers' data and preferences are handled with due care.

B7. Anti-corruption

The Group affirms its zero-tolerance stance regarding corruption, bribery, extortion, money laundering and other fraudulent activities in connection with any of its business operations. The Group has formulated a Code of Conduct and Discipline Policy in its Internal Control Manual, which contains terms on anti-bribery and the penalties for offences against business ethics. All employees and the management of the Group are required to strictly comply with the said policy, which states that employees are prohibited, with only limited exceptions, from receiving tips and gifts from any person. Any incidents of acceptance of or solicitation for such benefits will be thoroughly investigated and disciplinary actions will be taken accordingly. Corporate governance training, which covers the anti-corruption provisions outlined in the said policy, knowledge on anti-corruption legislation as well as necessary skills to handle ethical dilemmas at the workplace, is provided to raise employees' awareness.

During FY2021, 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 FY2021, there were no concluded legal cases regarding any forms of bribery, extortion, fraud and money laundering brought against the Group or its employees. Due to the impact of the COVID-19 pandemic, the Group has not provided anti-corruption training in FY2021, but will arrange anti-corruption related training for directors and staff to reinforce the concept of integrity.

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 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

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. Focusing on improving community health, 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.

In view of the impact of the COVID-19 outbreak, the Group strictly complies with the pandemic prevention guidelines announced by the Singapore government and therefore did not arrange any public welfare activities in FY2021 to protect the health of our employees and minimise business risks.

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

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	ESG Governance Structure
Reporting Principles	About The Report — Reporting Framework
Reporting Boundary	About The Report — Reporting Scope

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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Air Emissions (Not applicable — Explained)
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — Waste Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions — GHG Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions — Waste Management
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	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources — Energy Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources — Water Efficiency
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources — Energy Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources — Water Efficiency
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources — Use of Packaging Material (Not applicable — Explained)

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	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 — Indoor Air Quality
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change — Physical Risks, Transition Risks
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (a) 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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (b) the policies; and (c) 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	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety — Occupational Health and Safety Management
KPI B2.2	Lost days due to work injury.	Health and Safety — Occupational Health and Safety Management
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	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
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training — Provision of Training Opportunities
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training — Provision of Training Opportunities
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	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards — Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards — Prevention of Child and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management — Procurement Practices
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management — Procurement Practices

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management — Sustainable Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management — Sustainable Procurement
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 Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility — Quality Control of Products and Services (Not applicable — Explained)
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility — Quality Control of Products and Services
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility — Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility — Quality Control of Products and Services

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility — Data Privacy Protection and Patients' Informed Consent
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	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
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption — Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REPUBLIC HEALTHCARE LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 85 to 139, which comprise the consolidated balance sheet of the Group as at 31 December 2021, 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 2021 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 2021. 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$13,365,993 for the financial year ended 31 December 2021.

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. Revenue from treatment services satisfied within the day of the customer's visit is recognised at a point in time upon completion of the services. Within treatment 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 2021 Annual 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, 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 matter. 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

23 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	**2021** **S$**	2020 (Restated) S$
Revenue	*5*	**13,365,993**	13,724,406
Other income and other gains	*6*	**1,032,522**	1,119,889
Consumables and medical supplies used		**(3,261,314)**	(3,153,969)
Medical professional costs		**(977,678)**	(973,504)
Employee benefit expenses	*7*	**(6,079,741)**	(6,310,958)
Depreciation of plant and equipment	*12*	**(635,172)**	(444,251)
Depreciation of right-of-use assets	*13*	**(1,228,032)**	(984,454)
Interest expense on lease liabilities	*13*	**(117,648)**	(117,598)
Other operating expenses		**(3,116,891)**	(2,973,275)
Loss before income tax	*8*	**(1,017,961)**	(113,714)
Income tax (credit)/expense	*9*	**20,030**	(29,895)
Loss after income tax		**(997,931)**	(143,609)
Other comprehensive income/(loss):			
Items that are or may not be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation		**7,177**	(21,579)
Total comprehensive loss for the financial year attributable to owners of the Company		**(990,754)**	(165,188)
Loss per share attributable to owners of the Company for the financial year (expressed in Singapore cents per share)			
Basic and diluted	*10*	**(0.18)**	(0.03)

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

CONSOLIDATED BALANCE SHEET

At 31 December 2021

	Note	2021 S$	2020 (Restated) S$
Non-current assets			
Plant and equipment	12	**826,650**	845,395
Right-of-use assets	13	**1,602,052**	2,954,644
Deposits, prepayments and other receivables	15	**51,000**	99,000
Total non-current assets		**2,479,702**	3,899,039
Current assets			
Trade receivables	14	**63,931**	84,742
Deposits, prepayments and other receivables	15	**1,974,405**	1,409,152
Other financial assets at amortised cost	16	**999,034**	–
Inventories	17	**472,488**	883,274
Cash and cash equivalents	18	**13,275,871**	13,068,057
Total current assets		**16,785,729**	15,445,225
Total assets		**19,265,431**	19,344,264
Non-current liabilities			
Lease liabilities	13	**737,588**	1,698,873
Provision for reinstatement costs	19	**213,843**	237,969
Deferred tax liabilities	20	**8,000**	8,000
Total non-current liabilities		**959,431**	1,944,842
Current liabilities			
Trade payables	21	**432,166**	1,060,650
Contract liabilities	5	**415,782**	561,935
Accruals and other payables	22	**832,349**	1,266,933
Lease liabilities	13	**811,897**	1,056,659
Provision for reinstatement costs	19	**108,571**	148,640
Amount due to a director	24(a)	**105,876**	177,801
Income tax payable		**6,327**	79,811
Total current liabilities		**2,712,968**	4,352,429
Total liabilities		**3,672,399**	6,297,271
Net assets		**15,593,032**	13,046,993

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

	Note	**2021** **S$**	2020 (Restated) S$
Equity and reserves			
Share capital	*23(a)*	**1,076,888**	896,552
Share premium	*23(b)*	**14,066,878**	10,710,421
Currency translation reserve	*23(c)*	**(14,402)**	(21,579)
Other reserves		**420,000**	420,000
Retained earnings		**43,668**	1,041,599
Total equity		**15,593,032**	13,046,993

The consolidated financial statements on pages 85 to 139 were approved and authorised for issue by the Board of Directors on 23 March 2022 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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Note	Share capital S$	Share premium S$	Currency translation reserve S$	Other reserves* S$	Retained earnings S$	Total equity S$
Balance at 1 January 2020		896,552	10,710,421	–	420,000	1,185,208	13,212,181
Loss for the financial year (Restated)	*32*	–	–	–	–	(143,609)	(143,609)
Other comprehensive loss							
Currency translation differences arising on consolidation		–	–	(21,579)	–	–	(21,579)
Total comprehensive loss for the financial year (Restated)		–	–	(21,579)	–	(143,609)	(165,188)
Balance at 31 December 2020 (Restated)	*32*	896,552	10,710,421	(21,579)	420,000	1,041,599	13,046,993
Loss for the financial year		–	–	–	–	(997,931)	(997,931)
Other comprehensive income							
Currency translation differences arising on consolidation		–	–	7,177	–	–	7,177
Total comprehensive income/(loss) for the financial year		–	–	7,177	–	(997,931)	(990,754)
Issuance of shares upon placing, net of transaction costs	*23*	180,336	3,356,457	–	–	–	3,536,793
Balance as at 31 December 2021		**1,076,888**	**14,066,878**	**(14,402)**	**420,000**	**43,668**	**15,593,032**

Note:

* Other reserves as at 31 December 2021 and 31 December 2020 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.

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

For the financial year ended 31 December 2021

	Note	2021 S$	2020 (Restated) S$
Cash flows from operating activities			
Loss before income tax		**(1,017,961)**	(113,714)
Adjustments for:			
Bad debts written-off on trade receivables		**816**	33,339
Depreciation of plant and equipment	12	**635,172**	444,251
Depreciation of right-of-use assets	13	**1,228,032**	984,454
Write-off of plant and equipment	8	**3,262**	7,958
Foreign currency exchange gain		**–**	(69,958)
Loss/(gain) on derecognition of right-of-use assets and lease liabilities	6, 8	**23,805**	(3,320)
Gain on lease modifications	6	**(3,377)**	(12,756)
Interest expense on lease liabilities	13	**117,648**	117,598
Interest income	6	**(11,409)**	(16,457)
Reversal of provision for reinstatement costs	19	**(53,709)**	–
Rent concessions	6	**(29,895)**	(241,366)
Operating cash flows before working capital changes		**892,384**	1,130,029
Inventories		**410,786**	(356,218)
Receivables		**(547,258)**	(619,311)
Payables and contract liabilities		**(1,209,221)**	1,006,375
Provision for reinstatement costs	19	**(10,486)**	(5,500)
Cash (used in)/generated from operations		**(463,795)**	1,155,375
Income tax paid		**(53,454)**	(603,865)
Currency translation adjustments		**7,177**	(21,579)
Net cash (used in)/generated from operating activities		**(510,072)**	529,931
Cash flows from investing activities			
Interest received		**11,409**	127,435
Purchases of plant and equipment	12	**(619,689)**	(538,933)
(Purchase)/redemption of financial assets at amortised cost		**(999,034)**	8,077,977
Repayment from/(loan to) a third party		**50,000**	(50,000)
Net cash (used in)/generated from investing activities		**(1,557,314)**	7,616,479
Cash flows from financing activities			
Proceeds from share issue	23	**3,631,975**	–
Share issuance expenses paid	23	**(95,182)**	–
Repayment of lease liabilities	30	**(1,072,020)**	(697,299)
Placement of fixed deposits pledged	18	**–**	(130,000)
Interest paid	30	**(117,648)**	(110,109)
Repayment to a director	30	**(71,925)**	(181,019)
Net cash generated from/(used in) financing activities		**2,275,200**	(1,118,427)
Increase in cash and cash equivalents		**207,814**	7,027,983
Cash and cash equivalents at beginning of the financial year		**12,938,057**	5,910,074
Cash and cash equivalents at end of the financial year	18	**13,145,871**	12,938,057

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

NOTES TO THE CONSOLIDATED 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

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.

There are no such reorganisation of business within the Group during the current financial year.

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 (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards that are adopted

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. 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 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 2021 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.

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)

If business combinations involve entities or businesses under common control, they are accounted for by applying the pooling of interest method. Under this method, the Company is treated as the holding company of the subsidiaries as if the combination had occurred from the date the subsidiaries first came under control of the same shareholders, 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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

(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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Plant and equipment Continued)

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 years
Computers and office equipment	3 years

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, investment in financial instruments 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. Amounts received above the nominal is recorded as a share premium.

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 financial 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 treatment services, medical investigation services and consultation services.

Revenue from provision of treatment services relate to contracts with patients in which the performance obligations are to provide the required clinical or aesthetics treatment services to the patients. Revenue from treatment services satisfied within the day of the customer's visit is recognised at a point in time upon completion of the services. 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.

Revenue from provision of consultation services and medical investigation services relate to contracts with patients in 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.

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.

2.21 Borrowing costs

Borrowing costs are recognised in the profit or loss using the effective interest method.

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$78,000 (2020: S$446,544).

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Key sources of estimation uncertainty

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, are discussed below.

Impairment of plant and equipment and right-of-use assets

The Group assesses at each reporting period whether there is an indication that its plant and equipment and right-of-use assets may be impaired. The assessment requires an estimation of the recoverable amount of the plant and equipment and right-of-use assets. This requires the Group to make an estimate of the expected operating cash flows and to choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount is most sensitive to the discount rates and the forecasted annual growth rates used during the discounted cash flow period.

The carrying value of the Group's plant and equipment and right-of-use assets as at 31 December 2021 was S$826,650 (2020: S$845,395) and S$1,602,052 (2020: S$2,954,644) respectively. No impairment loss on plant and equipment and right-of-use assets was recorded for the financial year ended 31 December 2021 and 31 December 2020.

4 SEGMENT INFORMATION

The CODM has been identified as the executive director 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% (2020: 100%) of the Group revenue were generated from external customers located in Singapore for the financial year ended 31 December 2021 and 31 December 2020. All of the assets of the Group were located in Singapore as at 31 December 2021 and 31 December 2020. 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:

	2021 S$	2020 S$
Medical services		
Treatment services	**9,343,613**	9,046,260
Medical investigation services	**2,852,751**	3,382,497
Consultation services	**1,169,629**	1,295,649
	13,365,993	13,724,406
Timing of revenue recognition		
At a point in time	**12,594,480**	12,998,197
Over time	**771,513**	726,209
	13,365,993	13,724,406

There was no revenue from any individual patient contributing over 10% (2020: 10%) of the total revenue of the Group for the financial year ended 31 December 2021 and 31 December 2020.

Contract liabilities relate to deferred revenue. Contract liabilities are recognised as revenue when the Group satisfies the performance obligations under its contracts.

	31.12.2021 S$	31.12.2020 S$	1.1.2020 S$
Contract liabilities			
Aesthetics service treatments*	**372,567**	561,935	381,811
Deferred grant**	**43,215**	–	–
	415,782	561,935	381,811

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

* The Group receives payments from customers based on package arrangements of aesthetics services as established in contracts.

** During the financial year, the Group received S$47,500 education grant from a non-related party to support a Community Education Cum Screening Efforts programme which offers free testing to the public.

5 REVENUE (Continued)

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

	2021 **S$**	2020 S$
Interest income:		
– Short term bank deposits	**48**	1,317
– Financial instruments at amortised cost	**3,211**	15,140
– Staff loan	**8,150**	–
	11,409	16,457
Jobs Support Scheme ("JSS")*	**210,093**	521,151
Other government grant income**	**213,437**	115,723
Rent concessions	**29,895**	241,366
Rental Support Scheme ("RSS")***	**87,688**	–
Gain on lease modifications	**3,377**	12,756
Gain on derecognition of right-of-use assets and lease liabilities	**–**	3,320
Sundry income	**22,271**	49,708
Consultancy fee income	**372,896**	–
Foreign currency exchange gains	**27,747**	159,408
Reversal of provision for reinstatement costs (Note 19)	**53,709**	–
	1,032,522	1,119,889

* JSS grant income of S$210,093 (2020: S$521,151) 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. The JSS is a temporary scheme introduced in the Singapore Budget 2020 and had been extended up to 2021 by the Government.

** Included within other government grant income are cash grants from Enterprise Singapore, Lifelong Learning Endowment Fund, Wage Credit Scheme and P-max grant.

*** RSS grant income of S$87,688 (2020: S$Nil) was recognised during the financial year under the Rental Support Scheme (the "RSS"). Under the RSS, the Singapore Government will provide rental relief to small and medium enterprises that are tenant-occupiers of qualifying commercial properties.

7 EMPLOYEE BENEFITS EXPENSES, INCLUDING DIRECTORS' EMOLUMENTS

(a) Employee benefits expenses

	2021 S$	2020 S$
Wages and salaries	**5,494,610**	5,698,701
Employer's contribution to defined contribution plans	**410,370**	390,847
Other benefits	**174,761**	221,410
	6,079,741	6,310,958

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the financial year ended 31 December 2021 includes the Executive Director (2020: Executive Director and Chief Executive Officer) whose emoluments are reflected in the analysis shown in Note 7(c). The emoluments payable to the remaining four (2020: three) individuals during the year are as follows:

	2021 S$	2020 S$
Wages and salaries	**945,548**	1,136,395
Employer's contribution to defined contribution plans	**66,149**	36,759
	1,011,697	1,173,154

The emoluments payable to the remaining four (2020: three) individuals above fell within the following bands:

	Number of individuals	
	2021	2020
Emolument band		
HK$1,000,001– HK$2,000,000		
(equivalent to S$172,851– S$345,700)	**4**	2
HK$2,000,001– HK$4,000,000		
(equivalent to S$345,701– S$691,400)	**–**	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 2021 and 31 December 2020.

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

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

For the financial year ended 31 December 2021:

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	720,000	–	6,392	17,340	779,732
Non-Executive director:						
Mr. Wen Yongwen *(appointed on 9 August 2021 and resigned on 17 February 2022)*	9,524	–	–	–	–	9,524
Independent non-executive directors:						
Mr. Soh Sai Kiang	24,000	–	–	–	–	24,000
Mr. Kevin John Chia	24,000	–	–	–	–	24,000
Mr. Yeo Teck Chuan *(appointed on 1 August 2021)*	10,000	–	–	–	–	10,000
Mr. Low Wee Siong *(resigned on 12 May 2021)*	8,775	–	–	–	–	8,775
	66,775	–	–	–	–	66,775
Deputy CEO						
Dr. Ng Siew Boon	–	185,200	–	25,537	13,012	223,749

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 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
Deputy CEO						
Dr. Ng Siew Boon *(appointed on 16 November 2020)*	–	22,650	–	–	1,530	24,180
	–	496,607	–	–	12,750	509,357

The remuneration shown above represents remuneration received and receivable from the Group by directors and Deputy Chief Executive Officer (2020: directors, Chief Executive Officer and Deputy 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 2021 (2020: Same).

(d) Appointment of non-executive director and independent non-executive directors

2021

Mr. Wen Yongwen was appointed as the Company's non-executive director on 9 August 2021.

Mr. Yeo Teck Chuan was appointed as the Company's independent non-executive director on 1 August 2021.

2020

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

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 2021 and 31 December 2020.

(f) Directors' termination benefits

None of the directors received or will receive any termination benefits during the financial years ended 31 December 2021 and 31 December 2020.

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

During the financial years ended 31 December 2021 and 31 December 2020, 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 2021 and 31 December 2020, 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 2021 and 31 December 2020.

8 LOSS BEFORE INCOME TAX

In addition to the profit and loss line items disclosed elsewhere in the notes to the financial statements, the loss before income tax is arrived at after charging:

	2021 **S$**	2020 S$
Auditor's remuneration	**130,000**	140,000
Fees for non-audit services paid to		
– auditor of the Company	**28,668**	–
– Baker Tilly Hong Kong for tax consultation*	**6,392**	–
Legal and professional fees	**192,058**	297,023
Consultation expenses	**60,000**	240,000
Marketing expenses	**1,578,893**	1,202,467
Credit card and bank charges	**245,205**	245,660
Write-off of plant and equipment	**3,262**	7,958
Bad debts written-off on trade receivables	**816**	33,339
Lease expense — short-term leases	**–**	3,500
Lease expense — variable lease payments	**32,185**	–
Loss on derecognition of right-of-use assets and lease liabilities	**23,805**	–

* An independent member firm of the Baker Tilly International network.

9 INCOME TAX (CREDIT)/EXPENSE

Singapore corporate income tax has been provided for at the rate of 17% (2020: 17%) on the estimated assessable profit for the financial year ended 31 December 2021 (2020: 31 December 2020) 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 (2020: Nil).

The amount of income tax (credit)/expense charged to the consolidated statement of comprehensive income represents:

	2021 **S$**	(Restated) 2020 S$
Current income tax		
– Current year	**–**	31,690
– Over provision in respect of previous financial years	**(20,030)**	(5,344)
	(20,030)	26,346
Deferred income tax (Note 20)		
– Current year	**–**	(8,797)
– Under provision in respect of previous financial years	**–**	12,346
	–	3,549
Income tax (credit)/expense	**(20,030)**	29,895

9 INCOME TAX (CREDIT)/EXPENSE (Continued)

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

	Note	**2021** **S$**	(Restated) 2020 S$
Loss before income tax		**(1,017,961)**	(113,714)
Tax calculated at domestic tax rates applicable to loss in the respective jurisdictions		**(173,054)**	(19,331)
Effect of different tax rates in other countries		**(16)**	(1,973)
Expenses not deductible for tax purposes		**186,095**	155,581
Income not subject to tax	*i*	**(73,231)**	(100,912)
Partial tax exemption	*ii*	**(1,900)**	(35,129)
Utilisation of deferred tax assets not recognised		**(2,282)**	(2,971)
Deferred tax assets not recognised		**70,057**	27,165
(Over)/under provision of income tax in respect of previous financial years		**(20,030)**	7,002
Others		**(5,669)**	463
Income tax (credit)/expense		**(20,030)**	29,895

Note:

(i) Included in income not subject to tax mainly comprise of JSS grant income of S$210,093 (2020: S$521,151).

(ii) Partial tax exemption of 75% (2020: 75%) of the first S$10,000 (2020: S$10,000) of the chargeable income and a further of 50% (2020: 50%) tax exemption on the next S$190,000 (2020: S$190,000) of chargeable income applies thereafter.

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$465,857 (2020: S$180,494) and other deductible temporary differences of approximately S$163,692 (2020: S$53,870) 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 uncertain that future taxable profits will be sufficient to allow the related tax benefits to be realised.

10 LOSS PER SHARE

(a) Basic

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

	Note	**2021** **S$**	2020 (Restated) S$
Loss attributable to the owners of the Company		**(990,754)**	(165,188)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	*23*	**550,772,602**	520,000,000
Loss per share (S$ cents per share)		**(0.18)**	(0.03)

(b) Diluted

The diluted loss per share is the same as the basic loss 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 2021 and 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 2021 %	2020 %
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
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
Dtap Clinics Pte. Ltd.	Singapore, 20 February 2019	S$100,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100
S Aesthetics Clinic Pte. Ltd.[4]	Singapore, 11 December 2018	S$10,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100
Dtap Express Pte. Ltd.[4]	Singapore, 20 February 2019	S$10,000	Limited liability company	Clinics and other general medical services, Singapore	**100**	100
Republic Rapid Trading Pte. Ltd. (formerly known as Republic Medical Trading Pte. Ltd.)	Singapore, 20 December 2018	S$100,000	Limited liability company	Wholesale trade of goods, Singapore	**100**	100
Get Republic 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 Spa Pte. Ltd.[3]	Singapore, 11 December 2018	S$10,000	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**	100

11 SUBSIDIARIES (Continued)

(a) Details of the subsidiaries of the Company as at 31 December 2021 and 31 December 2020 are as follows: (Continued)

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) The entity is exempted from statutory audit in 2021 and 2020 as Vietnam Dtap Company Limited is dormant during the financial year and previous 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. The entity is dormant during the current financial year.

(4) The subsidiaries were disposed subsequent to year end as disclosed in Note 31.

(b) Incorporation and striking off of a subsidiary

In 2020, 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.

12 PLANT AND EQUIPMENT

	Medical equipment S$	Leasehold improvements S$	Computers and office equipment S$	Renovation in-progress S$	Total S$
2021					
Cost					
Balance at 1 January 2021	914,549	672,893	418,004	169,796	2,175,242
Additions	301,300	307,053	11,336	–	619,689
Transfer from/(to)	–	169,796	–	(169,796)	–
Write-off	–	(5,040)	(49,814)	–	(54,854)
Balance at 31 December 2021	1,215,849	1,144,702	379,526	–	2,740,077
Accumulated depreciation					
Balance at 1 January 2021	607,593	366,125	356,129	–	1,329,847
Depreciation charge	279,593	308,433	47,146	–	635,172
Write-off	–	(1,778)	(49,814)	–	(51,592)
Balance at 31 December 2021	887,186	672,780	353,461	–	1,913,427
Net carrying value					
Balance at 31 December 2021	328,663	471,922	26,065	–	826,650

12 PLANT AND EQUIPMENT (Continued)

	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

The cash outflow on additions to plant and equipment of the Group was S$619,689 (2020: S$538,933).

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. In 2020, 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

	2021 S$	2020 S$
Carrying amount of right-of-use assets		
Office unit	**125,152**	337,347
Clinic units	**1,476,900**	2,617,297
	1,602,052	2,954,644
Carrying amount of lease liabilities		
Current	**811,897**	1,056,659
Non-current	**737,588**	1,698,873
	1,549,485	2,755,532
Additions to right-of-use assets*	**–**	1,473,257
Transferred to plant and equipment, net of depreciation *(Note 12)*	**–**	(64,167)
Lease modification on right-of-use assets	**(77,497)**	103,419
Derecognition of right-of-use-assets	**(47,063)**	–

* 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 Notes 19 and 30.

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

The Group as a lessee (Continued)

Nature of the Group's leasing activities (Continued)

Amounts recognised in consolidated statement of comprehensive income

	2021 S$	2020 S$
Depreciation charge for the financial year		
Office unit	**212,195**	81,834
Clinic units	**1,015,837**	893,453
Medical equipment	**–**	9,167
	1,228,032	984,454
Interest expense on lease liabilities	**117,648**	117,598
Lease expense not included in the measurement of lease liabilities		
Lease expense – short-term leases	**–**	3,500

Total cash flows for the Group's leases amounted to S$1,189,668 (2020: S$810,908) (Note 30).

Variable lease payments

The lease for a shop space to operate the medical clinic contains variable lease payments that are based on 1% (2020: Nil) of the sales generated by the medical clinic, on top of the fixed lease payments. Overall, the variable payments constitute up to 3% (2020: Nil) of the Group's entire lease payments. These variable lease payments are recognised to profit or loss when incurred. Such variable lease payments amounted to S$32,185 (2020: S$Nil) for the financial year ended 31 December 2021.

14 TRADE RECEIVABLES

As at 31 December 2021, the ageing analysis of the third-party trade receivables, based on invoice date, are as follows:

	2021 S$	2020 S$
0 to 30 days	**37,592**	73,173
31 to 60 days	**124**	–
91 to 120 days	**80**	72
Over 120 days	**26,135**	11,497
	63,931	84,742

As at 31 December 2021, trade receivables that were aged over 30 (2020: 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 2021 and 31 December 2020, the carrying amounts of trade receivables are denominated in S$ and approximate their fair values.

15 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2021 S$	2020 S$
Deposits and other receivables	**644,483**	858,136
Prepayments	**1,043,921**	433,423
Goods and service tax receivable	**65,022**	69,110
JSS grant receivable	**–**	37,163
Rental rebates receivable	**–**	60,320
Loan to a third party	**–**	50,000
Amount due from a related party	**271,979**	–
	2,025,405	1,508,152
Less non-current portion:		
Deposits and other receivables	**(51,000)**	(99,000)
Total current portion	**1,974,405**	1,409,152

15 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Included in other receivables are staff loans amounting to S$99,000 (2020: S$201,550). The staff loans are unsecured, interest-free except for amount of S$Nil (2020: S$54,550) which bear interest at Nil per annum (2020: 3% per annum) and repayable between 1 to 4 years (2020: 1 to 4 years).

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

Amount due from a related party is denominated in Malaysian Ringgit ("MYR"), non-trade in nature, unsecured, interest-free and repayable on demand. Also see Note 24(c).

As at 31 December 2021, the carrying amounts of deposits and other receivables are denominated in S$ and MYR (2020: S$) and approximate their fair values.

16 OTHER FINANCIAL ASSET AT AMORTISED COST

	2021 **S$**	2020 S$
Financial instruments		
Credit-linked note	**999,034**	–

The carrying amounts of other financial assets at amortised cost approximates their fair values (Level 2) due to short-term nature where the effects of discounting is immaterial.

The financial instruments at amortised cost were fully redeemed in February 2022 for S$1,000,000.

17 INVENTORIES

Inventories comprises consumables and medical supplies.

18 CASH AND CASH EQUIVALENTS

	2021 S$	2020 S$
Cash at banks	**13,140,671**	12,918,305
Cash on hand	**5,200**	19,752
Short term bank deposit	**130,000**	130,000
Cash and cash equivalents as per consolidated balance sheet	**13,275,871**	13,068,057
Less: Short term bank deposit (pledged)	**(130,000)**	(130,000)
As per consolidated statement of cash flows	**13,145,871**	12,938,057

The Group's short term bank deposit of S$130,000 (2020: S$130,000) is pledged to a bank for security deposit.

19 PROVISION FOR REINSTATEMENT COSTS

	2021 S$	2020 S$
Represented by:		
Non-current liabilities	**213,843**	237,969
Current liabilities	**108,571**	148,640
	322,414	386,609

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

	2021 S$	2020 S$
Balance at 1 January	**386,609**	60,005
Provision made	**–**	332,104
Provision utilised	**(10,486)**	(5,500)
Provision reversed (Note 6)	**(53,709)**	–
Balance at 31 December	**322,414**	386,609

19 PROVISION FOR REINSTATEMENT COSTS (Continued)

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	
	2021	2020
	S$	S$
Balance at 1 January	**8,000**	4,451
Credited to consolidated statement of comprehensive income (Note 9)	**–**	3,549
Balance at 31 December	**8,000**	8,000

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 2021, the ageing analysis of the trade payables, based on invoice date, are as follows:

	2021	2020 (Restated)
	S$	S$
Up to 30 days	**247,713**	702,426
31 to 60 days	**36,425**	192,576
61 to 90 days	**3,750**	75,002
Over 91 days	**144,278**	90,646
	432,166	1,060,650

As at 31 December 2021 and 2020, the carrying amounts of trade payables are denominated in S$ and approximate their fair values.

22 ACCRUALS AND OTHER PAYABLES

	2021 S$	2020 (Restated) S$
Accruals for operating expenses	**648,209**	754,327
Goods and service tax payable	**47,222**	209,766
Other payables	**136,918**	212,355
Deferred grant income	**–**	90,485
	832,349	1,266,933

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 2020, 31 December 2020 and 31 December 2021	10,000,000,000	17,241,379
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 January 2020, 31 December 2020 and 1 January 2021	520,000,000	896,552
Shares issued	104,000,000	180,336
At 31 December 2021	624,000,000	1,076,888

On 20 August 2021, the Company entered into a placing agreement with an independent agent. Pursuant to the placing agreement, the Company has conditionally agreed to place up to 104,000,000 shares through the placing agent to not less than six placees at the placing price of S$0.0349 (HK$0.2014) per share. The placing of 104,000,000 shares was completed on 15 September 2021. The net proceeds after deducting the related expenses of S$95,182 (HK$548,912) amounted to S$3,536,793 (HK$20,396,688). Accordingly, the Company's share capital increased by S$180,336 (HK$1,040,000) and the remaining balance of the net proceeds of S$3,356,457 (HK$19,356,688) was credited to the share premium account Note 23(b).

23 EQUITY (Continued)

(a) Share capital (Continued)

The net proceeds will be used as follows:

(a) approximately 60% shall be applied towards the future expansion of the Group's existing businesses, and future acquisitions of and/or investments in businesses which could leverage on the competitive advantage of the Group when suitable opportunities arise; and

(b) approximately 40% shall be applied towards enrichment of the Group's working capital for its operations.

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.

(b) Share premium

	Share premium S$
Balance at 1 January 2020, 31 December 2020 and 1 January 2021	10,710,421
Share issue	3,451,639
Share issue expenses	(95,182)
At 31 December 2021	14,066,878

(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. Currency translation reserve is not distributable.

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.

24 RELATED PARTIES TRANSACTIONS (Continued)

(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:

	2021 S$	2020 S$
Salaries, allowances and benefits in kind	**1,210,937**	1,040,933
Directors' fees	**112,299**	140,000
Discretionary bonus	**17,500**	100,000
Employer's contribution to defined contribution plans	**62,907**	37,031
	1,403,643	1,317,964

The key management compensation above includes a total amount of S$151,348 (2020: S$84,600) paid to the spouse of the Chairman.

(c) Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and a related party at terms agreed between the parties:

	2021 S$	2020 S$
Related Party		
Consultancy fee income	**271,979**	–

The related party, Republic Health Group Sdn. Bhd., a company incorporated in Malaysia, and the Company have common director cum controlling shareholder.

25 FINANCIAL INSTRUMENTS BY CATEGORIES

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

	2021 S$	2020 (Restated) S$
Financial assets		
Financial assets at amortised cost		
Trade receivables	**63,931**	84,742
Deposits and other receivables	**916,462**	968,456
Other financial assets at amortised cost	**999,034**	–
Cash and cash equivalents	**13,275,871**	13,068,057
	15,255,298	14,121,255
Financial liabilities		
Financial liabilities at amortised cost		
Trade payables	**432,166**	1,060,650
Accruals and other payables	**653,627**	808,420
Lease liabilities	**1,549,485**	2,755,532
Amount due to a director	**105,876**	177,801
	2,741,154	4,802,403

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 arising from transactions, assets and liabilities that are denominated in currencies other than the respective functional currencies of entities in the Group. The foreign currencies in which the Group's currency risk arises are mainly Hong Kong Dollar ("HK$") and Malaysian Ringgit ("MYR").

As at 31 December 2021, 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 HK$ and MYR.

Denominated in:

	HK$** **S$	**MYR** **S$**
2021		
Deposits and other receivables	**–**	**271,979**
Cash and cash equivalents	**3,788,781**	**–**
Accruals and other payables	**(26,387)**	**–**
Net financial assets denominated in foreign currencies	**3,762,394**	**271,979**

Denominated in:

	HK$ S$	MYR S$
2020		
Cash and cash equivalents	566,366	–
Accruals and other payables	(73,302)	–
Net financial assets denominated in foreign currencies	493,064	–

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.1 Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the HK$ and MYR exchange rates against the S$, with all other variables held constant, of the Group's loss after tax:

	2021 S$	2020 S$
HK$/S$		
– strengthened 5% (2020: 5%)	**(156,139)**	(20,462)
– weakened 5% (2020: 5%)	**156,139**	20,462
MYR/S$		
– strengthened 5% (2020: 5%)	**(11,287)**	–
– weakened 5% (2020: 5%)	**11,287**	–

(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.

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

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

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.

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

Significant increase in credit risk (Continued)

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.

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.

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.1 Financial risk factors (Continued)

(ii) Credit risk (Continued)

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 financial 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 2021 and 31 December 2020.

(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.

(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.

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.1 Financial risk factors (Continued)

(iv) Liquidity risk (Continued)

	On demand or due within 1 year S$	Due within 2 to 5 years S$	Total S$
2021			
Trade payables	**432,166**	**–**	**432,166**
Accruals and other payables	**653,627**	**–**	**653,627**
Amount due to a director	**105,876**	**–**	**105,876**
Lease liabilities	**872,466**	**772,802**	**1,645,268**
	2,064,135	**772,802**	**2,836,937**
2020 (Restated)			
Trade payables	1,060,650	–	1,060,650
Accruals and other payables	808,420	–	808,420
Amount due to a director	177,801	–	177,801
Lease liabilities	1,173,566	1,810,017	2,983,583
	3,220,437	1,810,017	5,030,454

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.

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.

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 2020.

26 FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (Continued)

26.3 Fair value estimation

Fair value hierarchy

The table below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

(a) Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 — inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly; and

(c) Level 3 — unobservable inputs for the asset or liability.

Other than the investment in financial instruments categorised as Level 2 as disclosed in Note 16, 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 2021 (2020: Nil).

28 CAPITAL COMMITMENTS

Capital commitments not provided for in the consolidated financial statements:

	2021 **S$**	2020 S$
Capital commitment in respect of plant and equipment	**66,214**	264,698

29 DIVIDENDS

No dividend has been paid or declared by the Company during the financial year (2020: 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 2020	358,820	2,458,212	2,817,032
Changes from financing cash flows:			
– Repayments	(181,019)	(697,299)	(878,318)
– 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
– Rent concessions	–	(241,366)	(241,366)
Balance at 31 December 2020	177,801	2,755,532	2,933,333
Changes from financing cash flows:			
– Repayments	(71,925)	(1,072,020)	(1,143,945)
– Interest paid	–	(117,648)	(117,648)
Non-cash changes:			
– Interest expense	–	117,648	117,648
– Modification of lease liabilities	–	(80,874)	(80,874)
– Gain on derecognition of lease liabilities	–	(23,258)	(23,258)
– Rent concessions	–	(29,895)	(29,895)
Balance at 31 December 2021	**105,876**	**1,549,485**	**1,655,361**

31 SUBSEQUENT EVENTS

Disposal of subsidiaries

On 11 February 2022, Republic Healthcare Holdings Pte Ltd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Anthea Holdings Pte. Ltd., a third party, to dispose 100% equity interests in subsidiaries, namely S Aesthetics Clinic Pte. Ltd. ("SAC") and Dtap Express Pte. Ltd. ("DTAP Express") for an aggregate cash consideration of S$63,000, representing S$41,000 and S$22,000 respectively. Both SAC and DTAP Express are principally engaged in clinic services.

Upon the completion of disposal, the Group will lose control in SAC and DTAP Express and these entities will cease to be subsidiaries of the Group effective from the completion date on 28 February 2022. The disposal of the aforementioned subsidiaries will result in an estimated loss of S$67,000 to the Group.

32 COMPARATIVE FIGURES

During the financial year, the Group made prior year adjustments and reclassification to correct the following transactions. The nature and impact of these prior year adjustments on the various captions of the Group are as follows:

(a) Prior year adjustments to recognise purchase of medical supplies used and medical professional costs incurred which were not accrued in the financial year ended 31 December 2020 amounted to S$22,809 and S$207,112 respectively. These changes are accounted for retrospectively, and the comparative figure have been restated to recognise the costs of medical supplies consumed and medical professional costs incurred.

(b) Prior year adjustment to reduce income tax payable for the financial year ended 31 December 2020 as a result of reduced profits following the adjustments in (a) above. This change is accounted for retrospectively, and the comparative figure have been restated to recognise the reduced income tax expense and income tax payable.

(c) Reclassification of rent concessions of S$241,366 as non-cash item in the consolidated statement of cash flows for the financial year ended 31 December 2020 to enhance the comparability with the current financial year's financial statements. The reclassification has reduced the corresponding repayment of lease liabilities.

32 COMPARATIVE FIGURES (Continued)

The effects on the comparative figures are as follows:

	As previously reported S$	Prior year adjustments S$	As restated S$
Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2020			
Consumables and medical supplies used	(3,131,160)	(22,809)	(3,153,969)
Medical professional costs	(766,392)	(207,112)	(973,504)
Profit/(loss) before income tax	116,207	(229,921)	(113,714)
Income tax expense	(50,305)	20,410	(29,895)
Profit/(loss) and total comprehensive income/(loss) for the financial year	65,902	(209,511)	(143,609)
Consolidated Balance Sheet as at 31 December 2020			
Current liabilities			
Trade payables	1,037,841	22,809	1,060,650
Accruals and other payables	1,059,821	207,112	1,266,933
Income tax payable	100,221	(20,410)	79,811
Total current liabilities	4,142,918	209,511	4,352,429
Total liabilities	6,087,760	209,511	6,297,271
Equity			
Retained earnings	1,251,110	(209,511)	1,041,599
Total equity	13,256,504	(209,511)	13,046,993
Consolidated Statement of Cash Flows for the financial year ended 31 December 2020			
Profit/(loss) before income tax	116,207	(229,921)	(113,714)
Rent concessions	–	(241,366)	(241,366)
Payables and contract liabilities	776,454	229,921	1,006,375
Net cash generated from operating activities	771,297	(241,366)	529,931
Repayment of lease liabilities	(938,665)	241,366	(697,299)
Net cash used in financing activities	(1,359,793)	241,366	(1,118,427)

The prior year adjustments have no impact on the Group's opening balances for the consolidated balance sheet as at 1 January 2020. Accordingly, the Group's consolidated balance sheet as at 1 January 2020 was not presented in these consolidated financial statements.

33 AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors dated 23 March 2022.

34 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance Sheet of the Company

	Note	**2021** **S$**	2020 S$
Non-current asset			
Investment in subsidiaries		**1**	1
Current assets			
Deposits, prepayments and other receivables		**37,531**	25,709
Amount due from subsidiaries		**10,705,810**	7,672,919
Cash and cash equivalent		**2,268**	–
Total current assets		**10,745,609**	7,698,628
Total assets		**10,745,610**	7,698,629
Current liabilities			
Accruals and other payables		**86,037**	170,302
Amount due to a subsidiary		**–**	41
Total liabilities		**86,037**	170,343
Net assets		**10,659,573**	7,528,286
Equity			
Share capital	*(a)*	**1,076,888**	896,552
Share premium	*(a)*	**14,066,878**	10,710,421
Accumulated losses	*(a)*	**(4,484,193)**	(4,078,687)
Total equity		**10,659,573**	7,528,286

34 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 2020	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
Issuance of shares, net of transaction costs	180,336	3,356,457	–	3,536,793
Comprehensive loss				
Loss for the financial year	–	–	(405,506)	(405,506)
Balance at 31 December 2021	**1,076,888**	**14,066,878**	**(4,484,193)**	**10,659,573**

The balance sheet of the Company was approved by the Board of Directors on 23 March 2022 and was signed on its behalf:

Tan Cher Sen Alan
Chairman and Executive Director

FINANCIAL SUMMARY

RESULTS

	For the financial year ended 31 December					
	2021	(Restated) 2020	2019	2018	2017	2016
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue	**13,366**	13,724	13,462	10,421	9,957	7,218
(Loss)/profit for the financial year (before listing expenses)	**(997)**	(144)	638	1,410	2,751	1,975
Listing expenses	**–**	–	–	(2,141)	(743)	–
(Loss)/profit for the financial year	**(997)**	(144)	638	(731)	2,008	1,975
Total comprehensive (loss)/income for the financial year attributable to the owners of the Company	**(991)**	(165)	638	(731)	2,008	1,975

ASSETS AND LIABILITIES

	As at 31 December					
	2021	(Restated) 2020	2019	2018	2017	2016
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Non-current assets	**2,479**	3,899	3,330	850	827	463
Current assets	**16,786**	15,445	15,304	13,304	3,000	2,803
Non-current liabilities	**959**	1,945	1,722	4	5	30
Current liabilities	**2,713**	4,352	3,700	1,575	2,123	1,352
Net current assets	**14,073**	11,093	11,604	11,729	877	1,451
Net assets	**15,593**	13,047	13,212	12,575	1,699	1,884

The financial information for the financial years ended 31 December 2016 and 31 December 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.