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The Future Of Healthcare, Now

## **Republic Healthcare Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8357)**

### **DISCLOSEABLE TRANSACTION COMMENCEMENT OF AN ADDITIONAL PRINCIPAL BUSINESS ACTIVITY**

On 8 June 2022 (after trading hours), the Company has resolved to commence the pepper trading business as an additional principal business activity with an annual maximum transaction size up to HK\$14 million.

As certain of the applicable percentage ratios (as defined in the GEM Listing Rules) for the commencement of pepper trading business are more than 5% but less than 25%, the commencement of pepper trading business constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under the GEM Listing Rules.

### **COMMENCEMENT OF PEPPER TRADING BUSINESS AS AN ADDITIONAL PRINCIPAL BUSINESS ACTIVITY**

On 8 June 2022 (after trading hours), the Company has resolved to commence pepper trading business with Independent Third Parties as an additional principal business activity with an annual maximum transaction size up to HK\$14 million.

The pepper trading business intended by the Company can be further classified into the following two categories:

#### **(i) Spot Trading of Pepper**

The Group would match willing sellers and buyers (mainly from America or Europe) and target to earn a margin of around 2%.

## **(ii) Forward Trading of Pepper**

The Group would place a forward contract through a Singaporean company, being Asia-Agro Pte Ltd, which is appointed by Haprosimex JSC, a leading producer and exporter of agricultural commodities from Vietnam as their representative.

The Group's initial plan is to commit to a purchase of 200 tons of black pepper (specification being "black pepper Vietnam 550gl spiral clean") for an amount of around HK\$8 million. Given that the Group is new in this trade, the arrangement would require the Group to place a deposit of 40% of the transaction sum in advance to the trader with the balance of 60% to be payable upon receipt of the goods.

The Group would hold the pepper depending on the price of pepper and its moving trend, which shall not be more than 4 months before selling. The term of the contract would be cash against document, where the Group will hold on to the original bill of lading and release to the relevant buyer upon receipt of payment.

The Group intends to allocate a sum of around HK\$8 million as working capital for the pepper trading business and the maximum transaction size is up to HK\$14 million.

## **REASONS AND BENEFITS OF THE COMMENCEMENT OF AN ADDITIONAL PRINCIPAL BUSINESS ACTIVITY**

The Company is an investment holding company and the Group is principally engaged in the operating of medical clinics business in Singapore and provision of management advisory services.

As disclosed in the annual report of the Company for the year ended 31 December 2021, the business of the Group was significantly affected by the Covid-19 pandemic starting from 2020, where its aesthetic services, a key revenue contributor, was closed for 2 months or so during the circuit breaker imposed by Singapore government from April 2020 to May 2020. To add to the above situation, countries around the world including Singapore imposed travel restrictions which affected most businesses. This resulted in a lower revenue seen in some of our clinics located near to areas that are slightly more dependent on tourists.

The situation was still critical in 2021. For the year ended 31 December 2021, the Group recorded a loss of approximately S\$1.0 million, which is a combined result of (i) the prolong impact of Covid-19 pandemic and its related variants (delta, delta+ and Omicron); (ii) the growing number of online consult platforms offering similar services to its clinics and operated by non-healthcare companies supported by founders who have proven digital marketing credentials; (iii) a declining population census in Singapore; (iv) a lack of social activities due to movement controls/restrictions; and (v) higher attrition rate from doctors, a key revenue driver to the business (a phenomenal akin to the "Great Resignation" seen in USA early 2021).

In order to broaden the revenue streams and generate better shareholders' return, the Board has resolved that the Company shall commence the pepper trading business, which the Company expects this business, upon commencement, would bring greater contribution to the Group's operating revenue and profitability, which is conducive to the continuous improvement of the Group's earnings position. The Directors consider that the terms of the business commencement are on normal commercial terms, fair and reasonable, and in the interest of the Company's shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios (as defined in the GEM Listing Rules) for the proposed commencement of the pepper trading are more than 5% but less than 25%, the commencement of pepper trading constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements under the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Republic Healthcare Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM (stock code: 8357)
“connected person(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates

“S\$”	Singapore dollar, the lawful currency of the Republic of Singapore
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Singapore”	Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Singapore, 8 June 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](http://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](http://republichealthcare.asia).*