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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 ACQUISITION AND DISPOSAL OF PEPPER

ACQUISITION AND DISPOSAL OF PEPPER

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

Since then, the Company has entered into the First Pepper Transaction and the Second Pepper Transaction, which were all completed within 12 months, with an aggregate transaction sum of US\$378,000 (which is equivalent to HK\$2,948,400).

IMPLICATIONS UNDER THE GEM LISTING RULES

Each of the First Pepper Transaction and the Second Pepper Transaction on a standalone basis does not constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. However, as the First Pepper Transaction and the Second Pepper Transaction were all completed within 12 months, they are required to be aggregated as a series of transactions pursuant to Rules 19.22 and 19.23(3) of the GEM Listing Rules. As the highest applicable ratio (as defined under the GEM Listing Rules) in respect of the Pepper Transactions exceeds 5% but is less than 25%, the Pepper Transactions constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements.

BACKGROUND

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

Since then, the Company has entered into the First Pepper Transaction and the Second Pepper Transaction, which were all completed within 12 months, with an aggregated transaction of US\$378,000 (which is equivalent to HK\$2,948,400).

Further details regarding the terms of the Pepper Transactions are as follows:

(i) The First Pepper Transaction

Pepper Specification	Black Pepper Vietnam 550 G/L Spiral Clean
Quantity	40 MTON
Seller	Asia-Agro Ptd Ltd (“AAPL”)
Buyer	Republic Rapid Trading Pte Ltd
Consideration	US\$180,000 (equivalent to HK\$1,404,000), which was determined after arm’s length negotiation between the parties
Settlement	Cash against documents

(ii) The Second Pepper Transaction

Pepper Specification	Black Pepper Vietnam 550 G/L Spiral Clean
Quantity	40 MTON
Seller	Republic Rapid Trading Pte Ltd
Buyer	Kalustyan Corporation (“Kalustyan”)
Consideration	US\$198,000 (equivalent to HK\$1,554,400), which was determined after arm’s length negotiation between the parties
Settlement	Cash against documents

INFORMATION OF THE COMPANY

The Company is an investment holding company and the Group is principally engaged in (i) the operating of medical clinics business in Singapore and provision of management advisory services; (ii) pepper trading business; and (iii) education related business.

INFORMATION OF THE COUNTERPARTIES

(i) AAPL

As advised by AAPL, AAPL is a company incorporated in Singapore with limited liability and is principally engaged in wholesale trade of a variety of goods, including black and white pepper, cashew kernels, coffee bean, rice, cassia and star aniseeds.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, AAPL and its ultimate beneficial owners are Independent Third Party.

(ii) Kalustyan

As advised by Kalustyan, Kalustyan is a company incorporated in New Jersey, United States of America with limited liability and is principally engaged in importing, processing and dealing with spices, capsicums, herbs and aromatics.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Kalustyan and its ultimate beneficial owners are Independent Third Party.

REASONS FOR AND BENEFITS OF THE PEPPER TRADING

As disclosed in the Company's announcement dated 8 June 2022, 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 2022. For the year ended 31 December 2022, the Group recorded a loss of approximately S\$1.47 million, which is a combined result of (i) the lingering impact of Covid-19 black swan event and its related variants that impede traveling and social gatherings at the beginning of 2022; (ii) the proliferation of online platforms offering sexual health services at much competitive rates; (iii) the disposal of non-performing subsidiaries, S Aesthetics Clinic Pte Ltd and DTAP Express Pte Ltd (as announced on 15 February 2022 and 28 February 2022); and (iv) the closure of 3 clinics due to the lack of doctors (namely Siglap, Somerset and Raffles).

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 Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

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DEFINITIONS

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

“Board”	the board of directors of the Company;
“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 ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“First Pepper Transaction”	the Company's acquisition of pepper of 40 tons on 27 May 2022;
“GEM”	the GEM 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, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Independent Third Party(ies)”	party(ies) who is (are) not connected person(s) of the Company and its subsidiaries and is (are) third party(ies) independent of the Company and connected persons of the Company;
“MTON”	metric ton;
“Pepper Transactions”	First Pepper Transaction and Second Pepper Transaction;
“Republic Rapid Trading Pte Ltd”	Republic Rapid Trading Pte Ltd, being a limited liability company incorporated in Singapore and a wholly-owned subsidiary of the Company when the Pepper Transactions were entered and completed;
“Second Pepper Transaction”	the Company’s disposal of pepper of 40 MTON on 28 February 2023;
“Shareholder(s)”	shareholder(s) of the Company;
“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, 26 April 2023

For the purpose of this announcement, unless otherwise indicated, the exchange rate of S\$1 = HK\$5.87 and US\$1 = HK\$7.8 have been used, where applicable, for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

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. Kevin John Chia and Mr. Wong Yee Leong. 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