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The Future Of Healthcare, Now

Republic Healthcare Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8357)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

The board of directors (the “**Directors**”) of Republic Healthcare Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2024. This announcement, containing the full text of the 2024 interim report of the Company (the “**2024 Interim 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 interim results. The printed version of the 2024 Interim Report will be dispatched to the shareholders of the Company and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at republichealthcare.asia in due course in the manner as required by the GEM Listing Rules.

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

Singapore, 2 August 2024

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

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CORPORATE INFORMATION

Registered office

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

Headquarters and principal place of business in Singapore

201 Henderson Road
#07-11/12 Apex @ Henderson
Singapore 159545

Principal place of business in Hong Kong Registered under Part 16 of the Hong Kong Companies Ordinance

Unit 1402, Lucky Centre
165–171 Wanchai Road
Wanchai, Hong Kong

Executive Director

Dr. Tan Cher Sen Alan (*Chairman*)

Independent non-executive Directors

Mr. Kevin John Chia
Mr. Yeo Teck Chuan
Mr. Wong Yee Leong

Company secretary

Mr. Tang Chun Pong
Unit 1402, Lucky Centre
165–171 Wanchai Road
Wanchai, Hong Kong

Authorised representatives

Dr. Tan Cher Sen Alan
Mr. Tang Chun Pong

Compliance officer

Dr. Tan Cher Sen Alan

Audit committee

Mr. Yeo Teck Chuan (*Chairman*)
Mr. Kevin John Chia
Mr. Wong Yee Leong

Remuneration committee

Mr. Kevin John Chia (*Chairman*)
Mr. Yeo Teck Chuan
Mr. Wong Yee Leong

Nomination committee

Mr. Wong Yee Leong (*Chairman*)
Mr. Kevin John Chia
Mr. Yeo Teck Chuan

Independent auditor

Baker Tilly TFW LLP
Chartered Accountants

Principal share registrar and transfer office in the Cayman Islands

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

Hong Kong branch share registrar and transfer office

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

Principal banker

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

Company's website

republichealthcare.asia

GEM Stock Code

8357

Board lot

5,000 Shares

2024 FINANCIAL HIGHLIGHTS (UNAUDITED)

The Group recorded a revenue of approximately S\$4.5 million for the six months ended 30 June 2024 (the “**Period**” or the “**1HFY2024**”), representing an decrease of approximately 16.7% when compared with that of approximately S\$5.4 million for the corresponding period in 2023 (the “**Corresponding Period**” or the “**1HFY2023**”).

The gross profit of the Group for the Period was approximately S\$3.1 million, representing a decrease of approximately 11.4% when compared with that of approximately S\$3.5 million for the Corresponding Period.

The medical business experienced an approximately 12% drop in sales, primarily due to several key factors. The closure of one of our clinics significantly impacted overall revenue, reducing our service capacity and availability for patients in that region. Additionally, there has been a notable increase in competition from both new entrants and established players in the market. Competitors have intensified their marketing efforts and introduced new services that have attracted a portion of our patient base.

Economic factors have also influenced patient spending behavior. With rising costs of living and economic uncertainty, patients are becoming more cost-conscious and opting for more affordable healthcare options. Recent changes in healthcare regulations have increased operational costs and compliance requirements, impacting our revenue. Moreover, there has been a shift in patient preferences towards telehealth and online consultations, which have lower revenue margins compared to in-person visits. While we have adapted to this trend, it has contributed to the overall decrease in revenue.

Despite lower revenue observed for the period, costs associated with consumables and medical supplies decreased by S\$0.16 million compared to the Corresponding Period. Similarly, medical professional costs also saw a reduction of S\$0.12 million. Other operating expenses decreased by approximately S\$0.22 million for the Period compared to the Corresponding Period, primarily due to reduced spending on marketing efforts and advertorial works. Manpower expenses decreased by S\$0.32 million compared to the Corresponding Period, attributable to a lower number of clinics open following the closure of one clinic and improved staff allocation.

Overall, despite the challenges posed by lower revenue, the Company managed to reduce several key expenses, thereby improving the bottom line for the Period. The Group reported an overall net loss after tax of approximately S\$0.15 million for the Period, compared to a net loss of approximately S\$0.28 million for the Corresponding Period. This result was primarily due to enhanced cost control measures.

Despite the potential easing of monetary policies by major central banks, driven by improved inflation controls, significant geopolitical tensions remain a concern. Ongoing conflicts involving Russia-Ukraine, Israel-Palestine, and strains in Sino-US relations have increased uncertainty in the global economic outlook. These challenges not only affect the overall business environment in Singapore but also influence the Group’s endeavors to expand into new business ventures within and beyond the healthcare sector.

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

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

For the three and six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 (unaudited) S\$	2023 (unaudited) S\$
Revenue	3	4,481,738	5,403,458
Other income		119,865	213,062
Consumables and medical supplies used		(1,066,632)	(1,227,253)
Medical professional costs		(339,776)	(456,195)
Spice Purchase		–	(248,250)
Employee benefits expenses		(1,975,387)	(2,294,190)
Depreciation of intangible assets		(1,825)	–
Depreciation of plant and equipment	6	(102,550)	(108,383)
Depreciation of right-of-use assets	7	(250,550)	(304,165)
Interest expense on lease liabilities	7	(22,349)	(22,816)
Other operating expenses		(989,395)	(1,211,378)
Loss before income tax from continuing operations		(146,861)	(275,912)
Income tax expense/profit	4	(2,288)	(4,948)
Net loss for the period from continuing operations		(149,149)	(280,860)
Discontinued operations			
Profit for the period from discontinued operations		–	19,802
Items that may be reclassified subsequently to profit or loss			
— Net gain/(loss) relating to foreign currency transaction differences arising from consolidation		(6,908)	737
Loss and total comprehensive loss attributable to owners of the Company for the period	5	(156,057)	(260,321)
Loss per share attributable to owners of the Company for the period (expressed in Singapore cents per share)			
Basic and diluted	5	(0.03)	(0.04)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		30 June 2024 (unaudited) S\$	31 December 2023 (audited) S\$
	Notes		
Non-current assets			
Intangible assets		6,996	8,822
Plant and equipment	6	285,965	375,865
Right-of-use assets	7	701,066	951,617
Deposits, prepayments and other receivables	9	350,997	743,482
Total non-current assets		1,345,024	2,079,786
Current assets			
Trade receivables	8	140,360	65,251
Deposits, prepayments and other receivables	9	887,877	1,006,768
Other Financial assets at amortized cost	10	1,994,217	–
Inventories	11	424,084	557,059
Cash and cash equivalents	12	10,145,856	11,934,070
Total current assets		13,592,394	13,563,148
Total assets		14,937,418	15,642,934
Non-current liabilities			
Lease liabilities	7	278,563	471,168
Provision for reinstatement costs	13	–	127,435
Deferred tax liabilities		8,000	8,000
Total non-current liabilities		286,563	606,603

		30 June 2024 (unaudited) S\$	31 December 2023 (audited) S\$
	Notes		
Current liabilities			
Trade payables	14	247,420	334,759
Contract liabilities		12,968	12,351
Accruals and other payables	15	1,202,127	1,413,714
Lease liabilities	7	439,828	448,993
Provision for reinstatement costs	13	142,435	15,000
Amount due to a director		–	–
Current income tax liabilities		10,620	19,000
Total current liabilities		2,055,398	2,284,817
Total liabilities		2,341,961	2,891,420
Net assets		12,595,457	12,751,514
Equity			
Share capital	16	1,076,888	1,076,888
Share premium		14,066,878	14,066,878
Other reserves		320,000	320,000
Translation reserves		(36,160)	(29,252)
Retained earnings		(2,832,149)	(2,683,000)
Equity attributable to equity holders of the Company		12,595,457	12,751,514

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to equity holders of the Company						
	Share capital S\$	Share premium S\$	Currency	Other reserves* S\$	Retained earnings S\$	Total S\$	Total equity S\$
			translation reserve S\$				
Balance at 1 January 2023 (Audited)	1,076,888	14,066,878	(22,017)	420,000	(1,927,881)	13,613,868	13,613,868
Loss for the financial year	–	–	(7,235)	–	(855,119)	(862,354)	(862,354)
<i>Other comprehensive loss</i>							
Strike off a subsidiary	–	–	–	(100,000)	100,000	–	–
Total comprehensive (loss)/ income for the financial year	–	–	(7,235)	(100,000)	(755,119)	(862,354)	(862,354)
Issuance of shares upon placing, net of transaction costs	–	–	–	–	–	–	–
Balance as at 31 December 2023 and 1 January 2024 (audited)	1,076,888	14,066,878	(29,252)	320,000	(2,683,000)	12,751,514	12,751,514
Loss for the financial period	–	–	–	–	(149,149)	(149,149)	(149,149)
<i>Other comprehensive loss</i>							
Currency translation differences arising on consolidation	–	–	(6,908)	–	–	(6,908)	(6,908)
Total comprehensive (loss)/ income for the financial period	–	–	(6,908)	–	(149,149)	(156,057)	(156,057)
Balance as at 30 June 2024 (unaudited)	1,076,888	14,066,878	(36,160)	320,000	(2,832,149)	12,595,457	12,595,457

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024 (unaudited) S\$	2023 (unaudited) S\$
Net cash used/generated in operating activities	448,743	(166,939)
Net cash (used in)/generated from investing activities	(1,971,837)	1,153,936
Net cash used in financing activities	(265,120)	(286,176)
(Decrease)/Increase in cash and cash equivalents	(1,788,214)	700,821
Cash and cash equivalents at beginning of the period	11,934,070	10,834,550
Cash and cash equivalents at end of the period	10,145,856	11,535,371

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

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 (i) the operating of medical clinics business in Singapore and provision of management advisory services; and (ii) healthcare-related education business.

2 Basis of Presentation and Accounting Policies

2.1 Basis of Presentation and Significant Accounting Policies

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board and the applicable disclosure provisions of the GEM Listing Rules. The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Audited 2022 Consolidated Financial Statements. The accounting policies and methods of computation used in the Unaudited Condensed Consolidated Financial Statements are the same as those followed in the preparation of the Audited 2022 Consolidated Financial Statements.

All IFRSs effective for the accounting period commencing on 1 January 2023, together with the relevant transitional provisions, have been adopted by the Group in preparation of these Unaudited Condensed Consolidated Financial Statements. The adoption of these new/ revised IFRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported or the current or prior period.

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

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

2 Basis of Presentation and Accounting Policies (Continued)

2.2 Foreign Currency Translation

(a) **Functional and presentation currency**

Items included in the Unaudited Condensed Consolidated Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the “**Functional Currency**”). The Unaudited Condensed Consolidated Financial Statements are presented in Singapore dollar (“**S\$**”), which is the Group’s functional and 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 or losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the condensed consolidated statement of comprehensive income.

(c) **Group companies**

The results and financial position of all the Group entities (none of which has a 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 Basis of Presentation and Accounting Policies (Continued)

2.3 Plant and Equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditures that are 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 measure reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

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

Medical equipment	3 years
Leasehold improvements	3 years
Computers and office equipment	3 years
Motor Vehicles	10 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 condensed 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 Basis of Presentation and Accounting Policies (Continued)

2.4 Leases

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 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.

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 the 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 condensed 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.

2 Basis of Presentation and Accounting Policies (Continued)

2.4 Leases (Continued)

Right-of-use assets (Continued)

As a practical expedient, IFRS 16 *Leases* permits a lessee to not 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 receivables, 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 expense (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 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 condensed consolidated balance sheet.

2 Basis of Presentation and Accounting Policies (Continued)

2.4 Leases (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.

2.5 Financial risk and capital risk management

(a) 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 the shareholders of the Company (the "**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 the Shareholders, return capital to the Shareholders or issue new Shares.

The Group does not have any external borrowings and is not subject to any externally imposed capital requirements.

(b) Fair value estimation

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

2 Basis of Presentation and Accounting Policies (Continued)

2.6 Critical accounting estimates and judgements

The preparation of these Unaudited Condensed Consolidated Financial Statements in conformity with IFRSs requires the management to exercise their judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Management is of the opinion that there is no area involving higher degree of judgement or complexity or where estimates and assumptions used are significant to the Unaudited Condensed Consolidated Financial Statements.

2.7 Segments reporting

The chief operating decision maker considers medical services and other services as the sole segment.

3 Revenue

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

	Six months ended 30 June	
	2024 (unaudited) S\$	2023 (unaudited) S\$
Medical services		
Treatment services	2,763,858	3,128,131
Medical investigation services	1,074,389	1,331,375
Consultation services	643,491	675,899
Pepper Trading	0	268,053
	4,481,738	5,403,458

4 Income Tax Expense

Singapore corporate income tax has been provided for at the rate of 17% on the estimated assessable profit for the six months ended 30 June 2024 (30 June 2023 17%).

No overseas profits tax has been calculated for entities of the Group that are incorporated in the BVI or the Cayman Island as they are exempted from tax (30 June 2023: Nil).

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

	Six months ended 30 June	
	2024 (unaudited) S\$	2023 (unaudited) S\$
Current tax:		
Singapore profits tax	2,288	4,948

5 (Loss)/Earnings Per Share

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profits attributable to owners of the Company by the number of ordinary shares in issue during the year/period.

	Six months ended 30 June	
	2024 (unaudited) S\$	2023 (unaudited) S\$
Loss attributable to the owners of the Company	(156,057)	(260,321)
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	624,000,000	624,000,000
Loss per share (S\$ cents per share)	(0.03)	(0.04)

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

(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 periods.

6 Plant and Equipment

	Medical equipment S\$	Leasehold improvements S\$	Computers and office equipment S\$	Motor Vehicles S\$	Renovation- in-progress S\$	Total S\$
2024						
Cost						
Balance at 1 January 2024 (audited)	645,256	886,066	262,777	98,139	–	1,892,238
Additions	12,649	–	–	–	–	12,649
Transfer	–	–	–	–	–	–
Written-off	–	–	–	–	–	–
Balance at 30 June 2024 (unaudited)	657,905	886,066	262,777	98,139	–	1,904,887
Accumulated depreciation						
Balance at 1 January 2024 (audited)	632,218	607,495	259,923	16,737	–	1,516,373
Depreciation charge	10,289	89,657	(2,179)*	4,782	–	102,550
Written-off	–	–	–	–	–	–
Balance at 30 June 2024 (unaudited)	642,507	697,152	257,744	21,519	–	1,618,924
Net carrying value						
Balance at 30 June 2024 (unaudited)	15,398	188,914	5,033	76,620	–	285,965

6 Plant and Equipment (Continued)

	Medical equipment S\$	Leasehold improvements S\$	Computers and office equipment S\$	Motor vehicle S\$	Renovation- in-progress S\$	Total S\$
2023						
Cost						
Balance at 1 January 2023 (audited)	639,374	772,888	274,706	98,139	111,800	1,896,907
Additions	5,882	76,830	–	–	–	82,712
Transfer from/(to)	–	111,800	–	–	(111,800)	–
Write-off	–	(75,452)	(11,929)	–	–	(87,381)
Balance at 31 December 2023 (audited)	645,256	886,066	262,777	98,139	–	1,892,238
Accumulated depreciation						
Balance at 1 January 2023 (audited)	605,897	514,812	263,815	7,173	–	1,391,697
Depreciation charged	26,321	168,135	8,037	9,564	–	212,057
Written off	–	(75,452)	(11,929)	–	–	(87,381)
Balance at 31 December 2023 (audited)	632,218	607,495	259,923	16,737	–	1,516,373
Net carrying value						
Balance at 31 December 2023 (audited)	13,038	278,571	2,854	81,402	–	375,865

Notes

- * Due to reclassification of Plant and Equipment

7 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 unit and various shop spaces to operate the medical clinics from non-related parties. Rental contracts are typically made for fixed period of 2 to 3 years, but may have extension options for additional 1 to 3 years; and
- (ii) In addition, the Group leases an office equipment from a non-related party with contractual terms of an average of three years. Leased asset is pledged as security for the related lease liability.

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

	30 June 2024 (unaudited) S\$	31 December 2023 (audited) S\$
Amounts recognised in balance sheet		
Carrying amount of right-of-use assets		
Office unit	29,595	65,109
Clinic units	671,471	886,509
	701,066	951,617
Carrying amount of lease liabilities		
Current	439,828	489,993
Non-current	278,563	471,168
	718,391	961,161

7 Right-of-use Assets and Lease Liabilities (Continued)

	Six months ended 30 June	
	2024 (unaudited) S\$	2023 (unaudited) S\$
Amounts recognised in profit or loss		
Depreciation charge for the financial period		
Office unit	35,514	44,390
Clinic units	215,036	259,775
Medical equipment	—	—
	250,550	304,165
Interest expense on lease liabilities	22,349	22,816
Lease expense not included in the measurement of lease liabilities		
Lease expense — short-term leases	—	—

8 Trade Receivables

As at 30 June 2024, the ageing analysis of the third-party trade receivables, based on invoice date, are as follows:

	30 June 2024 (unaudited) S\$	31 December 2023 (audited) S\$
0–30 days	140,031	63,554
31–60 days	252	448
61–90 days	77	1,114
Over 120 days	—	1,135
	140,360	65,251

8 Trade Receivables (Continued)

As at 30 June 2024, trade receivables that were aged over 30 (31 December 2023: over 30) days mainly relate to employees from corporate customers and 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 of 30 June 2024 and 31 December 2023, the carrying amounts of trade receivables are denominated in S\$ and approximate their fair values.

9 Deposits, Prepayments and Other Receivables

	30 June 2024 (unaudited) S\$	31 December 2023 (audited) S\$
Deposits and other receivables	760,015	1,508,830
Prepayments	127,862	233,432
Goods and service tax receivable	–	7,988
Amount due from former subsidiaries	350,997	–
Rental rebates receivable	–	–
Loan to a third party	–	–
Amount due from a related party	–	–
	1,238,874	1,750,250
Less non-current portion:		
Deposits and other receivables	350,997	743,482
Total current portion	887,877	1,006,768

10 Other Financial Asset At Amortised Cost

	30 June 2024 (unaudited) S\$	31 December 2023 (audited) S\$
Financial Instruments		
Credit-linked note	1,994,217	–

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.

11 Inventories

Inventories comprises consumables and medical supplies.

12 Cash and Cash Equivalents

	30 June 2024 (unaudited) S\$	31 December 2023 (audited) S\$
Cash at banks	10,142,356	11,926,062
Cash on hand	3,500	8,008
Short term bank deposits	–	–
Cash and Cash equivalents as per consolidated balance sheet	10,145,856	11,934,070
Less: Short-term bank deposit (pledged)	–	–
As per consolidated statement of cash flows	10,145,856	11,934,070

13 Provision for Reinstatement Costs

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.

14 Trade Payables

Trade payables at the balance sheet date comprise amounts outstanding to suppliers. The average credit period taken for trade purchase is generally 30 days. As at 30 June 2024, the ageing analysis of the trade payables, based on invoice date, are as follows:

The carrying amounts of trade payables approximate their fair values.

	30 June 2024 (unaudited) S\$	31 December 2023 (audited) S\$
Up to 30 days	200,314	257,177
31–60 days	3,465	62,369
61–90 days	3,333	–
Over 91 days	40,308	15,213
	247,420	334,759

15 Accruals and Other Payables

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

	30 June 2024 (unaudited) S\$	31 December 2023 (audited) S\$
Accruals for operating expenses	667,421	882,985
Goods and service tax payable	513,685	289,015
Other payables	21,021	235,166
Deferred grant income	–	6,548
	1,202,127	1,413,714

16 Equity

	Number of shares	Share capital S\$
Authorised:		
Ordinary shares of HK\$0.01 each		
At 30 June 2024 (unaudited) and 31 December 2023 (audited)	10,000,000,000	1,076,888
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 January 2020, 31 December 2020 and 1 January 2023, 31 December 2023 (audited)	624,000,000	1,076,888

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.

17 Dividends

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

18 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 entities.

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:

	Six months ended 30 June	
	2024 (unaudited) S\$	2023 (unaudited) S\$
Salaries, allowances and benefits in kind	683,053	729,693
Director’s fees	54,000	54,000
Employer’s contribution to defined contribution plans	32,378	31,283
	769,431	814,976

The key management compensation above includes a total amount of S\$149,280 (1HFY2023: S\$149,280) paid to the spouse of the Chairman and Executive Director.

19 Contingent Liabilities

The Group did not have any material contingent liabilities or guarantees as at 30 June 2024 and 31 December 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a leading medical general practice (“GP”) network accredited by the Ministry of Health of Singapore in Singapore, under the brand “Dr. Tan & Partners” and now known as “DTAP” in short, in Singapore since 2010. The Group provides convenient and quality care services for a variety of conditions including but not limited to sexual health, men’s health and women’s health. The Group’s private GP comprises primarily doctors and trained personnel. The Group provides an all-round solution from diagnosis to treatment that is tailored to our patient’s individual needs.

For the six months ended 30 June 2024, the revenue of the Group decreased by approximately S\$0.9 million, or 16.7%, to approximately S\$4.5 million, when compared to that for the six months ended 30 June 2023. The revenue of consultation services, medical investigation services and treatment services amounted to approximately S\$0.6 million, S\$1.1 million and S\$2.7 million, respectively, which accounted for approximately 14%, 24% and 62% of the total revenue of the Group for the Period, respectively. Comparing the percentage distribution to those of the Corresponding Period, the percentages remained consistent (refer to “Financial Review” for further details).

OUTLOOK AND PROSPECTS

As we navigate the evolving healthcare landscape, the Group remains committed to adapting and thriving in response to emerging challenges and opportunities. Our strategic initiatives are focused on strengthening our core operations, expanding our service offerings, and enhancing patient experience to drive long-term growth and sustainability. We are actively exploring opportunities to expand our clinic network and diversify our service portfolio, including opening new clinics in high-potential areas and introducing specialized healthcare services to meet the growing demand for comprehensive and integrated care.

The medical sector in Singapore is characterized by intense competition, with numerous established players and new entrants vying for market share. To stay competitive, we are enhancing our service quality, expanding our range of services, and leveraging advanced technology. Investments in telehealth platforms, electronic health records, and advanced diagnostic tools are crucial to improving patient access, streamlining operations, and ensuring high-quality care. These technological advancements will enable us to better serve our patients and maintain a competitive edge in the market. Additionally, we are intensifying our marketing and outreach efforts by leveraging digital marketing strategies and targeted campaigns to increase our brand visibility, attract new patients, and retain our existing patient base. Our focus will be on highlighting the quality and range of services we offer, differentiating ourselves through excellence in patient care.

In our previous report, we highlighted our strategic initiative to expand within the healthcare education sector, recognizing its significant growth potential. This area remains a key focus for our Group, with a commitment to delivering top-tier education and training programs tailored to equip healthcare professionals with cutting-edge skills and knowledge. Our offerings encompass specialized training courses, certification programs, and continuous professional development workshops spanning various medical and healthcare disciplines.

Through collaborations with esteemed educational institutions and leveraging our expertise, we aim to address industry skill gaps and contribute to elevating healthcare standards. This expansion not only diversifies our revenue streams but also solidifies our position as a frontrunner in healthcare education. By nurturing a well-prepared and skilled workforce, we endeavor to meet the evolving demands of the healthcare sector effectively.

Our educational business, California Metropolitan University (“CMU”), operates as an accredited private university under the oversight of the California Bureau for Private Postsecondary Education. Additionally, CMU is recognized as an authorized distance learning institution by the Rector of the Paris Academy, an agency under the Ministry of National Education of France.

CMU’s programs are organized into two schools or faculties: the School of Business Administration offering programs such as Doctor of Business Administration and Global MBA, and the School of Healthcare and Allied Sciences offering programs including Bachelor in Healthcare Management and Bachelor of Science in Healthcare Administration.

Our business strategy includes direct-to-consumer (B2C) outreach through internet and social media engagement and business-to-business-to-consumer (B2B2C) partnerships with universities in the Philippines and other countries, facilitating cross-selling opportunities through joint award of degree programs and certifications to existing students at partner universities.

In addition, we anticipate the first revenue from these initiatives to materialize in the third quarter of 2024. This aligns with our projections for growth and reflects the positive momentum we foresee in our healthcare education endeavors.

This strategic approach underscores our commitment to advancing in the healthcare education sector, driving growth, and enhancing shareholder value while meeting the educational needs of healthcare professionals worldwide.

Enhancing operational efficiency is crucial for sustaining growth. We are implementing measures to optimize our resource allocation, reduce costs, and improve workflow processes, including investing in staff training and development to ensure a highly skilled and motivated workforce. Staying ahead of regulatory changes is vital for maintaining our reputation and operational integrity, and we will continue to closely monitor healthcare regulations and ensure compliance through robust internal controls and regular audits. Maintaining a strong financial position is essential for supporting our growth initiatives, and we are focused on prudent financial management, optimizing our revenue cycle, controlling expenses, and exploring strategic partnerships to enhance our financial stability.

Our commitment to patient-centered care remains at the heart of our operations. We will continue to gather and analyze patient feedback to improve our services, ensuring that we meet the evolving needs and expectations of our patients. Embracing sustainability in our operations is also a key focus, as we explore environmentally friendly practices and initiatives that reduce our carbon footprint and promote the well-being of our communities.

In conclusion, while the healthcare sector presents its share of challenges, the Group is well-positioned to capitalize on growth opportunities through strategic expansion, technological innovation, and a steadfast commitment to excellence in patient care. We are confident that our proactive approach and robust strategies will drive our success and deliver returns to our shareholders in the coming years.

As at the date of this report, we operate five DTAP clinics including the clinics at Robertson, Novena, Holland Village, Kovan and Paragon. As aforesaid, we also operate an online healthcare lifestyle business under the brand name, “Quinn”, to provide an alternative mode of seeking treatment to our existing and new customers.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2024 (“**Period**”), the revenue of the Group has decreased by approximately S\$0.9 million or 16.7%, to approximately S\$4.5 million, when compared to that for the six months ended 30 June 2023 (“**Corresponding Period**”). The revenue from consultation services, medical investigation services and treatment services amounted to approximately S\$0.6 million, S\$1.1 million and S\$2.7 million, respectively, which accounted for approximately 14%, 24% and 62% of the total revenue of the Group for FY2024Q2, respectively.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately S\$0.4 million from approximately S\$3.5 million for the Corresponding Period to approximately S\$3.1 million for the Period. The Group's gross profit margin improved from approximately 64.3% for the Corresponding Period to approximately 68.6% for the Period mainly due to the closure of the spice purchase. Due to lower revenue performance, medical supplies decrease by approximately S\$0.16 million or 13.1% from approximately S\$1.23 million for the Corresponding Period to approximately S\$1.06 million in the Period. Medical professional costs decrease by approximately S\$0.12 million or 25.5% from approximately S\$0.46 million for the Corresponding Period to approximately S\$0.34 million in the Period.

Employee benefits expenses

Our employee benefits expenses decreased by approximately S\$0.4 million or 13.9% from approximately S\$2.3 million for the Corresponding Period to approximately S\$1.98 million for the Period.

Other operating expenses

The decline in other operating expenses was mainly due to a lower expenditure arising from marketing and advertorial expenses as well as expenses related to the closed clinics and the 2 disposed business entities during the Period.

Total comprehensive loss for the period attributable to owners of the Company

As a result of the foregoing, the Group recorded a loss of approximately S\$0.15 million for the Period, representing a net improvement of S\$0.12 million against that of the Corresponding Period.

DIVIDEND

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2024, we had 35 employees in Singapore (As at 31 December 2023: 37 employees), all of whom were employed on a full-time basis. The remuneration package of our employees generally comprises basic salaries, discretionary bonuses and welfare benefits such as annual leave, sick leave, maternity leave and childcare leave.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

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

As at 30 June 2024, we had cash and cash equivalents of approximately S\$10 million (As at 31 December 2023: S\$10 million) and the Group had no bank borrowings (As at 31 December 2023: Nil).

GEARING RATIO

As at 30 June 2024, the gearing ratio of the Group was 5.7% (As at 31 December 2023: 7.6%). The Group's gearing ratio is calculated based on the total debt divided by total equity as at the end of the period. As at 30 June 2024, the Group's lease liabilities were approximately S\$0.72 million (As at 31 December 2023: S\$0.96 million).

We believe that our liquidity position would further be strengthened by using a combination of cash generated from operating activities and the net proceeds from the Share Offer (the "**Net Proceeds**"). Going forward, we intend to use working capital in accordance with the section headed "Business Objectives and Future Plans" in the prospectus of the Company dated 1 June 2018 (the "**Prospectus**").

CAPITAL STRUCTURE

As at 30 June 2024, the capital structure of the Group only comprises the Shares in issue, retained earnings, share premium and other reserves.

As of 30 June 2024, the number of issued ordinary shares of the Group was 624,000,000 shares (As at 31 December 2023: 624,000,000 shares). 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 for the Period, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately S\$14.3 million.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

SIGNIFICANT INVESTMENTS OR MATERIAL ACQUISITIONS AND DISPOSALS

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

COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2024, the Group had no material commitment and contingent liabilities.

TREASURY POLICIES

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

SEGMENT INFORMATION

Segment information for the Group is presented as disclosed on note 3 to the Unaudited Condensed Consolidated Financial Statements.

FOREIGN EXCHANGE EXPOSURE

The Group operates mainly in Singapore and transacts mainly in Singapore dollar, which is the functional currency of the majority of the Group's operating subsidiaries. However, the Group retained certain amount of proceeds from the Share Offer in Hong Kong dollar for operational purposes.

CHARGES ON ASSETS

As at 30 June 2024, there were no charges on the Group's assets.

SIGNIFICANT EVENT AFTER THE PERIOD

Save as disclosed above, there has been no significant event that affected the Group after 30 June 2024 and up to the date of this report.

USE OF PROCEEDS

The Net Proceeds were approximately S\$9.1 million, which was based on the offer price of HK\$0.60 per share and the actual expenses related to the Listing. After the Listing, these proceeds were and will be used for the purposes in accordance with the future plans as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus. The use of these proceeds was subsequently changed as set out in the Company’s announcement dated 25 July 2023.

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 (“**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.

The net proceeds as at 30 June 2024 were used as follows:

		Original Allocation (S\$'000)	Revised Allocation (Note f) (S\$'000)	Actual use of Net Proceeds from the Listing Date up to 30 June 2024 (S\$'000)	Balance as at 30 June 2024 (Note a) (S\$'000)	Expected timeline for utilising the remaining unused Net Proceeds
	Notes					
Proceeds from the Share Offer						
Strategically expanding and strengthening our network of DTAP clinics		2,600	2,031	2,031	–	–
Establishing new SA clinics		1,400	1,220	1,220	–	–
Continuing to attract and retain talent pool of doctors and staff	b	4,300	4,376	4,376	–	–
Upgrading and improving our information technology infrastructure and system		600	400	400	–	–
Setting up a centralised pharmacy		100	–	–	–	–
General working capital		100	100	100	–	–
Pepper Trading Business	c	–	250	250	–	–
Healthcare-related education Business	c	–	480	480	–	–
Existing clinic businesses	c	–	243	243	–	–
(A)		9,100	9,100	9,100	–	
Proceeds from Placing						
Establishing new online business line for DTAP	d	600	600	394	206	–
Acquiring interest in a potential venture	e	500	500	–	500	2HFY2025
Allied health and/or offering ancillary healthcare products and services	e	1,000	1,000	441	559	2HFY2024
General Working Capital		1,500	1,500	1,500	–	–
(B)		3,600	3,600	2,335	1,265	
Total (A) + (B)		12,700	12,700	11,435	1,265	

Notes:

- (a) The unused proceeds are deposited in a licensed bank in Singapore.
- (b) For the new clinics, we are constantly reviewing the employee market and carrying out benchmarking exercise to ensure our employees benefits continue to stay relevant and competitive with the market practice.
- (c) The balance representing general working capital is to support our initiative in the healthcare related education operating expenditure, which is a work in progress.
- (d) The online healthcare business platform under the brand name “Quinn” has gone live and we are constantly reviewing the system to enhance on both the user interface and user experience.
- (e) 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.
- (f) As discussed in the announcement of the Company dated 25 July 2022, the Board has resolved to change the proposed use of the Net Proceeds and considers that it is not an optimal time to expand its clinic businesses and to improve the improve the efficiency of the use of the Unutilised Net Proceeds by allocating it to its working capital instead.

The Board further considered that such changes would allow the Group to better accommodate the changing market conditions and are therefore in the interests of the Group and the shareholders as a whole.

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 30 June 2024
Strategically expanding and strengthening our network of DTAP clinics	Explore and identify location in Jurong for the new DTAP clinic	As at 30 June 2024, the Group has fully utilized the revised allocation of S\$2,031,000 on renovations and purchase of fixed assets.
	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	
Establishing new SA clinics	Explore and identify location in Jurong for the new SA clinic	As at 30 June 2024, the Group has fully utilized the revised allocation of S\$1,220,000 on renovation of SA clinic and purchase of fixed assets and has re-allocated the balance to working capital per the announcement of 25 July 2022.
	Negotiate and enter into tenancy for the new SA clinic in Jurong and carry out renovation on the premises	
	Negotiate and enter into tenancy for the new SA clinic in Jurong and carry out renovation on the premises	

Business objective as stated in the Prospectus	Business plan stated in the prospectus	Actual business progress up to 30 June 2024
Continuing to attract and retain talent pool of doctors and staff	Recruitment of three resident doctors, six clinic assistants for DTAP Clinics Continued employment of our newly hired staff for our new Clinics	As of 30 June 2024, we have incurred approximately S\$4,077,000 to retain and attract the right clinic staff to support our clinic operation.
Upgrading and improving our information technology infrastructure and systems	Upgrading existing information technology infrastructure and systems	As of 30 June 2024, the Group has fully utilized the revised allocation of S\$400,000 to upgrade its existing information infrastructure and systems.
Establishing new online business line for DTAP	Establishing new online business involve marketing campaign expenses, manpower expenses, online portal charges, partners' acquisition costs and stock costs	As of 30 June 2024, the Group has incurred approximately S\$174,000 to establish a new online business line.
Acquiring interest in a potential venture	Setting up new doctorless clinics	As of 30 June 2024, 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 products and services to support current business climate	As of 30 June 2024, the Group has incurred S\$11,000 in identifying new opportunities to undergo the strategic thrust of vertical expansion as well as offering allied health services to our patients in the aspect of psychology services in one of the clinics.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly. The Company has adopted and has complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the GEM Listing Rules (the “**CG Code**”) during the Period.

During the year ended 30 June 2024, the Company has adopted and has complied with all applicable code provisions as set out in the CG Code contained in Appendix C1 of the GEM Listing Rules, except for the following deviation.

Chairman and Chief Executive Officer

CG Code provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Tan Cher Sen Alan is the chairman of the Company and, since the resignation of Dr. Ng Siew Boon as the deputy chief executive officer on 26 June 2023, has also taken up the function of the chief executive officer of the Company.

In view that Dr. Tan is the founder of the Group and has been operating and managing the Group since 2010, the Board believes that it is in the best interest of the Group to have Dr. Tan taking up both roles for effective management and business development until the new chief executive officer of the Company is appointed. Therefore the Board considers that the deviation from the CG Code provision C.2.1 is appropriate in such circumstance.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors’ securities transactions (the “**Own Code of Conduct**”) on terms no less exacting from the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”). In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they have fully complied with the Required Standard of Dealings and the required standards set out in the Own Code of Conduct during the Period.

SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) was approved and conditionally adopted on 18 May 2018 (the “**Adoption Date**”). The Scheme became effective on the Listing Date. The purpose of the Scheme is to advance the interests of our Company and the Shareholders by enabling our Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to our Group and by enabling such persons’ contribution to further advance the interests of our Group. Under the Scheme, the Directors may grant options to any eligible persons of the Group, including (1) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of any member of our Group; (2) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of our Group (whether on an employment or contractual or honorary 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. 62,400,000 shares) at the date of Shareholders’ approval of the Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any one grantee in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue on the last date of such 12-month period from time to time, without prior approval obtained from the Company’s shareholders. There is no minimum period for which an option must be held before it can be exercised unless otherwise determined by the Board at the time of grant. The amount payable by the grantee to the Company on acceptance of the offer shall be a nominal amount to be determined by the Board.

No share option has been granted or agreed to be granted by the Company under the Scheme since the Adoption Date and up to the date of this report. Therefore, no share options lapsed or were cancelled during the Period and there were no outstanding share options as at 30 June 2024.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the Shares

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of Shares/ underlying Shares interested	Percentage of the Company’s issued Shares*
Dr. Tan Cher Sen Alan ("Dr. Alan Tan")	Interest of a controlled corporation ^(Note 1)	350,000,000	56.09%

Notes:

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

* The percentage represents the total number of the Shares and the underlying Shares interested, if any, divided by the number of Shares in issue of 624,000,000 as at 30 June 2024.

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 of the Company and is an associate corporation of the Company within the meaning of Part XV of the SFO.
- (2) Dr. Alan Tan is a director of Cher Sen.

Saved for the disclosed above, as at 30 June 2024, none of the Directors nor the chief executive of the Company had any interests and short positions in any shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register referred to therein pursuant to Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 30 June 2024, so far as is known to the Directors, the following entity, other than the Directors and the chief executive of the Company, had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares interested or held ^(Note 1)	Percentage of interest*
Cher Sen ^(Note 2 and 3)	Beneficial owner	350,000,000 (L)	56.09%
Rivera Vanjill Esteban ("Ms. Jill") ^(Note 4)	Interest of spouse	350,000,000 (L)	56.09%

Notes:

- (1) The Letter "L" denotes the entity's long position in the relevant Shares.
- (2) Cher Sen is a direct Shareholder of the Company.
- (3) Cher Sen is legally and beneficially owned as to 100% by Dr. Alan Tan.
- (4) Ms. Jill, being the spouse of Dr. Alan Tan, is deemed, or taken to be interested in the Shares in which Dr. Alan Tan is interested for the purpose of the SFO.
- * The percentage represents the number of the Shares interested divided by the number of Shares in issue of 624,000,000 as at 30 June 2024.

Saved for the disclosed above, as at 30 June 2024, so far as is known by or otherwise notified to the Directors, no other entity (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under Section 336 of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

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

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

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

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Board (the "AC") was established on 18 May 2018 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provisions C.3.3 and C.3.7 of the CG Code as set out in Appendix C1 to the GEM Listing Rules. The primary duties of the AC are, among other things, to make recommendations to the Board on the appointment, re- appointment and removal of external auditors and to review and monitor the financial reporting process, risk management and internal control systems of the Group. The AC currently comprises all the three independent non-executive Directors ("INEDs"), namely Mr. Yeo Teck Chuan, Mr. Wong Yee Leong and Mr. Kevin John Chia. Mr. Yeo Teck Chuan is the chairman of the AC. The AC has reviewed the unaudited condensed consolidated financial statements and this report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other legal requirements, and that adequate disclosures have been made.

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

Singapore, 2 August 2024

As at the date of this report, 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.