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RepublicHealthcare
Republic Healthcare Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8357)

**INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS
ENDED 30 JUNE 2018**

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 2018. This announcement, containing the full text of the 2018 interim report of the Company (the “**2018 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 2018 Interim Report containing the information required by the GEM Listing Rules 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

Hong Kong, 13 August 2018

As at the date of this announcement, the executive Directors are Dr. Tan Cher Sen Alan (Chairman) and Mr. Toh Han Boon (Chief Financial Officer); and the independent non-executive Directors are Mr. Leung Ho San Jason, Mr. Soh Sai Kiang and Mr. Tan Chee Ken.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, 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 Company Announcements” 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**”, 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 of the Stock Exchange (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

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters and principal place of business in Singapore

101 Cecil Street
#17-12 Tong Eng Building
Singapore 069533

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

Room 5705, 57th Floor
The Center
99 Queen's Road Central
Hong Kong

Executive directors

Dr. Tan Cher Sen Alan (*Chairman*)
Mr. Toh Han Boon (*Chief Financial Officer*)

Independent non-executive directors

Mr. Leung Hon San Jason
Mr. Soh Sai Kiang
Mr. Tan Chee Ken

Company secretary

Mr. Kwok Siu Man
31/F., 148 Electric Road
North Point, Hong Kong
(*a fellow member of The Hong Kong Institute of Chartered Secretaries*)

Authorised representatives

Mr. Toh Han Boon
Mr. Kwok Siu Man

Compliance officer

Mr. Toh Han Boon

Compliance adviser

Titan Financial Services Limited
Suites 3201-02, 32/F
COSCO Tower
Grand Millennium Plaza
183 Queen's Road Central
Central, Hong Kong

Audit committee

Mr. Leung Ho San Jason (*Chairman*)
Mr. Soh Sai Kiang
Mr. Tan Chee Ken

Remuneration committee

Mr. Tan Chee Ken (*Chairman*)
Mr. Soh Sai Kiang
Mr. Leung Ho San Jason

Nomination committee

Mr. Soh Sai Kiang (*Chairman*)
Mr. Tan Chee Ken
Mr. Leung Ho San Jason

Independent Auditor

PricewaterhouseCoopers
Certified Public Accountants

Principal share registrar and transfer office in the Cayman Islands

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and transfer office

Boardroom Share Registrars (HK) Limited
2103B, 21st Floor
148 Electric Road
North Point
Hong Kong

Principal banker

Oversea-Chinese Banking Corporation Limited
64 Chulia Street
OCBC Centre
Singapore 049513

Company's website

republichealthcare.asia

GEM Stock code

8357



2018 FINANCIAL HIGHLIGHTS (UNAUDITED)

The Group recorded revenue and gross profit of approximately S\$5.5 million and S\$3.9 million, respectively for the six months ended 30 June 2018 (the “**Period**”), representing an increase of approximately 21.8% and 42.5%, respectively when compared with those of approximately S\$4.5 million and S\$2.7 million, respectively for the corresponding period in 2017 (the “**Corresponding Period**”).

The net profit after tax of the Group for the Period decreased to approximately S\$1.5 million which was mainly due to the one-off non-recurring listing expenses incurred in the Period.

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



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

For the six months ended 30 June 2018

	Notes	Six months ended 30 June	
		2018 (unaudited) S\$	2017 (unaudited) S\$
Revenue	3	5,526,017	4,537,649
Other income		9,983	31,724
Consumables and medical supplies used		(1,142,349)	(1,383,194)
Medical professional costs		(514,458)	(439,510)
Employee benefits expenses		(1,356,427)	(599,345)
Depreciation of plant and equipment	6	(208,380)	(110,198)
Other operating expenses		(3,830,342)	(1,282,447)
(Loss)/Profit before income tax		(1,515,956)	754,679
Income tax expense	4	-	(467)
(Loss)/profit and total comprehensive income attributable to owners of the Company for the period		(1,515,956)	754,212
Earnings per share attributable to owners of the Company for the period (expressed in Singapore cent per share)			
Basic and diluted		N/A	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	<i>Notes</i>	As at 30 June 2018 (unaudited) S\$	As at 31 December 2017 (audited) S\$
ASSETS			
Non-current assets			
Plant and equipment	6	734,605	708,077
Deposits	8	191,614	118,626
		926,219	826,703
Current assets			
Trade receivables	7	74,698	78,038
Deposits, prepayment and other receivables	8	85,420	527,340
Inventories	10	372,257	400,448
Cash and cash equivalents	9	12,771,692	1,993,771
		13,304,067	2,999,597
Total assets		14,230,286	3,826,300
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share Capital	13	896,552	420,000
Reserves	13	11,845,694	1,278,411
Total equity		12,742,246	1,698,411
LIABILITIES			
Non-current liability			
Deferred tax liabilities		4,643	4,643



	<i>Notes</i>	As at 30 June 2018 (unaudited) S\$	As at 31 December 2017 (audited) S\$
Current liabilities			
Trade payables	11	953,732	126,047
Accruals and other payables	12	529,665	1,276,174
Amount due to a director		–	561,394
Current income tax liabilities		–	159,631
		1,483,397	2,123,246
<hr style="border-top: 1px dashed black;"/>			
Total liabilities		1,488,040	2,127,889
<hr/>			
Total equity and liabilities		14,230,286	3,826,300

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Note	Capital S\$	Share Premium S\$	Other reserves S\$	Retained earnings S\$	Total S\$
As at 1 January 2017		410,000	-	260,325	1,213,581	1,883,906
Profit for the period		-	-	-	754,212	754,212
Transaction with shareholder <i>Issuance of shares</i>		10,000	-	-	-	10,000
As at 30 June 2017		420,000	-	260,325	1,967,793	2,648,118
As at 1 January 2018		420,000	-	260,325	1,018,086	1,698,411
Loss for the period		-	-	-	(1,515,956)	(1,515,956)
Transactions with owners, recognised directly in equity						
<i>Reorganisation</i>	1.2	(420,000)	-	420,000	-	-
<i>Capitalisation of shares</i>	1.2	672,414	(672,414)	-	-	-
<i>Issue of shares by share offer, net of share issuing expenses</i>	1.2	224,138	12,335,653	-	-	12,559,791
As at 30 June 2018		896,552	11,663,239	680,325	(497,870)	12,742,246



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2018

	Six months ended 30 June	
	2018 (unaudited) S\$	2017 (unaudited) S\$
Net cash generated from operations activities	(1,021,717)	2,955,835
Net cash used in investing activities	(234,907)	(576,902)
Net cash used in financing activities	12,034,545	(2,449,405)
Increase/(decrease) in cash and cash equivalents	10,777,921	(70,472)
Cash and cash equivalents at beginning of the period	1,993,771	2,064,243
Cash and cash equivalents at end of the period	12,771,692	1,993,771



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2018

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 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the general practice clinic business in the Republic of Singapore ("**Singapore**") and the provision of management advisory services.

1.2 Pursuant to a group reorganization to rationalize the structure of the Group (the "**Reorganisation**") in preparation of the listing of the Company's issued shares (the "**Shares**") on GEM, the Company became the holding company of the Group. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure" in the prospectus of the Company dated 1 June 2018 (the "**Prospectus**") and Note 1.2 to the combined financial statements in the accountant's report of the Company for the year ended 31 December 2017.

On 18 May 2018, the Company issued 389,999,900 new Shares through capitalization of HK\$3,899,999 standing to the credit of the share premium account of the Company. Also, as a result of the share offer, 130,000,000 new Shares were issued at an offer price of HK\$0.60 per Share.

The issued Shares were successfully listed on GEM on 15 June 2018 (the "**Listing**").



2. Basis of Presentation and Accounting Policies

2.1 Basis of preparation and significant accounting policies

These unaudited condensed consolidated financial statements of the Group for the Period (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 Group’s consolidated financial statements for the year ended 31 December 2017 (“the **Year 2017**”) contained in the Prospectus.

Inter-company transactions, balances and unrealized 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 Company (the “**Audit Committee**”).

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 Group’s consolidated financial statements for the Year 2017.



2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the historical financial information of the Group (the “**Historical Financial Information**”) are measured by using the currency of the primary economic environment in which the entity operates (the “**Functional Currency**”). The Historical Financial Information is presented in Singapore dollars (“**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 (the “**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 the Foreign Currencies are recognised in the combined statements of comprehensive income.

(c) Group companies

The results and financial position of all the group entities have the same Functional Currencies as the presentation currency.



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 measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the combined statements 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 3–5 years
- Computer and office equipment 3–5 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 combined statements of comprehensive income.



2.4 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.

2.5 Critical accounting estimates and judgements

The preparation of these Unaudited Condensed Consolidated Financial Statements in conformity with IFRSs requires 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 Historical Financial Information.

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



3 Revenue and segment results

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	
	2018 (unaudited) S\$	2017 (unaudited) S\$
Medical services		
Treatment services	3,292,098	2,599,230
Medical investigation services	1,606,447	1,410,565
Consultation services	558,684	524,892
	5,457,229	4,534,687
Others services <i>(Note)</i>	68,788	2,962
	5,526,017	4,537,649

Note: Other services mainly include the provision of medical and healthcare related advisory services.

4 Taxation

Income tax expense

	Six months ended 30 June	
	2018 (unaudited) S\$	2017 (unaudited) S\$
Current tax:		
Singapore profits tax	-	467

No tax has been provided for the Period as the Group has suffered a loss. The Group is subject to Singapore tax at a rate of 17% on the estimated assessable profit for the Period.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to income tax in the Cayman Islands.

5 Earnings per share

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the preparation of the results for the Period and for the year ended 31 December 2017 are on a combined basis.

6 Plant and equipment

	Medical equipment S\$	Leasehold improvement S\$	Computer and office equipment S\$	Total S\$
As at 1 January 2017				
Cost	199,195	122,069	292,379	613,643
Accumulated depreciation	(115,649)	(44,807)	(57,601)	(218,057)
Net book amount	83,546	77,262	234,778	395,586
Year ended 31 December 2017				
Opening net book amount	83,546	77,262	234,778	395,586
Additions	220,303	122,737	233,862	576,902
Disposals	(800)	–	–	(800)
Depreciation	(99,441)	(41,319)	(122,851)	(263,611)
Closing net book amount	203,608	158,680	345,789	708,077
As at 31 December 2017				
Cost	418,698	244,806	526,241	1,189,745
Accumulated depreciation	(215,090)	(86,126)	(180,452)	(481,668)
Net book amount	203,608	158,680	345,789	708,077
Period ended 30 June 2018				
Opening net book amount	203,608	158,680	345,789	708,077
Additions	–	35,507	199,401	234,908
Depreciation	(50,170)	(37,664)	(120,546)	(208,380)
Closing net book amount	153,438	156,523	424,644	734,605
As at 30 June 2018				
Cost	418,698	280,313	725,642	1,424,653
Accumulated depreciation	(265,260)	(123,790)	(300,998)	(690,048)
Net book amount	153,438	156,523	424,644	734,605



7 Trade receivables

The trade receivables are due when services are rendered. As at 30 June 2018 and 31 December 2017, the ageing analysis of the third-party trade receivables, based on the invoice date, is as follows:

	As at 30 June 2018 (unaudited) S\$	As at 31 December 2017 (audited) S\$
<i>Not due</i>		
0–30 days	61,285	63,459
<i>Past due but not impaired</i>		
31–60 days	10,928	4,955
61–90 days	142	4,506
91–120 days	2,343	3,184
Over 120 days	–	1,934
	74,698	78,038

As at 30 June 2018 and 31 December 2017, trade receivables that were past due but not impaired relate to corporate customers with no significant financial difficulty and based on management's past experience, the overdue amounts can be recovered.

As at 30 June 2018 and 31 December 2017, the carrying amounts of trade receivables were denominated in S\$ and approximated their fair values.

8 Deposits, prepayments and other receivables

	As at 30 June 2018 (unaudited) S\$	As at 31 December 2017 (audited) S\$
Deposits and other receivables	201,614	312,277
Prepayments	75,420	85,689
Prepayments for Listing expenses	–	248,000
	277,034	645,966
Less non-current portion: Deposits	(191,614)	(118,626)
	85,420	527,340

As at 30 June 2018 and 31 December 2017, the carrying amounts of deposits and other receivables were denominated in S\$ and approximated their fair values.

9 Cash and cash equivalents

	As at 30 June 2018 (unaudited) S\$	As at 31 December 2017 (audited) S\$
Cash at banks	12,769,642	1,946,673
Cash on hand	2,050	47,098
	12,771,692	1,993,771

As at 30 June 2018 and 31 December 2017, the carrying amounts of cash and cash equivalents were denominated in S\$ and approximated their fair values.

10 Inventories

Inventories comprises consumables and medical supplies.



11 Trade payables

Trade payables at the end of each reporting period comprise amounts outstanding to suppliers. The average credit period taken for trade purchase is generally 30 days.

As at 30 June 2018 and 31 December 2017, the ageing analysis of the trade payables, based on the invoice date, is as follows:

	As at 30 June 2018 (unaudited) S\$	As at 31 December 2017 (audited) S\$
Up to 30 days	420,386	120,678
31–60 days	200,610	3,069
61–90 days	235,233	2,300
Over 91 days	97,503	–
	953,732	126,047

As at 30 June 2018 and 31 December 2017, the carrying amounts of trade payables were denominated in S\$ and approximated their fair values.

12 Accruals and other payables

	As at 30 June 2018 (unaudited) S\$	As at 31 December 2017 (audited) S\$
Accruals for operating expenses	408,321	180,629
Accruals for Listing expenses	–	991,000
Goods and service tax payable	97,344	104,545
Others	24,000	–
	529,665	1,276,174

As at 30 June 2018 and 31 December 2017, the carrying amounts of accruals and other payables were denominated in S\$ and approximated their fair values.

13 Share capital and reserves

Share Capital

The share capital of the Group as at 31 December 2017 represented the combined share capital of the companies comprising the Group. The share capital of the Group as at 30 June 2018 represented the share capital of the Company.

Description	Number of shares	Amount S\$
Issued and fully paid share of the Company of HK\$0.01 each		
As of 1 Jan 2018	–	–
On the date of incorporation of 3 Jan 2018	1	–
Issuance of shares pursuant to the Reorganisation	99	–
Issue of shares under capitalisation issue	389,999,900	672,414
Issue of shares under the share offer	130,000,000	224,138
As at 30 June 2018	520,000,000	896,552

Retained earnings

Retained earnings represents retained earnings of the companies comprising the Group. The movement in retained earnings during the financial years ended 31 December 2017 and 2016 (the “**Track Record Period**”) mainly comprised profit for the year, dividends paid and deemed distribution to the Shareholders. Please see Note 14 for more details on the dividends.



14 Dividends

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

15 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.

The Directors are of the view that the following individual was a related party that had transactions or balances with the Group during the Track Record Period:

Name	Relationship with the Group
Dr. Tan Cher Sen Alan (" Dr. Tan ")	Controlling Shareholder, Executive Director and Chairman

As at 30 June 2018 and 31 December 2017, the amount due to a director was unsecured, interest free, repayable on demand and non-trade in nature.

16 Contingent liabilities

The Group did not have any material contingent liabilities or guarantees as at 30 June 2018 and 31 December 2017.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The issued Shares were successfully listed on GEM on 15 June 2018 (the “**Listing Date**”) by way of share offer.

The Group is principally engaged in the general practice clinic business in Singapore.

During the Period, the Group continued to grow its business and services to its existing network of clinics.

To support business growth, the Group continues to strive to achieve better efficiency and to ensure that a sizable workforce is available. During the Period, the labour market remained tight and the Group continued to recruit new talents and retain existing talent pool of doctors and staff.

OUTLOOK AND PROSPECTS

Continued investments and keeping abreast of technological developments helped in keeping the Group’s competitive edge, particularly with regard to the medical aesthetics field. The Group continues to see strong interests in demand in our sexual health and infectious diseases niche market in Singapore.

The Group believes that the numerous initiatives and continuation of current investment policies will enhance the overall competitive position in our operating environments and contribute to our success. Moving forward, the Group will leverage existing platforms and growth momentum to continue with the first 6-month success; as well as follow the Group’s policies in operation to strengthen its financial position.



FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately S\$1.0 million, or 21.8% from approximately S\$4.5 million for the Corresponding Period to approximately S\$5.5 million for the Period. The increase was mainly due to the growth in sales of existing services carried out by our Group with increased market penetration and brand awareness.

Gross profit and gross profit margin

The Group's gross profit increased by approximately S\$1.1 million, or 42.5% from approximately S\$2.7 million for the Corresponding Period to approximately S\$3.9 million for the Period. The increase was in line with the increase in revenue with additional cost savings from consumables and medical supplies used.

Employee benefits expenses

Our employee benefits expenses increased by approximately S\$0.8 million or 126.3%, from approximately S\$0.6 million for the Corresponding Period to approximately S\$1.4 million for the Period. Such increase was primarily attributable to the recruitment of new doctors, aestheticians and clinic assistants.

Other operating expenses

The Group's other operating expenses increased by approximately S\$2.5 million or 198.7% from approximately S\$1.3 million for the Corresponding Period to approximately S\$3.8 million for the Period. Such increase was principally attributed to a one-time non-recurring Listing expenses of S\$2.5 million.

Profit for the Period attributable to owners of the Company

As a result of the foregoing, the profit attributable to owners of the Company decreased from approximately S\$0.8 million for the Corresponding Period to approximately S\$1.5 million loss for the Period.



DIVIDEND

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2018, we had 36 employees in Singapore (31 December 2017: 30 employees), all of which 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 child care leave.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

During the Period, the Group financed its operations mainly through cash generated from our operating activities and capital contribution from its Shareholders.

As at 30 June 2018, we had cash and cash equivalents of approximately S\$12.7 million (As at 31 December 2017: S\$2.0 million). The Group had no bank borrowings (As at 31 December 2017: Nil).

GEARING RATIO

The Group's gearing ratio, which is calculated based on the total debt (including amount due to related party and amount due to a director) divided by total equity as at the respective period/year end, as at 31 December 2017 was 33.1%. The gearing ratio was not applicable to the Group as at 30 June 2018 as there was net cash on that date.

We believe that our liquidity position would further be strengthened by using a combination of cash generated from operating activities and the net proceeds received from the Listing. Going forward, we intend to use working capital in accordance with the section headed "Business Objectives and Future Plans" in the Prospectus.

CAPITAL STRUCTURE

As at 30 June 2018, the capital structure of the Company comprised issued share capital and reserves.



FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the Prospectus, the Group does not have other plans for material investments and capital assets.

SIGNIFICANT INVESTMENTS OR MATERIAL ACQUISITIONS AND DISPOSALS

Except for investment in its subsidiaries, the Group did not make any significant investment or material acquisition and disposal save for those related to the Reorganisation, of which the details are set out in the Prospectus, during the Period.

COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2018, the Group had no material commitments and contingent liabilities.

EXPOSURE TO EXCHANGE RATE FLUCTUATION

The Group operates solely in Singapore with almost all transactions being denominated in S\$ which is the Functional Currency. In addition, a majority of the Group's assets and liabilities are denominated in S\$. Accordingly, the Group is not exposed to any significant foreign exchange risk.

The Group did not use any hedging contracts to engage in speculative activities during the Period.

CHARGE ON ASSETS

As at 30 June 2018, there was no significant pledge on the Group's assets (31 December 2017: Nil).



SIGNIFICANT EVENT AFTER THE PERIOD

There is no significant event that affected the Group after 30 June 2018 and up to the date of this report.

USE OF NET PROCEEDS FROM THE LISTING

The issued Shares were listed on GEM on 15 June 2018. The net proceeds from the Listing (after deducting the underwriting fees and related expenses) amounting to approximately S\$9.7 million will be used for the intended purposes as set out in the section headed “Business Objectives and Future Plans” of the Prospectus. Set out below is the actual use of net proceeds from the Listing Date up to 30 June 2018:

	Net proceeds from the Listing (S\$'000)	Actual use of net proceeds from the Listing Date up to 30 June 2018 (S\$'000)	Balance as at 30 June 2018 (S\$'000)
Strategically expanding and strengthening our network of DTAP Clinics	2,749.1	–	2,749.1
Establishing new SA Clinics	1,513.5	–	1,513.5
Continuing to attract and retain talent pool of doctors and staff	4,529.0	–	4,529.0
Upgrading and improving our information technology infrastructure and system	617.8	–	617.8
Settings up a centralised pharmacy	108.1	–	108.1
General working capital	135.1	135.1	–
	9,652.6	135.1	9,517.5

The unused proceeds have been placed as interest bearing-deposits with a licensed bank in Hong Kong.

Since the Listing Date was close to 30 June 2018, the end date of the Period, the Company is in the preliminary stage of carrying out its implementation plan and business strategies as disclosed in the Prospectus.



CORPORATE GOVERNANCE AND OTHER INFORMATION

SHARE OPTION SCHEME

The Shareholders approved and adopted a share option scheme (the “**Scheme**”) by way of written resolutions on 18 May 2018.

As at 30 June 2018, no option has been granted or agreed to be granted by our Company under the Scheme.

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

As at 30 June 2018, 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 in 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:

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	Interest of a controlled corporation ^(Note 2)	390,000,000 (L)	75%

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 is legally and beneficially owned by Dr. Tan, the chairman of the Board and an executive Director. Accordingly, Dr. 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 number of the underlying Shares interested divided by the number of issued Shares as at 30 June 2018 (i.e. 520,000,000 Shares)



Save as disclosed above, as at 30 June 2018, none of the Directors nor the chief executive of the Company had any interests and short positions in the 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.

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

As at 30 June 2018, 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 <small>(Note 1)</small>	Percentage of the Company's issued Shares
Cher Sen <small>(Notes (2) and (3))</small>	Beneficial owner	390,000,000 (L)	75%

Notes:

- (1) The Letter "L" denotes the entity's long position in the relevant Shares.
- (2) Cher Sen is a direct Shareholder.
- (3) Cher Sen is legally and beneficially owned as to 100% by Dr. Tan.

* The percentage represents the number of Shares interested divided by the number of issued Shares as at 30 June 2018 (i.e. 520,000,000 Shares).

Save as disclosed above, as at 30 June 2018, so far as is known by or otherwise notified to the Directors, no other entity (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under Section 336 of the SFO.



DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Since the Listing Date and up to the date of this report, none of the Directors or the Controlling Shareholders or their respective close associates (as defined under the GEM Listing Rules) had interests in any 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.

CORPORATE GOVERNANCE PRACTICES

As the Company's issued Shares were initially listed on GEM on 15 June 2018, the Corporate Governance Code (the "**CG Code**") as set out in Appendix 15 to the GEM Listing Rules was not applicable to the Company for the period from 1 January 2018 to 14 June 2018, being the date immediately before the Listing Date. The Company has adopted and has complied with all applicable code provisions as set out in the CG Code during the period from the Listing Date to 30 June 2018 and thereafter up to the date of this report (the "**Compliance Period**").

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 had fully complied with the Required Standard of Dealings and the required standards set out in the Own Code of Conduct during the Compliance Period.

COMPLIANCE ADVISER'S INTERESTS IN THE COMPANY

As at 30 June 2018 and up to the date of this report, as notified by Titan Financial Services Limited, the Company's compliance adviser (the "**Compliance Adviser**"), save for the compliance adviser agreement dated 25 January 2018 and entered into between the Company and the Compliance Adviser regarding the receipt of fees for acting as the Compliance Adviser, neither the Compliance Adviser nor its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.



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

During the Compliance 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.

AUDIT COMMITTEE

The Company has established the Audit Committee on 18 May 2018 with written terms of reference in compliance with code provision C.3 of the CG Code and Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee 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 by the Group. The Audit Committee comprises three independent non-executive Directors, namely Mr. Leung Ho San Jason, Mr. Soh Sai Kiang and Mr. Tan Chee Ken. Mr. Leung Ho San Jason is the chairman of the Audit Committee. The Audit Committee has reviewed the Unaudited Condensed Consolidated Financial Statements and this report and is of the view that such Statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other legal requirements, and that adequate disclosures have been made.

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

Singapore, 13 August 2018

As at the date of this report, the executive Directors are Dr. Tan Cher Sen Alan (Chairman) and Mr. Toh Han Boon (Chief Financial Officer) and the independent non-executive Directors are Mr. Leung Ho San Jason, Mr. Soh Sai Kiang and Mr. Tan Chee Ken.