

DR TAN & PARTNER

RepublicHealthcare

REPUBLIC HEALTHCARE LIMITED

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 8357

**THIRD
QUARTERLY
REPORT
2020**





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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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2020 FINANCIAL HIGHLIGHTS (UNAUDITED)

The Group recorded a revenue of approximately S\$9.6 million for the nine months ended 30 September 2020 (the “**Period**”), representing a decrease of approximately 1.7% when compared with that of approximately S\$9.8 million for the corresponding period in 2019 (the “**Corresponding Period**”).

The gross profit of the Group for the Period was approximately S\$6.8 million, which remains constant with the Corresponding period of approximately S\$6.9 million.

The Group recorded a net profit after tax of approximately S\$0.3 million for the Period, representing a decrease of approximately 75.7% when compared with that of approximately S\$1.3 million for the Corresponding Period. The decrease in profit after tax is mainly due to the significant increase in employee benefit expenses during the Period which is approximately S\$4.0 million for the Period, representing an increase of approximately 25.1% when compared to that of approximately S\$3.2 million for the Corresponding Period which is primarily attributable to the recruitment of new doctors, aestheticians and clinic assistants.

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 months and nine months ended 30 September 2020

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020 (unaudited) S\$	2019 (unaudited) S\$	2020 (unaudited) S\$	2019 (unaudited) S\$
Revenue	3	4,062,421	3,530,132	9,615,431	9,780,985
Other income		—	38,351	196,057	58,730
Consumables and medical supplies used		(993,361)	(455,880)	(2,217,102)	(1,947,100)
Medical professional costs		(261,298)	(106,660)	(603,039)	(931,960)
Employee benefits expenses		(1,241,794)	(1,249,856)	(4,038,250)	(3,228,895)
Depreciation of plant and equipment		(50,520)	(43,099)	(267,974)	(269,925)
Depreciation of right-of-use assets		(28,193)	—	(462,739)	—
Interest expense on lease liabilities		(23,963)	—	(81,858)	—
Other operating expenses		(492,910)	(734,765)	(1,503,281)	(1,855,428)
Profit before income tax		970,382	978,223	637,245	1,606,407
Income tax expense	4	(75,000)	(263,547)	(318,607)	(334,847)
Items that may be reclassified subsequently to profit or loss					
— Net loss relating to foreign currency transaction differences arising from consolidation		—	—	(9,196)	—
Profit and total comprehensive income attributable to owners of the Company for the period		895,382	714,676	309,442	1,271,560
Profit and total comprehensive income attributable					
Owners of the Company		895,382	714,676	309,442	1,271,560
Non-controlling interests		—	—	—	—
		895,382	714,676	309,442	1,271,560
Earnings per share attributable to owners of the Company for the period (expressed in Singapore cents per share)					
Basic and diluted	5	0.17	0.14	0.06	0.24

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2020

	Attributable to equity holders of the Company							Non-controlling interests	Total equity
	Share capital	Share premium	Other reserves			Retained earnings	Total		
			(Note)	Translation reserve					
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Balance at 1 January 2019 (audited)	896,552	10,710,421	420,000	-	547,801	12,574,774	(160)	12,574,614	
<i>Total comprehensive income</i>									
Profit for the financial period	-	-	-	-	1,271,560	1,271,560	-	1,271,560	
Balance as at 30 September 2019 (unaudited)	896,552	10,710,421	420,000	-	1,819,361	13,846,334	(160)	13,846,174	
Balance at 1 January 2020 (audited)	896,552	10,710,421	420,000	-	1,185,208	13,212,181	-	13,212,181	
<i>Total comprehensive income</i>									
Profit for the financial period	-	-	-	-	318,638	318,638	-	318,638	
Other comprehensive income	-	-	-	(9,196)	-	(9,196)	-	(9,196)	
Balance as at 30 September 2020 (unaudited)	896,552	10,710,421	420,000	(9,196)	1,503,846	13,521,623	-	13,521,623	

Note: Other reserves as at 30 September 2020 represented the difference between the consideration paid by the Company and the share capital of Get Republic Pte Ltd (formerly known as Dtap @ Bencoolen Pte Ltd), Dtap @ Holland V Pte Ltd, Dtap @ Somerset Pte Ltd, Republic Healthcare Pte Ltd, Republic Healthcare Holdings Pte Ltd and Z Aesthetics Clinic Pte Ltd (formerly known as S Aesthetics Clinic Pte Ltd).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

1 General Information and Reorganisation

1.1 General Information

The Company was incorporated in the Cayman Islands on 3 January 2018 as an exempted company with limited liability under the Companies Law (Cap 22, Law of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is 5th Floor, Genesis Building, Genesis Close, George Town, P.O. Box 446, Grand Cayman KY1-1106, Cayman Islands.

The Company is an investment holding company. The Company's subsidiaries (collectively, the "**Group**") are principally engaged in the operating of medical clinics business in Singapore and provision of management advisory services.

The shares of the Company (the "**Shares**") were listed on GEM of the Stock Exchange of Hong Kong Limited (the "**Listing**") by way of placing and public offer (the "**Share Offer**") on 15 June 2018 (the "**Listing Date**").

1.2 Reorganisation

On 1 January 2019, Z Aesthetics Clinic Pte. Ltd. (formerly known as S Aesthetics Clinic Pte Ltd) ("**ZACPL**") and S Aesthetics Spa Pte Ltd (formerly known as Dtap @ Novena Pte Ltd) ("**SASPL**") acquired 1 clinic from Republic Healthcare Pte. Ltd. respectively. On 1 July 2019, Dtap Clinics Pte. Ltd (formerly known as Dtap @ Robertsons Pte Ltd) ("**DCPL**") also acquired 1 clinic from Republic Healthcare Pte. Ltd.. These transactions have been accounted as common control transaction which involves acquiring the businesses of an existing company (Republic Healthcare Pte. Ltd.).

On 1 April 2020, DCPL acquired 6 clinics from SASPL, Dtap @ Somerset Pte Ltd, S Aesthetics Clinic Pte Ltd (formerly known as Dtap @ Raffles Place Pte Ltd) ("**SACPL**"), Dtap @ Holland V Pte Ltd, Dtap Express Pte Ltd (formerly known as Dtap @ Siglap Pte Ltd), RHCPL. On 1 April 2020, SACPL also acquired 1 aesthetic clinic from ZACPL. These transactions have been accounted as common control transaction which involves acquiring the businesses of an existing companies (SASPL, Dtap @ Somerset Pte Ltd, SACPL, Dtap @ Holland V Pte Ltd, Dtap Express Pte Ltd, RHCPL and ZACPL).

2 Basis of Presentation and 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 2019 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 2019 Consolidated Financial Statements.

All IFRSs effective for the accounting period commencing on 1 January 2020, 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**”).

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:

	Three months ended 30 September		Nine months ended 30 September	
	2020 (unaudited) S\$	2019 (unaudited) S\$	2020 (unaudited) S\$	2019 (unaudited) S\$
	Medical services			
Treatment services	2,645,176	2,139,711	6,221,498	5,753,490
Medical investigation services	1,049,615	1,019,514	2,466,083	3,040,290
Consultation services	367,630	370,907	927,850	987,205
	4,062,421	3,530,132	9,615,431	9,780,985

4 Income Tax Expense

Singapore corporate income tax has been provided for at the rate of 17% on the estimated assessable profit for the nine months ended 30 September 2020 (30 September 2019: 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 September 2019: Nil).

4 Income Tax Expense (Continued)

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

	Three months ended 30 September		Nine months ended 30 September	
	2020 (unaudited) S\$	2019 (unaudited) S\$	2020 (unaudited) S\$	2019 (unaudited) S\$
	Current tax: Singapore profits tax	75,000	263,547	309,442

5 Earnings Per Share

(a) Basic

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

	Three months ended 30 September		Nine months ended 30 September	
	2020 (unaudited) S\$	2019 (unaudited) S\$	2020 (unaudited) S\$	2019 (unaudited) S\$
	Profit attributable to the owners of the Company	895,382	714,676	318,638
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	520,000,000	520,000,000	520,000,000	520,000,000
Earnings per share (S\$ cents per share)	0.17	0.14	0.06	0.24

5 Earnings Per Share (Continued)

(a) Basic (Continued)

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

(b) Diluted

The diluted earnings per share is the same as the basic earnings per share due to the absence of dilutive ordinary shares during the respective periods.

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” or “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. The Group also performs aesthetic treatments to enhance the overall appearance of patients.

For the nine months ended 30 September 2020, (the “**Period**” or the “**FY2020Q3**”) the revenue of the Group decreased by approximately S\$0.2 million, or 1.7%, to approximately S\$9.6 million, when compared to that for the period ended 30 September 2019 (the “**Corresponding Period**” or the “**FY2019Q3**”). The revenue of consultation services, medical investigation services and treatment services amounted to approximately S\$0.9 million, S\$2.5 million and S\$6.2 million, respectively, which accounted for approximately 9.7%, 25.6% and 64.7% of the total revenue of the Group for the Period, respectively, please refer to “Financial Review” for further details.

OUTLOOK AND PROSPECTS

Looking forward, the uncertainties resulting from the outbreak of the novel coronavirus pneumonia (“**Covid-19**”) epidemic in Singapore since late January 2020, which the Singapore government has implemented very high safe distancing measures in place (“**Circuit Breaker**”) to avoid the spread of Covid-19. Hence, it has led to the decline of patients who requires our niche service resulting in the overall business environment to be more challenging as it has resulted in keen competition among the brick and mortar and online players. However, with strong potential in the healthcare services industry in Singapore, the Group will continue to seek to enlarge our market share, grow the DTAP brand and business and to build our reputation. We will continue to consolidate our position in the market and achieve a continued growth for our business.

Continued investments and keeping abreast of technological developments have 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.

As at the date of this report, we operate (i) eight DTAP clinics including the clinics at Robertson, Novena, Somerset, Raffles Place, Holland Village, Siglap, Duo Galleria and Kovan; (ii) one S Aesthetics Clinic at Scotts Road; (iii) one Vitiligo, Psoriasis and Skin Clinic at Scotts Road; and (iv) one self-testing clinic Dtap Express at Icon Village.

FINANCIAL REVIEW

Revenue

As at the end of the Period, the Group has ten clinics as compared to Corresponding Period of seven clinics, the Group's revenue decreased by approximately S\$0.2 million or 1.7% from approximately S\$9.8 million for the Corresponding Period to approximately S\$9.6 million for the Period. The decrease was mainly due to the outbreak of the COVID-19 and the implementation of Circuit Breaker. Under Circuit Breaker, healthcare services may remain open only for the delivery of essential services and all non-essential appointments should be deferred which had posed operational challenges to the Group.

For the three months ended 30 September 2020, the revenue of the Group has increased S\$2.0 million or 92.7%, to approximately S\$4.1 million, when compared to that for the three months ended 30 June 2020. The revenue for consultation services, medical investigation services and treatment services amount to approximately S\$0.4 million, S\$1.1 million and S\$2.6 million, respectively, which accounted for approximately 9.1%, 25.8% and 65.1% of the total revenue of the Group for the three months ended 30 September 2020, respectively.

Revenue generated from consultation services decreased by approximately S\$59,000 from approximately S\$987,000 in the Corresponding Period to approximately S\$928,000 for the Period. There is no significant change observed as the Group had tapped on keeping abreast of technological developments and quickly moved towards teleconsultation during the Circuit Breaker.

Revenue generated from medical investigation services decreased by approximately S\$0.5 million from S\$3.0 million in the Corresponding Period to approximately S\$2.5 million for the Period. The significant decrease was mainly due to the type of services that could be provided during the Circuit Breaker where mostly do not require medical investigation services.

Revenue generated from treatment services increased by approximately S\$0.4 million from approximately S\$5.8 million in the Corresponding Period to approximately S\$6.2 million for the Period. The increase is due to more treatment related services were conducted in the three months ended 30 September 2020 as Singapore gradually resumes economic and social activities with safe distancing measures in place.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately S\$0.1 million from approximately S\$6.9 million for the Corresponding Period to approximately S\$6.8 million. The Group's gross profit margin remains constant with the Corresponding Period.

Employee benefits expenses

Our employee benefits expenses increased by approximately S\$0.8 million or 25.1% from approximately S\$3.2 million for the Corresponding Period to approximately S\$4.0 million for the Period. Such increase was primarily attributable to the recruitment of new doctors, aestheticians and clinic assistants.

Other operating expenses

In view of the adoption of IFRS 16 Leases where the operating lease rentals of the Group's office and clinics have been depreciated as compared to the Corresponding Period which have been classified under other operating expense. Excluding the operating lease rentals in the Corresponding Period, there is no significant change observed.

Profit for the period attributable to owners of the Company

As a result of the foregoing, the Group remained profitable and recorded a profit of approximately S\$0.3 million for the Period, representing a decrease of approximately S\$1.0 million as compared to a profit of approximately S\$1.3 million the Corresponding Period. The decrease is largely due to the outbreak of COVID-19 where the Circuit Breaker was being implemented and posed operational challenges for clinics under the Group and the increase in employee benefits expenses. However, as Singapore gradually resumes economic and social activities with safe distancing measures in place, the Group recorded a profit for FY2020Q3 as compared to the results announced for the six months ended 30 June 2020.

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 September 2020, we had 58 employees in Singapore (As at 31 December 2019: 51 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 child care 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 September 2020, we had cash and cash equivalents of approximately S\$12.1 million (31 December 2019: S\$5.9 million) and the Group had no bank borrowings (31 December 2019: Nil).

GEARING RATIO

As at 30 September 2020, the gearing ratio of the Group was approximately 13.2% (31 December 2019: 18.6%). 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 September 2020, the Group's lease liabilities was approximately S\$1.7 million (31 December 2019: S\$2.5 million).

We believe that our liquidity position would further be strengthened by using a combination of cash generated from operating activities and 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 September 2020, the capital structure of the Group only comprises the share capital, retained earnings, share premium and other reserves.

For the Period, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately S\$13.5 million. The Shares in issue were initially listed on GEM of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Group since then.

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 September 2020, 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.

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.

CHARGE ON ASSETS

As at 30 September 2020, 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 September 2020 and up to the date of this report.

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 regularly. The Company has adopted and has complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the “**CG Code**”) during the Period.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the 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 standard set out in the Own Code of Conduct during the Period.

SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was approved and adopted by way of written resolutions of the Shareholders on 18 May 2018 (the “**Adoption Date**”), which 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 and enabling such persons’ contribution to further advance the interests of our Group.

No share option has been granted or agreed to be granted by the Company under the Share Option Scheme since the Adoption Date and up to the date of this report. Therefore, no share options lapsed or were exercised or cancelled during the Period and there were no outstanding share options as at 30 September 2020.

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 September 2020, 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 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 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 520,000,000 as at 30 September 2020.

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	50,000	100%

Notes:

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

Saved for the disclosed above, as at 30 September 2020, 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' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2020, 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	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 of the Company.

(3) Cher Sen is legally and beneficially owned as to 100% by Dr. Alan Tan.

* The percentage represents the number of the Shares interested divided by the number of Shares in issue of 520,000,000 as at 30 September 2020.

Saved for the disclosed above, as at 30 September 2020, 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

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.

COMPLIANCE ADVISER'S INTERESTS IN THE COMPANY

As at 30 September 2020, as notified by the Company's compliance adviser, Titan Financial Services Limited (the "Titan"), save for the compliance agreement dated 25 January 2018 and entered into between the Company and Titan concerning the fees payable by the Company to Titan for acting in the capacity of compliance adviser, none of Titan or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in the securities of the Company or any members of the Group (including options or rights to subscribe for such securities) as at 30 September 2020, 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 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 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 of the CG Code as set out in Appendix 15 to 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 (the “INEDs”), namely Mr. Low Wee Siong, Mr. Soh Sai Kiang and Mr. Kevin John Chia. Mr. Low Wee Siong 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, 4 November 2020

As at the date of this report, the executive Director is Dr. Tan Cher Sen Alan (Chairman), and the INEDs are Mr. Low Wee Siong, Mr. Soh Sai Kiang and Mr. Kevin John Chia.