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The Future Of Healthcare, Now

Republic Healthcare Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8357)

ANNOUNCEMENT OF FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

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 three months ended 31 March 2022. This announcement, containing the full text of the 2022 first quarterly report of the Company (the “**2022 First Quarterly 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 quarterly results. The printed version of the 2022 First Quarterly 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, 5 May 2022

As at the date of this announcement, the executive Director is Dr. Tan Cher Sen Alan (Chairman); and the independent non-executive Directors are Mr. Yeo Teck Chuan, Mr. Soh Sai Kiang and Mr. Kevin John Chia.

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

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com 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.

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This report, for which the directors of Republic Healthcare Limited (the “Company” 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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2022 FINANCIAL HIGHLIGHTS (UNAUDITED)

The Group recorded a revenue of S\$2.06 million for the three months ended 31 March 2022 (the “**Period**”), representing a decline of approximately 47.9% when compared with that of approximately S\$3.95 million for the corresponding period in 2021 (the “**Corresponding Period**”).

The gross profit of the Group for the Period was S\$1.3 million, representing a decline of approximately 49.5% when compared with that of approximately S\$2.6 million for the Corresponding Period.

The Group recorded a net loss after tax of approximately S\$0.7 million for the Period (net profit after tax of the Group of approximately S\$228 for the Corresponding Period). The decrease in profit after tax is mainly due to (a) a lower revenue following the closure of four GP clinics (namely, Orchard, Siglap, Somerset and Raffles) as a result of the lack of doctors; and (b) strong competition from online platforms and offline clinics (mainly from doctors who had left the practice to establish their own clinics) offering similar services at a much competitive rate. In addition, there was a loss of revenue from the 2 disposed businesses (S Aesthetic Clinic Pte Ltd and DTAP Express Pte Ltd) mentioned in our announcements of 15 February 2022 and 28 February 2022.

Despite the aforesaid performance, the Management remains optimistic that revenue would continue to grow especially so following the various announcements made by Singapore government to loosen the Safe Management Measures (commonly known as SMMs, where social distancing rules are implemented to manage the spread of Covid-19 cases within the community) to prepare its people to return back to normal and “living” with Covid-19.

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 ended 31 March 2022

	Notes	Three months ended 31 March	
		2022 (unaudited) S\$	2021 (unaudited) S\$
Revenue	3	2,055,932	3,949,082
Other income		280,851	214,524
Consumables and medical supplies used		(535,448)	(1,064,131)
Medical professional costs		(188,964)	(249,811)
Employee benefits expenses		(1,348,465)	(1,435,577)
Depreciation of plant and equipment		(106,659)	(142,938)
Depreciation of right-of-use assets		(244,975)	(318,178)
Interest expense on lease liabilities		(18,584)	(34,343)
Other operating expenses		(552,722)	(918,353)
(Loss)/Profit before income tax from continuing operations		(529,110)	275
Income tax expense	4	(369)	(47)
(Loss)/Profit for the period from continuing operations		(529,479)	228
Discontinued operations			
Loss for the period from discontinued operations	5	(129,924)	—
Profit/(Loss) and total comprehensive income attributable to Owners of the Company for the period		(659,403)	228
Non-controlling interests		—	—

	Notes	Three months ended 31 March	
		2022 (unaudited) S\$	2021 (unaudited) S\$
(Loss)/Profit and total comprehensive (loss)/income attributable to Owners of the Company for the period			
Owners of the Company		(659,403)	228
Non-controlling interests			
Other comprehensive loss:			
<i>Items that are or may not be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising on consolidation		—	—
Total comprehensive (loss)/income for the financial period		(659,403)	228
Earnings/(Loss) per share attributable to owners of the Company for the period (expressed in Singapore cents per share)			
Basic and diluted	6		
From continuing operations		(0.00)	0.00
From discontinued operations		(0.00)	0.00

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2022

	Attributable to equity holders of the Company					
	Share capital S\$	Share premium S\$	Currency translation reserve S\$	Other reserves (Note) S\$	Retained earnings S\$	Total equity S\$
Balance at 1 January 2021 (Restated)	896,552	10,710,421	(21,579)	420,000	1,041,599	13,046,993
<i>Total comprehensive income</i>						
Profit for the financial period	—	—	—	—	228	228
Balance as at 31 March 2021 (unaudited)	896,552	10,710,421	(21,579)	420,000	1,041,827	13,047,221
Balance as at 1 January 2022 (audited)	1,076,888	14,066,878	(14,402)	420,000	43,668	15,593,032
<i>Total comprehensive loss</i>						
Loss for the financial period	—	—	—	—	(659,403)	(659,403)
Balance as at 31 March 2022 (unaudited)	1,076,888	14,066,878	(14,402)	420,000	(615,735)	14,933,629

Note: Other reserves as at 31 March 2022 represented the difference between the consideration paid by the Company and the share capital of 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 three months ended 31 March 2022

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").

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 2021 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 2021 Consolidated Financial Statements.

All IFRSs effective for the accounting period commencing on 1 January 2022, 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.

2 Basis of Presentation and Accounting Policies (Continued)

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 31 March	
	2022 (unaudited) S\$	2021 (unaudited) S\$
Medical services		
Treatment services	1,302,561	2,823,280
Medical investigation services	534,858	811,025
Consultation services	218,513	314,777
	2,055,932	3,949,082

4 Income Tax Expense

Singapore corporate income tax has been provided for at the rate of 17% on the estimated assessable profit for the three months ended 31 March 2022 (31 March 2021: 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 (31 March 2021: Nil).

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

	Three months ended 31 March	
	2022 (unaudited) S\$	2021 (unaudited) S\$
Current tax:		
Current Year	—	47
Changes in estimates related to prior years	369	—

5 Discontinued operations and Disposal of Subsidiaries

On 11 February 2022, Republic Healthcare Holdings Pte Ltd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Anthea Holdings Pte. Ltd., a third party, to dispose 100% equity interests in subsidiaries, namely S Aesthetics Clinic Pte. Ltd. (“**SAC**”) and Dtap Express Pte. Ltd. (“**DTAP Express**”) for an aggregate cash consideration of S\$63,000, representing S\$41,000 and S\$22,000 respectively. Both SAC and DTAP Express are principally engaged in clinic services.

6 Earnings/(Loss) 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 year.

	Three months ended 31 March	
	2022 (unaudited) S\$	2021 (unaudited) S\$
(Loss)/Profit attributable to the owners of the Company	(659,403)	228
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	576,416,439	520,000,000
(Loss)/Earnings per share (S\$ cents per share)	(0.00)	0.00

The calculation of the basic (loss)/earnings per share is based on the (loss)/profit for the financial period attributable to owners of the Company and the 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, under the brand “Dr. Tan & Partners” or “DTAP” in short, in Singapore since 2010. The Group provides high value-based 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 well-trained doctors and personnel. The Group customizes its treatment plan based on individual patient’s needs and delivers primary healthcare services with the goal of improving patient’s care experience by offering seamless services to assist them to cope with their medical condition.

On 11 February 2022, Republic Healthcare Holdings Pte Ltd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement with Anthea Holdings Pte. Ltd., a third party, to dispose 100% equity interests in subsidiaries, namely S Aesthetics Clinic Pte. Ltd. (“SAC”) and Dtap Express Pte. Ltd. (“DTAP Express”) for an aggregate cash consideration of S\$63,000, representing S\$41,000 and S\$22,000 respectively. Both SAC and DTAP Express are principally engaged in clinic services.

Upon the completion of disposal, the Group will lose control in SAC and DTAP Express and these entities will cease to be subsidiaries of the Group effective from the completion date on 28 February 2022. The disposal of the aforementioned subsidiaries will result in an estimated loss of S\$44,000 to the Group.

For the three months ended 31 March 2022, (the “Period” or the “FY2022Q1”) the revenue of the Group decline by approximately S\$1.89 million, or 47.9%, to approximately S\$2.06 million, when compared to that for the period ended 31 March 2021 (the “Corresponding Period” or the “FY2021Q1”). The revenue of consultation services, medical investigation services and treatment services amounted to approximately S\$0.22 million, S\$0.54 million and S\$1.30 million, respectively, which accounted for approximately 10.6%, 26.0% and 63.4% of the total revenue of the Group for the Period, respectively, which is in line with the distribution as compared to those for the FY2021Q1.

OUTLOOK AND PROSPECTS

Looking forward and with the disposal of the 2 unprofitable businesses aforesaid (being SAC and DTAP Express), the Group expects the revenue would continue to grow healthily especially so following the various announcements made by Singapore government to loosen Safe Management Measure (commonly known as SMMs, where social distancing rules are implemented to manage the spread of Covid-19 cases within the community) to prepare its population to return back to normal. The Group will continue to invest in its human capital to improve on the service quality standard as well as setting aside more resources to provide training to develop our staff and attract new talents to be part of our Group.

In addition, we will be embarking on a series of new initiatives with new business verticals to propel the Group's revenue base as well as invest in technology to keep up with the online platform development as we continue to grow our DTAP brand presence in the general practice clinic network in Singapore.

As at the date of this report, we operate six DTAP clinics including the clinics at Robertson, Novena, Holland Village, Duo Galleria, Kovan, and Paragon. We did not renew the lease agreements at Orchard, Raffles, Siglap and Somerset due to lack of doctors.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately S\$1.89 million or 47.9% from approximately S\$3.95 million for the Corresponding Period to approximately S\$2.06 million for the Period. The decrease is mainly due to the prolong impact of the novel coronavirus pneumonia ("**Covid-19**") pandemic and its related variants (delta, delta+ and Omicron), the growing number of online consult platforms offering similar services to our clinics and operated by non-healthcare companies supported by founders who have proven digital marketing credentials.

Gross profit and gross profit margin

The Group's gross profit declined by approximately S\$1.3 million from approximately S\$2.6 million for the Corresponding Period to approximately S\$1.3 million for the Period. The Group's gross profit margin decreased from approximately 66.7% for the Corresponding Period to approximately 64.8% for the Period mainly arising from higher drug and investigation service costs as a result rising fuel prices amid the Russia-Ukraine conflict.

Employee benefits expenses

Our employee benefits expenses declined by approximately S\$0.09 million or 6.1% from approximately S\$1.44 million for the Corresponding Period to approximately S\$1.35 million for the Period. Such decrease is due to the high attrition rate from doctors and clinic staff.

Depreciation of plant and equipment

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substitute for cost, less its residual value. Depreciation is recognised on straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Our depreciation expenses primarily comprised:

- (a) Professional equipment, mainly our medical equipment and dermatological laser equipment used at our clinics;
- (b) Computers and office equipment at our various premises used for our operations; and
- (c) Leasehold improvements in relation to the leased premises for our operations.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of every financial year. Our medical equipment and office equipment are generally depreciated over three to five years, which we considered as reasonable for the useful lives for assets of such nature.

Right-of-use assets

Depreciation of 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 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.

Other operating expenses

The decrease was mainly attributable to the decline in marketing expenses and overhead expenses related to those clinics that were closed such as rental costs as compared with those for the Corresponding Period.

Loss for the period attributable to owners of the Company

As a result of the foregoing, the Group remained marginally profitable and recorded a loss of approximately S\$659,403 for the Period, as compared to a profit of approximately S\$228 for the Corresponding Period. The expected loss was mainly due to a lower revenue following the closure of four GP clinics (namely, Orchard, Siglap, Somerset and Raffles) due to a lack of doctors; and strong competition from online platforms and offline clinics (mainly from doctors who had left the practice to establish their own clinics) offering similar services at a much competitive rate. In addition, there was a loss of revenue from the 2 disposed businesses (S Aesthetic Clinic Pte Ltd and DTAP Express Pte Ltd) made in our announcements of 15 February 2022 and 28 February 2022.

DIVIDEND

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

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, we had 52 employees in Singapore (As at 31 December 2021: 49 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 31 March 2022, we had cash and cash equivalents of approximately S\$13.1 million (As at 31 December 2021: S\$13.3 million) and the Group had no bank borrowings (As at 31 December 2021: Nil).

GEARING RATIO

As at 31 March 2022, the gearing ratio of the Group was 10.8% (As at 31 December 2021: 9.9%). 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 31 March 2022, the Group's lease liabilities was approximately S\$1.6 million (As at 31 December 2021: S\$1.5 million).

Net cash generated from operating activities are approximately –S\$0.7 million (For the year ended 31 December 2021: –S\$0.5 million). With the healthy bank balances and cash on hand, the Group's liquid position remained strong and it had sufficient financial resources to meet its working capital requirement.

CAPITAL STRUCTURE

As at 31 March 2022, 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\$14.9 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

On 11 February 2022, Republic Healthcare Holdings Pte Ltd (“**S&D Seller**”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with the Anthea Holdings Pte. Ltd. (“**S&D Purchaser**”) pursuant to which the S&D Seller agreed to sell 100% issued share capital of S Aesthetics Clinic Ptd Ltd and 100% issued share capital of DTAP Express Ptd Ltd to the S&D Purchaser for an aggregate consideration of approximately S\$63,000 (equivalent to approximately HK\$365,000) (“**Disposal**”). Both S Aesthetics Clinic Ptd Ltd and DTAP Express Ptd Ltd are principally engaged in clinic services.

As the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The completion of the Disposal took place on 28 February 2022 and since then S Aesthetics Clinic Ptd Ltd and DTAP Express Ptd Ltd cease to be accounted as subsidiaries of the Group.

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

The situation was still critical in 2021. For the year ended 31 December 2021, the Group recorded a loss approximately S\$1.0 million, barring unforeseen circumstances, the Board considers that the expected loss mainly attributable by the prolong impact of Covid-19 pandemic and its related variants (delta, delta+ and Omicron), the growing number of online consult platforms offering similar services to our clinics and operated by non-healthcare companies supported by founders who have proven digital marketing credentials. Despite investing heavily in our marketing expenses to drive business into our clinics, a declining population census in Singapore, a lack of social activities due to movement controls/restrictions, as well as higher attrition rate from doctors, a key revenue driver to the business (a phenomenal akin to the “Great Resignation” seen in USA early 2021) contributed to the decline of revenue and widening of our losses as the year ended 31 December 2021.

Under the above circumstances, the Directors have been continuously evaluating the current business strategies of the Group with an aim to achieve the best use of its resources and improve its overall performance. The Directors consider the Disposal allows the Group to exit from subsidizing the non-performing business of S Aesthetics Clinic and DTAP Express and create a good opportunity for the Group to restructure its strategic business position and focus its resources in pursuing development opportunities of other existing businesses of the Group. Having considered the above, the Directors consider that the terms of the Disposal are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and its Shareholders as a whole.

For further details of the Disposal, please refer to the announcements of the Company dated 11 February 2022, 15 February 2022 and 28 February 2022.

COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2022, 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 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 31 March 2022, there were no charges on the Group's assets.

SIGNIFICANT EVENT AFTER THE PERIOD

On 7 March 2022 (after trading hours), Republic Healthcare Holdings Private Limited, a limited liability company incorporated in Singapore and a wholly-owned subsidiary of the Company ("**Orchard Purchaser**") and Orchard Surgery Centre Private Limited, a limited liability company incorporated in Singapore ("**Target Company**") entered into a memorandum of understanding, pursuant to which the Orchard Purchaser intended to acquire at least 51% equity interest in the Target Company.

As at the date hereof, this possible acquisition is still subject to, among others, further negotiation concerning the entering into of a formal agreement, with terms and conditions thereof yet to be finalized and agreed between the Orchard Purchaser and the Target Company. As such, this possible acquisition may or may not proceed. Further announcement(s) in respect of this possible acquisition shall be made by the Company in the event that any formal agreement has been entered into.

For further details of the possible acquisition, please refer to the announcement of the Company dated 7 March 2022.

Save as disclosed above, there has been no significant event that affected the Group after 31 March 2022 and up to the date of this report.

The net assets of S Aesthetics Clinic Pte Ltd and DTAP Express Pte Ltd at the date of Disposal are as follows:

	S Aesthetics Clinic Pte Ltd SGD	DTAP Express Pte Ltd SGD
ASSETS		
<i>Current assets</i>		
Cash and bank deposits	631,494	40,877
Trade receivables	5,209	3,274
Inter-co receivables	(29,710)	(8,488)
Other receivables	430,510	30,906
Inventories	184,035	1,409
	1,221,538	67,978
<i>Non-current assets</i>		
Right-of-use of Assets	409,671	14,587
Property, plant & equipment	412,362	35,898
	822,033	50,485
TOTAL ASSETS	2,043,571	118,463

	S Aesthetics Clinic Pte Ltd SGD	DTAP Express Pte Ltd SGD
LIABILITIES		
<i>Current liabilities</i>		
Trade payables		
— Third parties	(1,612)	14,571
— intercompanies	—	—
Contract liabilities	350,803	—
Inter-co payables	1,725	(2,029)
Other payables	1,126,729	73,626
Lease liabilities	184,996	16,653
	1,662,641	102,821
<i>Non-current liabilities</i>		
Lease liabilities (Non-current)	232,834	—
Provision for restoration cost (Non-current)	47,000	10,000
	279,834	10,000
TOTAL LIABILITIES	1,942,475	112,821
NET ASSETS	101,096	5,642
EQUITY		
Share capital	10,000	10,000
Retained profits	204,765	11,896
Current year profit/(loss)	(113,669)	(16,254)
TOTAL EQUITY	101,096	5,642
NET ASSETS	101,096	5,642
CONSIDERATION RECEIVED	41,000	22,000

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 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 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 31 March 2022.

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

As at 31 March 2022, 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 ^(Note 1)	Percentage of the Company's issued Shares
Dr. Tan Cher Sen Alan ("Dr. Alan Tan")	Interest of a controlled corporation ^(Note 2)	350,000,000 (L)	56.09%*

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 624,000,000 as at 31 March 2022.

Saved for the disclosed above, as at 31 March 2022, 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 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.

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 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.

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

As at 31 March 2022, 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 interest
Cher Sen <small>(Note 2 and 3)</small>	Beneficial owner	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.

* The percentage represents the number of the Shares interested divided by the number of Shares in issue of 624,000,000 as at 31 March 2022.

Saved for the disclosed above, as at 31 March 2022, 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.

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 subsidiaries purchase or sell such securities.

REVIEW BY 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 Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules 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 (the "INEDs"), namely Mr. Yeo Teck Chuan, Mr. Soh Sai Kiang and Mr. Kevin John Chia. Mr. Yeo Teck Chuan 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, 5 May 2022

As at the date of this report, the executive Directors is Dr. Tan Cher Sen Alan (Chairman); and the INEDs are Mr. Yeo Teck Chuan, Mr. Soh Sai Kiang and Mr. Kevin John Chia.