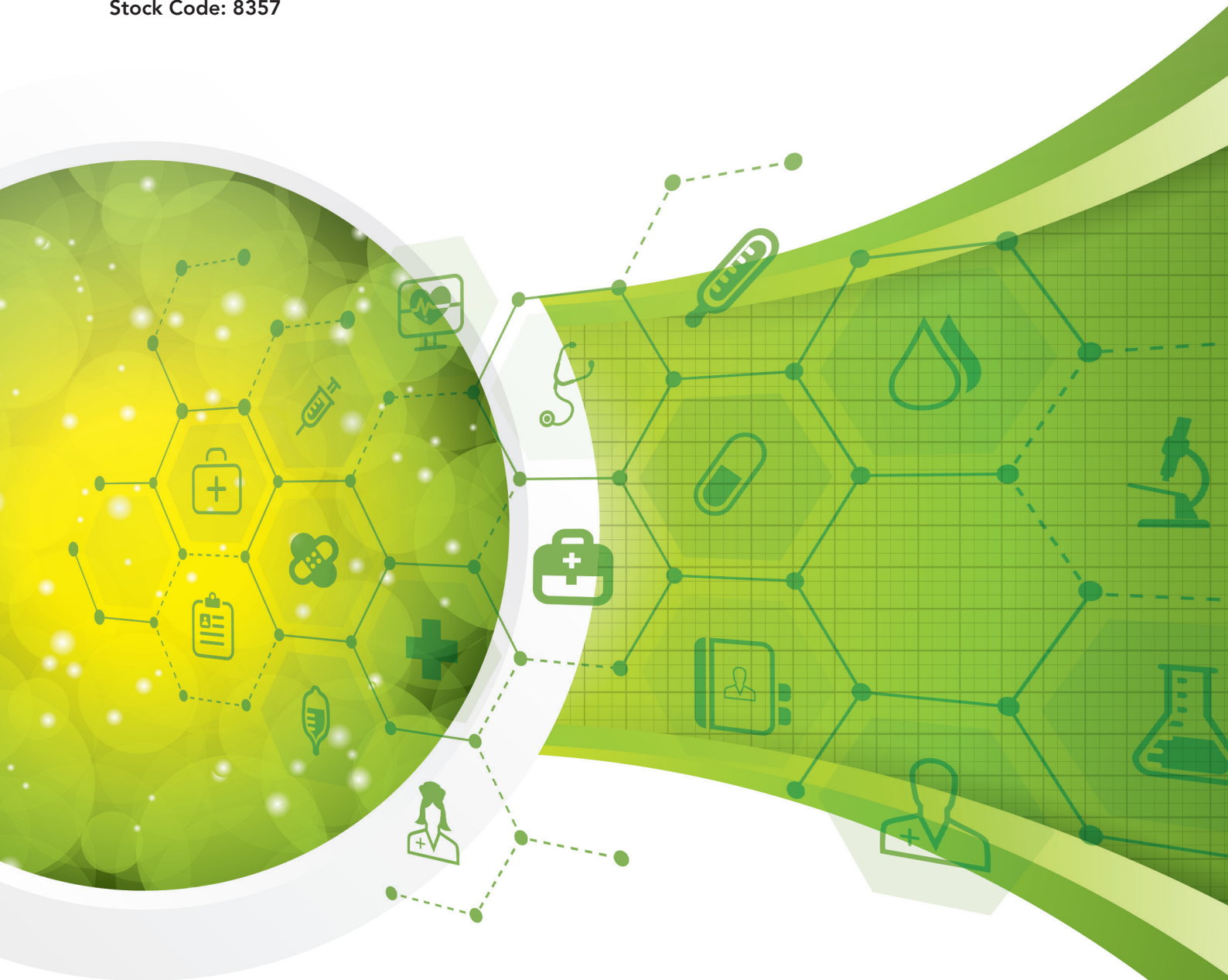


Republic Healthcare Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8357



Sole Sponsor



Titan Financial Services Limited

Joint Bookrunners and Joint Lead Managers



**China Industrial Securities
International Capital Limited**



Titan Financial Services Limited

Share Offer

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Republic Healthcare Limited

(Incorporated in the Cayman Islands with limited liability)

LISTING ON GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF SHARE OFFER

Number of Offer Shares : 130,000,000 Shares
Number of Public Offer Shares : 13,000,000 Shares (subject to re-allocation)
Number of Placing Shares : 117,000,000 Shares (subject to re-allocation)
Offer Price : Not more than HK\$0.60 per Offer Share and expected to be not less than HK\$0.50 per Offer Share, plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value : HK\$0.01 per Share
Stock code : 8357

Sole Sponsor



Titan Financial Services Limited

Joint Bookrunners and Joint Lead Managers



China Industrial Securities
International Capital Limited



訊匯證券有限公司
SINCERE SECURITIES LIMITED



Titan Financial Services Limited

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, 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 the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents Delivered to the Registrar of Companies in Hong Kong" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between us and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on the Price Determination Date, which is scheduled on or around Thursday, 7 June 2018, and in any event, not later than Tuesday, 12 June 2018. The Offer Price will be not more than HK\$0.60 per Offer Share and is currently expected to be not less than HK\$0.50 per Offer Share unless otherwise announced. The Joint Lead Managers may, with our consent, reduce the indicative Offer Price range and/or the number of Offer Shares stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. If this occurs, notice of reduction of the indicative Offer Price range and/or the number of Offer Shares will be published on the Stock Exchange's website at www.hkexnews.hk and our website at republichealthcare.asia.

If, for any reason, the Offer Price is not agreed between us and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on or before Tuesday, 12 June 2018, the Share Offer will not proceed and will lapse.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States of America and may not be offered, sold, pledged, or transferred within the United States of America, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. securities law. Prior to making any investment decision, prospective investors should consider carefully all the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" of this prospectus.

Prospective investors of the Share Offer should note that the obligations of the Public Offer Underwriters under the Public Offer Underwriting Agreement are subject to termination by the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) upon occurrence of any of the events set out in the paragraph headed "Underwriting — Underwriting arrangement and expenses — Grounds for termination" of this prospectus at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Should the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) terminate the Public Offer Underwriting Agreement, the Share Offer will not proceed and will lapse. Further details of these termination provisions are set out in the section headed "Underwriting" of this prospectus. It is important that prospective investors refer to that section for further details.

1 June 2018

CHARACTERISTICS OF GEM

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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given 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 principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcement and Gazette newspaper. Accordingly, prospective investors should note that they need to have access to the website of the Stock Exchange at www.hkexnews.hk in order to obtain up-to-date information on companies listed on GEM.

EXPECTED TIMETABLE

If there is any change in the following expected timetable of the Share Offer, we will issue an announcement in Hong Kong to be posted on the website of our Company at republichealthcare.asia and the website of the Stock Exchange at www.hkexnews.hk.

Date and time *(Note 1)*

Public Offer commences and **WHITE** and **YELLOW**

Application Forms available from	9:00 a.m. on Friday, 1 June 2018
Application lists for Public Offer open <i>(Note 2)</i>	11:45 a.m. on Wednesday, 6 June 2018
Latest time for lodging WHITE and YELLOW Application Forms	12:00 noon on Wednesday, 6 June 2018
Latest time to give electronic application instructions to HKSCC <i>(Note 3)</i>	12:00 noon on Wednesday, 6 June 2018
Application lists for Public Offer close <i>(Note 2)</i>	12:00 noon on Wednesday, 6 June 2018
Expected Price Determination Date on or about <i>(Note 4)</i>	Thursday, 7 June 2018
Announcement of the final Offer Price, indication of the levels of interest in the Placing, the levels of applications of the Public Offer, the basis of allotment and the results of applications in the Public Offer to be published in our Company’s website at republichealthcare.asia and the website of the Stock Exchange at www.hkexnews.hk on or before	Thursday, 14 June 2018
Announcement of results of allocations in the Public Offer (with successful applicants’ identification document numbers, where appropriate) to be available through a variety of channels as described in the paragraph headed “How to Apply for Public Offer Shares — 10. Publication of results” of this prospectus from	Thursday, 14 June 2018
Results of allocations in the Public Offer will be available at www.ewhiteform.com.hk/results with a “search by ID/business registration number” function on	Thursday, 14 June 2018
Despatch/collection of refund cheques on <i>(Notes 5 to 9)</i>	Thursday, 14 June 2018
Despatch/collection of Share certificates on <i>(Notes 5 to 8)</i>	Thursday, 14 June 2018
Dealings in Shares on GEM expected to commence at 9:00 a.m. on	Friday, 15 June 2018

EXPECTED TIMETABLE

Notes:

1. All times and dates refer to Hong Kong local time, except as otherwise stated.
2. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, 6 June 2018, the application lists will not open on that day. For further details, please refer to the paragraph headed “How to Apply for Public Offer Shares — 9. Effect of bad weather on the opening of the application lists” of this prospectus.
3. Applicants who apply for the Public Offer Shares by giving **electronic application instructions** to HKSCC should refer to the paragraph headed “How to Apply for Public Offer Shares — 5. Applying by giving electronic application instructions to HKSCC via CCASS” of this prospectus.
4. The Price Determination Date is expected to be on or about Thursday, 7 June 2018 and, in any event, not later than Tuesday, 12 June 2018. If, for any reason, the Offer Price is not agreed on or before Tuesday, 12 June 2018 between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters), the Share Offer will not proceed and will lapse accordingly.
5. Share certificates for the Public Offer Shares are expected to be issued on or before Thursday, 14 June 2018 but will only become valid certificates of title at 8:00 a.m. on Friday, 15 June 2018 provided that (a) the Share Offer has become unconditional in all respects; and (b) none of the Underwriting Agreements has been terminated in accordance with its terms.
6. Applicants for 1,000,000 Public Offer Shares or more on **WHITE** Application Form(s) may collect their refund cheques (where relevant) and/or Share certificates (where relevant) personally from our Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited, at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 14 June 2018 or any other day as announced by us as the date of despatch of Share certificates/refund cheques.

Individuals who are eligible for personal collection must not authorise any other person(s) to make collection on their behalf. Corporate applicants which are eligible for personal collection must attend by their authorised representative(s) bearing a letter of authorisation from such corporation(s) stamped with the corporation’s chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Branch Share Registrar.

7. Applicants for 1,000,000 Public Offer Shares or more on **YELLOW** Application Form(s) may collect their refund cheques, if any, in person but may not collect their Share certificates personally which will be deposited into CCASS for the credit of their designated CCASS Participants’ stock accounts or CCASS Investor Participants’ stock accounts, as appropriate. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.
8. Uncollected Share certificates and refund cheques (if any) will be despatched by ordinary post at the applicant’s own risk to the address specified in the relevant Application Form. For further information, applicants should refer to the paragraph headed “How to Apply for Public Offer Shares — 13. Despatch/collection of share certificates and refund monies” of this prospectus.
9. Refund cheques will be despatched in respect of wholly or partially unsuccessful applications and in respect of successful applications if the final Offer Price is less than the maximum Offer Price of HK\$0.60 per Offer Share. Notwithstanding that the Offer Price may be less than the maximum Offer Price of HK\$0.60 per Offer Share, applicants must pay the maximum Offer Price of HK\$0.60 per Offer Share at the time of application, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, but will be refunded the surplus application monies, without interest, as provided in the paragraph headed “How to Apply for Public Offer Shares — 13. Despatch/collection of share certificates and refund monies” of this prospectus.
10. Share certificates will only become valid certificates of title provided that the Share Offer has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of their Share certificates or prior to the Share certificates becoming valid certificates of title do so entirely at their own risk.

For further details of the structure and conditions of the Share Offer, you should refer to the section headed “Structure and Conditions of the Share Offer” of this prospectus.

CONTENTS

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Share Offer and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Offer Shares offered by this prospectus pursuant to the Share Offer. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Underwriters have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, advisers, officers, employees, agents or representatives or any other person involved in the Share Offer.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed “Risk Factors” of this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a primary healthcare services provider operating a network of general practice clinics under the brand “Dr. Tan & Partners” in Singapore since 2010, providing treatment solutions for common medical conditions, with a focus on sexual health and infectious diseases. To expand our services, we have, in May 2017, started the operations of a medical aesthetics clinic under the brand “S Aesthetics”, which focuses on providing treatment solutions for common skin conditions and basic medical aesthetics services. Our Clinics are conveniently and strategically located in Singapore. As at the Latest Practicable Date, we operated (i) six DTAP Clinics which provide primary healthcare services under the brand “Dr. Tan & Partners”; and (ii) one SA Clinic which provides basic medical aesthetics services under the brand “S Aesthetics”.

Services that we provide to our patients include (i) Consultation Services; (ii) Medical Investigation Services; and (iii) Treatment Services. We also provide medical and healthcare related advisory services to corporate customers. For further details, please refer to the paragraph headed “Business — Our business model, services, products and procedures — Our services” of this prospectus.

Our total revenue maintained a steady growth during the Track Record Period, which increased from approximately S\$7,128,000 for FY2016 to approximately S\$9,957,000 for FY2017. The following table sets out a breakdown of our revenue by service types during the Track Record Period:

	FY2016		FY2017	
	S\$	%	S\$	%
Consultation Services	866,787	12.2	1,078,735	10.8
Medical Investigation Services	2,347,434	32.9	2,941,806	29.6
Treatment Services	<u>3,913,770</u>	<u>54.9</u>	<u>5,460,174</u>	<u>54.8</u>
Sub-total	<u>7,127,991</u>	<u>100.0</u>	<u>9,480,715</u>	<u>95.2</u>
Other services ^(Note)	<u>—</u>	<u>—</u>	<u>476,179</u>	<u>4.8</u>
Total revenue	<u><u>7,127,991</u></u>	<u><u>100.0</u></u>	<u><u>9,956,894</u></u>	<u><u>100.0</u></u>

Note: Other services mainly include revenue generated from the provision of medical and healthcare related advisory services to corporate customers.

SUMMARY

OUR PROFESSIONAL TEAM

As at the Latest Practicable Date, we had seven resident Doctors (including our senior management) who participate in the provision of Services to our patients. All of our Doctors are registered as general practitioners with the MOH in accordance with the Medical Registration Act and have, on average, over seven years of experience in the medical industry. For further details of the qualifications of our Doctors, please refer to the paragraph headed “Business — Our professional team” of this prospectus.

OUR CUSTOMERS

Due to the nature of our business, a majority of our customers are individual customers from the general public. Our Directors consider that no single customer was material to our business operations during the Track Record Period given that there was no single customer that accounted for more than 5% of our total revenue and our five largest customers accounted for less than 30% of our total revenue for each of FY2016 and FY2017. Our Directors confirmed that our Group had no material dispute with any of our customers during the Track Record Period and up to the Latest Practicable Date. For further details, please refer to the paragraph headed “Business — Our customers” of this prospectus.

Our Group recorded over 35,000 and 37,000 patient visits at our Clinics for FY2016 and FY2017, respectively, with an average spending per patient visit of approximately S\$202 and S\$252 for the respective years. In particular, for FY2016 and FY2017, we recorded an average spending per patient visit of (i) approximately S\$202 and S\$234 for the primary healthcare services, respectively; and (ii) nil and approximately S\$603 for the basic medical aesthetics services, respectively.

Please also refer to the paragraph headed “Business — Pricing policy” of this prospectus for further details of our pricing policy.

OUR SUPPLIERS

Our major purchases are medications and skincare products and the engagement of external service providers for laboratory and/or radiology tests in relation to our Medical Investigation Services. Our suppliers primarily include pharmaceutical drug distributors and trading companies engaged by established international pharmaceutical companies, laboratory and radiology testing service providers. Our total cost of purchases and services comprises of (i) costs for consumables and medical supplies used including medications and skincare products; and (ii) medical professional costs for the engagement of external service providers for laboratory and/or radiology tests, which amounted to approximately S\$2,152,000 and S\$2,748,000 for FY2016 and FY2017, respectively.

SUMMARY

The following table sets out the breakdown of our total purchases by (i) costs of consumables and medical supplies; and (ii) medical professional costs during the Track Record Period:

	FY2016		FY2017	
	S\$	%	S\$	%
Costs of consumables and medical supplies used	1,433,516	66.6	1,796,609	65.4
Medical professional costs	718,507	33.4	951,773	34.6
Total Purchases	2,152,023	100.0	2,748,382	100.0

For FY2016 and FY2017, our total purchases attributable to our five largest suppliers amounted to approximately S\$1,786,000 and S\$2,140,000, respectively, representing approximately 83.0% and 77.9% of our total purchases for the respective years. During the same periods, our total purchases attributable to our largest supplier amounted to approximately S\$862,000 and S\$929,000, respectively, accounting for approximately 40.1% and 33.8% of our total purchases for the respective years.

We have established business relationship with our five largest suppliers during the Track Record Period from two to seven years. During the Track Record Period, we had not experienced any material shortage or delay in the supply of inventories and consumables. None of our Directors, their respective close associates or any Shareholder who or which, to the knowledge of our Directors, owns more than 5% of the issued Shares of our Company as at the Latest Practicable Date, had any interest in any of our five largest suppliers during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we did not enter into any long-term agreements with any of our suppliers.

For further details, please refer to the paragraph headed “Business — Our suppliers” of this prospectus.

SUMMARY

SUMMARY OF FINANCIAL INFORMATION

Highlight of combined statements of comprehensive income

The following is a summary of the combined statements of comprehensive income of our Group during the Track Record Period, derived from the Accountant's Report set out in Appendix I to this prospectus:

	FY2016	FY2017
	S\$	S\$
Revenue	7,127,991	9,956,894
Other income	125,355	101,927
Consumables and medical supplies used	(1,201,807)	(1,957,741)
Medical professional costs	(720,136)	(954,973)
Employee benefits expenses	(1,866,486)	(2,797,631)
Depreciation of plant and equipment	(144,220)	(263,611)
Other operating expenses	<u>(1,047,889)</u>	<u>(2,036,864)</u>
Profit before income tax	2,272,808	2,048,001
Income tax expense	<u>(297,442)</u>	<u>(40,500)</u>
Profit and total comprehensive income for the year and attributable to owners of the Company	 <u><u>1,975,366</u></u>	 <u><u>2,007,501</u></u>

We recorded a substantial increase in revenue by approximately S\$2,829,000 or 39.7%, from approximately S\$7,128,000 for FY2016 to approximately S\$9,957,000 for FY2017. Such increase was primarily attributable to (i) our Katong Clinic which opened in June 2016 with full year's operation in FY2017; (ii) the opening of our SA Clinic in May 2017; and (iii) the increase in our marketing efforts during the year which our Directors believe resulted in the increase in the number of patient visits to our Clinics.

Other income mainly comprised government grants, and other miscellaneous income. Government grants represent primarily government subsidies in the form of cash payout from the Inland Revenue Authority of Singapore under the Productivity and Innovation Credit Scheme which had expired at the end of year 2017 and we will cease to receive any further government grants in the future.

Our costs of consumables and medical supplies used increased by approximately S\$756,000 or 62.9%, from approximately S\$1,202,000 for FY2016 to approximately S\$1,958,000 for FY2017. Such increase was principally in line with the increase in revenue generated from Treatment Services.

Our medical professional costs increased by approximately S\$235,000 or 32.6%, from approximately S\$720,000 for FY2016 to approximately S\$955,000 for FY2017. Such increase was principally in line with the increase in revenue generated from Medical Investigation Services.

SUMMARY

Our employee benefits expenses increased by approximately S\$932,000 or 49.9%, from approximately S\$1,866,000 for FY2016 to approximately S\$2,798,000 for FY2017. Such increase was primarily attributable to the recruitment of new doctors, aestheticians and clinic assistants due to the opening of (i) our Katong Clinic in June 2016 with full year's employee benefits expenses recognised in FY2017; and (ii) our SA Clinic in May 2017.

We recorded a significant increase in other operating expenses from approximately S\$1,048,000 for FY2016 to approximately S\$2,037,000 for FY2017, which was mainly due to the recognition of non-recurring Listing expenses of approximately S\$743,000 for FY2017.

Our costs of operations refer to the costs of consumables and medical supplies used, medical professional costs, employee benefits expenses, depreciation of plant and equipment and other operating expenses (without taking into account the Listing expenses) (the “**Total Operation Costs**”). During the Track Record Period, our employee benefits expenses, which include salaries, bonuses and other employee benefits, accounted for approximately 37.5% and 38.5% of our Total Operation Costs, respectively.

For details of our analysis regarding the fluctuations of the financial information of our Group during the Track Record Period, please refer to the paragraph headed “Financial Information — Year to year comparison of results of operations” of this prospectus.

Highlight of combined balance sheets

	As at 31 December		As at 30 April
	2016	2017	2018
	S\$	S\$	S\$
			(unaudited)
Non-current assets	463,204	826,703	919,216
Current assets	2,802,549	2,999,597	2,870,768
Current liabilities	1,351,704	2,123,246	1,464,662
Non-current liabilities	30,143	4,643	4,643
Net current assets	1,450,845	876,351	1,406,106
Net assets	1,883,906	1,698,411	2,320,679

Our net current assets decreased by approximately S\$575,000 from approximately S\$1,451,000 as at 31 December 2016 to approximately S\$876,000 as at 31 December 2017. Such decrease was mainly due to (i) the increase in accruals and other payables of approximately S\$1,093,000, which primarily attributable to the recognition of accruals for Listing expenses; (ii) the decrease in inventories of approximately S\$177,000; and (iii) the decrease in cash and cash equivalents of approximately S\$70,000, which was partially net off by (i) the increase in deposits, prepayments and other receivables of approximately S\$382,000, which was primarily attributable to rental premises for our SA Clinics that opened in May 2017; and (ii) the decrease in amount due to a related party of approximately S\$336,000.

Our net current assets increased by approximately S\$530,000 from approximately S\$876,000 as at 31 December 2017 to approximately S\$1,406,000 as at 30 April 2018. Such increase was mainly due to (i) the decrease in accruals and other payables of approximately S\$378,000; (ii) the decrease in amount due to a director of approximately S\$283,000; and (iii) the increase in cash and cash equivalents of

SUMMARY

approximately S\$227,000, which were partially net off by the decrease in deposits, prepayments and other receivables of approximately S\$357,000. For details, please refer to the paragraph headed “Financial Information — Net current assets” of this prospectus.

Highlight of combined statements of cash flows

The following is a summary of our cash flow statements for the years indicated:

	FY2016	FY2017
	S\$	S\$
Operating cash flows before movements in working capital	2,417,423	2,312,412
Net cash generated from operating activities	1,900,968	2,955,835
Net cash used in investing activities	(349,814)	(576,902)
Net cash used in financing activities	<u>(574,568)</u>	<u>(2,449,405)</u>
Increase/(decrease) in cash and cash equivalents	976,586	(70,472)
Cash and cash equivalents at beginning of the year	<u>1,087,657</u>	<u>2,064,243</u>
Cash and cash equivalents at end of the year	<u><u>2,064,243</u></u>	<u><u>1,993,771</u></u>

For FY2017, our net cash generated from operating activities was approximately S\$2,956,000 which was based on our profit before tax of approximately S\$2,048,000 mainly adjusted for approximately S\$264,000 from depreciation of plant and equipment. The difference between the operating cash flows before changes in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) the decrease in inventories of approximately S\$177,000; (ii) the increase in trade and other receivables, deposits and prepayments of approximately S\$496,000; (iii) the decrease in trade and other payables and accruals of approximately S\$1,066,000; and (iv) the payment of income tax of approximately S\$104,000.

For FY2017, our cash used in financing activities was approximately S\$2,449,000, mainly due to the combined effect of (i) dividends paid of approximately S\$2,203,000; (ii) the decrease in the amount due to a related party of approximately S\$219,000; and (iii) cash paid for the acquisition of the clinical operations of Mere Consulting in April 2016 of approximately S\$116,000.

SUMMARY

Summary of key financial ratios

The following table sets out the selected key financial ratios for the years indicated/as at the dates indicated:

	FY2016	FY2017
Profitability ratios		
Net profit margin	27.7%	20.2%
Return on total assets	60.5%	52.5%
Return on equity	104.9%	118.2%
	As at 31 December	
	2016	2017
Liquidity ratios		
Current ratio	2.1	1.4
Quick ratio	1.6	1.2
Capital sufficiency ratios		
Gearing ratio ^(Note)	43.4%	33.1%
Net debt to equity ratio	Net cash	Net cash
Interest coverage	N/A	N/A

Note: Gearing ratio equals total debt divided by total equity as at the end of the respective year. Total debt includes amount due to a related party and amount due to a director.

Our net profit margin was approximately 27.7% and 20.2% for FY2016 and FY2017, respectively. Such decrease was mainly due to the significant increase in other operating expenses by approximately S\$989,000 or 94.4%, from approximately S\$1,048,000 for FY2016 to approximately S\$2,037,000 for FY2017, which was mainly due to the recognition of the non-recurring Listing expenses of approximately S\$743,000 for FY2017, which was partially offset by the increase in revenue by approximately S\$2,829,000 or 39.7% from approximately S\$7,128,000 for FY2016 to approximately S\$9,957,000 for FY2017. For further details, please refer to the paragraph headed “Financial Information — Key financial ratios” of this prospectus.

LISTING EXPENSES

Based on the mid-point of our indicative Offer Price of HK\$0.55 per Offer Share, we estimate a total amount of non-recurring Listing expenses, which includes fees to various professional parties, underwriting commission and miscellaneous expenses, etc., of approximately HK\$25.0 million (equivalent to approximately S\$4.3 million). The Listing expenses of approximately HK\$9.4 million (equivalent to approximately S\$1.6 million) is expected to be capitalised as equity after Listing, and the remaining amount of Listing expenses of approximately HK\$15.6 million (equivalent to approximately S\$2.7 million) have been or are expected to be charged to the combined statements of comprehensive income, of which approximately HK\$4.3 million (equivalent to approximately S\$0.7 million) was charged for FY2017, and approximately HK\$11.3 million (equivalent to approximately S\$1.9 million) will be recognised as expenses for the year ending 31 December 2018. The professional fees and/or

SUMMARY

other expenses relating to the preparation of the Listing subsequent to 31 December 2017 are current estimate for reference only and the actual amount to be recognised is subject to adjustment based on audit and the then changes in variables and assumptions. Prospective investors should note that our financial results for the year ending 31 December 2018 will be adversely affected by the non-recurring Listing expenses described above.

SHAREHOLDER INFORMATION

Immediately following the completion of the Share Offer and the Capitalisation Issue (without taking into account the allotment and issue of Shares upon the exercise of options which may be granted under the Share Option Scheme), BVI Co 2 will beneficially own 75.0% of the entire issued share capital of our Company. BVI Co 2 is wholly-owned by Dr. Alan Tan. For further details, please refer to the section headed “History, Reorganisation and Group Structure” of this prospectus.

DIVIDENDS

For each of FY2016 and FY2017, our Group declared and paid dividends of approximately S\$408,000 and S\$2,203,000 respectively and all these dividends have been paid as at the Latest Practicable Date. As at the Latest Practicable Date, no other dividends have been declared and paid by the companies now comprising our Group to their then shareholders. We currently do not have a dividend policy. The declaration and payment of dividends and the amount of dividends in the future will be at the discretion of our Directors and will depend on our future results of operations and earnings, capital requirements and surplus, general financial condition, working capital, contractual restrictions (if any) and other factors which our Directors deem relevant. For further details, please refer to the paragraph headed “Financial Information — Dividends” of this prospectus.

COMPETITIVE LANDSCAPE

The private GP clinic industry in Singapore has experienced a healthy growth in the past five years. Its market size increased from S\$1,582 million in 2012 to S\$2,023 million in 2017, representing a CAGR of 5%. It is expected that the market will continue growing throughout the next five years and reach S\$2,540 million by 2022. According to the CIC Report, the private primary healthcare industry in Singapore is competitive and fragmented. There are 2,008 general practice clinics that provide general primary care services in Singapore in 2017, with the top five players only accounting for approximately 12.5% of the market share in terms of revenue in 2017. In particular, we recorded a market share of approximately 0.2% of the total revenue generated by the private GP clinics providing primary care services in 2017. We believe that the key factors contributing to our continued competitiveness include, among others, the strategic locations of our Clinics, our comprehensive range of services to treat a variety of medical conditions, team of experienced and dedicated Doctors and being one of the MOH approved anonymous HIV-testing centres in Singapore. For further details, please refer to the paragraph headed “Industry Overview — Competitive landscape of the private GP clinic industry in Singapore” of this prospectus.

COMPETITIVE STRENGTHS

We believe that the following competitive strengths are crucial and essential to our success and future growth: (i) we are one of the established private primary healthcare services provider in Singapore, with a primary focus on sexual health and infections diseases that puts us in a niche market;

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(ii) we offer a comprehensive range of services to treat a variety of medical conditions; and (iii) we have a team of qualified and experienced Doctors and support staff. For further details, please refer to the paragraph headed “Business — Our competitive strengths” of this prospectus.

BUSINESS OBJECTIVES AND STRATEGIES

Our primary business objectives are (i) to enhance our market share in the primary healthcare services industry, in particular the treatment of sexual health and infectious diseases, with our operations under the brand “Dr. Tan & Partners”; and (ii) to expand our business operations as a medical aesthetics services provider under the brand “S Aesthetics”.

We intend to achieve our business objectives by pursuing the following business strategies: (i) strategically expanding and strengthening our network of DTAP Clinics; (ii) establishing new SA Clinics; (iii) upgrading and improving our information technology infrastructure and systems; (iv) continuing to attract and retain talent pool of doctors and staff; and (v) setting up a centralised pharmacy. For further details, please refer to the paragraph headed “Business — Our business strategies” of this prospectus.

USE OF PROCEEDS AND REASONS FOR THE SHARE OFFER

Our Directors consider that the net proceeds from the Share Offer are crucial for financing our Group’s business strategies. For further details, please refer to the paragraph headed “Future Plans and Use of Proceeds — Implementation plans” of this prospectus. Our Directors estimate that the net proceeds from the Share Offer (after deducting estimated expenses in connection with the Listing) will be approximately HK\$46.5 million (equivalent to approximately S\$8.0 million) based on an Offer Price of HK\$0.55 per Offer Share (being the mid-point of the indicative Offer Price range of HK\$0.50 per Offer Share to HK\$0.60 per Offer Share). We intend to apply the net proceeds as follows:

Business strategies	Approximate amount of net proceeds
Strategically expanding and strengthening our network of DTAP Clinics	S\$2,283,000 or approximately 28.5%
Establishing new SA Clinics	S\$1,257,000 or approximately 15.7%
Continuing to attract and retain a talent pool of doctors and staff	S\$3,761,000 or approximately 46.9%
Upgrading and improving our information technology infrastructure and systems	S\$513,000 or approximately 6.4%
Setting up a centralised pharmacy	S\$90,000 or approximately 1.1%
General working capital	S\$111,900 or approximately 1.4%

Our Directors believe that the Listing in Hong Kong would benefit our Group as it will (i) raise our Group’s brand awareness and publicity and enhance our corporate profile on an international level, promoting our Services in Singapore to new potential local and international customers; (ii) strengthen our customers’ and suppliers’ confidence in our Group’s financial strength, credibility, corporate governance and internal control which may further enhance our business relationship with them; (iii) enhance our profile in Hong Kong’s capital market and expose us to a wider range of private and institutional investors; (iv) enhance our ability to recruit, motivate and retain our employees and key

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management personnel; and (v) provide our Group with additional avenues for fundraising. For further details, please refer to the paragraph headed “Future Plans and Use of Proceeds — Reasons for the Listing and the Share Offer” of this prospectus.

RISK FACTORS

Our Group believes that there are certain risks and uncertainties involved in its operations which are beyond our Group’s control. Some of the major risk factors include: (i) we rely on our reputation in the industry that may be adversely affected by negative publicity; (ii) we could face difficulties in setting up our new DTAP Clinics and SA Clinics, which could materially and adversely affect our business, results of operations, financial position and prospects; (iii) we may be unable to implement our business strategies within our budget successfully and this could adversely affect our business, operating results and financial position; (iv) our Doctors could become the subject of legal claims, regulatory actions or professional investigations and litigations regarding any medical dispute brought by patients, and we may be liable for the professional misconduct or negligence of our Doctors, which may harm our reputation and business; and (v) we are dependent on skilled and competent professional staff and we may be unable to attract suitable doctors to join our Group which will in turn adversely affect our business, financial position and results of operation.

For further details, please refer to the section headed “Risk Factors” of this prospectus.

THE OFFER STATISTICS

The Share Offer comprises the Public Offer of 13,000,000 Shares initially offered in Hong Kong, and the Placing of 117,000,000 Shares (subject, in each case, to re-allocation on the basis as described in the section headed “Structure and Conditions of the Share Offer” of this prospectus).

	Based on the Offer Price of HK\$0.50 per Offer Share	Based on the Offer Price of HK\$0.60 per Offer Share
Market capitalisation ^(Note 1)	HK\$260 million	HK\$312 million
Unaudited pro forma adjusted net tangible assets per Share ^(Note 2)	HK\$0.019	HK\$0.023

Notes:

1. The calculation of the market capitalisation of the Shares is based on 520,000,000 Shares in issue and to be issued immediately after completion of the Share Offer but does not take into account any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandate and the repurchase mandate.
2. No adjustment has been made to reflect any trading result or other transaction of our Group entered into subsequent to 31 December 2017. The unaudited pro forma net tangible assets per Share would have been approximately HK\$0.019 and HK\$0.023 per Share based on the Offer Price of HK\$0.50 per Offer Share and HK\$0.60 per Offer Share, respectively. For the calculation of the unaudited pro forma adjusted combined net tangible asset value per Share attributable to the Shareholders, please refer to the paragraph headed “Unaudited Pro Forma Financial Information” in Appendix II to this prospectus.

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RECENT DEVELOPMENTS

Subsequent to the Track Record Period and up to the Latest Practicable Date, we have continued to provide treatment solutions for common medical conditions, with a focus on sexual health and infectious diseases as well as common skin conditions and basic medical aesthetics services. As far as we are aware, our industry remained relatively stable and there was no material adverse change in the economic and market condition that had affected or would affect our business operations or financial condition materially and adversely subsequent to the Track Record Period and up to the Latest Practicable Date. Based on the unaudited management accounts of our Group for the four months ended 30 April 2018, our revenue was approximately 31.0% higher as compared to that for the same period in 2017 which was mainly due to the opening of our SA Clinic in May 2017, with its financial performance being reflected during the four months ended 30 April 2018.

Subsequent to the Track Record Period and up to the Latest Practicable Date, save for our Penjuru Clinic which ceased operations in February 2018 due to the termination of our services agreement with one of our corporate customers due to relocation of such customer, there was no material change to our relationships with our major customers and suppliers and no change to the number of Clinics we operated. Further, our Directors consider that the closure of our Penjuru Clinic would not materially and adversely affect our Group's financial conditions given that the revenue contributed by our Penjuru Clinic was minimal which accounted for nil and approximately 0.1% of our total revenue for FY2016 and FY2017, respectively. In late February 2018, one of our resident Doctors left our Group to pursue other career opportunities and we have, in May 2018, recruited a doctor, who is currently on her probation period. In addition, as at the Latest Practicable Date, we had renewed our licences of our Bencoolen Clinic and Novena Clinic which expired on 24 March 2018 and 16 May 2018, respectively.

MATERIAL ADVERSE CHANGE

Our financial results for the year ending 31 December 2018 will be adversely affected by (i) the non-recurring Listing expenses, details of which are disclosed in the paragraph headed "Financial Information — Listing expenses" of this prospectus; and (ii) the expected increase in the employee benefits expense and other operating expenses resulted from the opening of a new DTAP Clinic and a new SA Clinic in Jurong, details of which are disclosed in the section headed "Future Plans and Use of Proceeds" of this prospectus.

Save as disclosed above, our Directors confirm that up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 31 December 2017, being the date to which our latest audited financial statements were prepared and there is no event since 31 December 2017 which would materially affect the information shown in our combined financial statements included in the Accountant's Report set forth in Appendix I to this prospectus.

REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS

Our Directors confirm during the Track Record Period and up to the Latest Practicable Date, our Group has obtained all material licences, permits and approvals required for carrying on our business activities. Our Directors also confirm that (i) we had not been involved in any incidents of material non-compliance with the applicable laws and regulations in Singapore; and (ii) none of the members of our Group had been subject to any proceedings brought under, or received any written complaints or

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warnings in relation to, any of the laws or regulations applicable to our business during the Track Record Period and up to the Latest Practicable Date. For further details, please refer to the paragraph headed “Business — Regulatory compliance and legal proceedings” of this prospectus.

MISCELLANEOUS

Unless otherwise specified, for the purpose of this prospectus and for the purpose of illustration only, amounts denominated in Singapore dollars have been translated into Hong Kong dollars using the following rates:

S\$1.00 : HK\$5.80

No representation is made that any S\$ amounts were or could have been or could be converted into HK\$, at such rate or any other rate on any date.

DEFINITIONS

In this prospectus, the following expressions and terms shall have the meanings set out below unless the context otherwise requires.

“Accountant’s Report”	the accountant’s report of our Group from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus
“Application Form(s)”	WHITE Application Form(s) and YELLOW Application Form(s) or, where the context so requires, any of them, used in the Public Offer
“Articles” or “Articles of Association”	the amended and restated articles of association of our Company, conditionally adopted on 18 May 2018 to become effective upon the Listing Date, and as amended from time to time, a summary of which is set out in Appendix III to this prospectus
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“BCL”	Brunel Clinics Pte. Ltd., a company incorporated in Singapore with limited liability on 7 July 2015 and wholly-owned by Dr. Alan Tan prior to the Reorganisation and being an indirect wholly-owned subsidiary of our Company following the Reorganisation
“Bencoolen Clinic”	one of our DTAP Clinics located at 180 Bencoolen Street, #02-20 The Bencoolen, Singapore 189646
“BM Medical Clinic”	one of our DTAP Clinics located at 200 Jalan Sultan, #01-23 Textile Centre, Singapore 199018, which ceased operations in July 2017
“BMAL”	BM Aesthetics Pte. Ltd., a company incorporated in Singapore on 21 October 2016 and wholly-owned by Dr. Alan Tan prior to the Reorganisation and being an indirect wholly-owned subsidiary of our Company following the Reorganisation
“Board”	our board of Directors
“business day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for normal business to the public
“BVI”	the British Virgin Islands

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“BVI Co 1”	Republic Healthcare Holdings Limited, a company incorporated in the BVI with limited liability on 4 January 2018, a wholly-owned subsidiary of our Company following completion of the Reorganisation
“BVI Co 2”	Cher Sen Holdings Limited, a company incorporated in the BVI with limited liability on 2 January 2018 and wholly-owned by Dr. Alan Tan, one of our Controlling Shareholders
“CAGR”	compound annual growth rate
“Capitalisation Issue”	the issue of 389,999,900 Shares to be made upon the capitalisation of certain sums standing to the credit of the share premium account of our Company referred to in the paragraph headed “Statutory and General Information — Further information about our Company and its subsidiaries — 3. Resolutions in writing of the sole Shareholder passed on 18 May 2018” in Appendix IV to this prospectus
“Cayman Companies Law” or “Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961) of the Cayman Islands as consolidated or revised from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Operational Procedures”	the operational procedures of the HKSCC in relation to CCASS, containing the practices, procedures and administrative requirement relating to the operations and functions of CCASS, as from time to time in force
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“CIC”	China Insights Industry Consultancy Limited, a market research company and an Independent Third Party

DEFINITIONS

“CIC Report”	the industry report prepared by CIC, which was commissioned by us in relation to the private general practice clinic market in Singapore
“Clinics”	our DTAP Clinics and SA Clinic
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Registry”	the Companies Registry of Hong Kong
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Republic Healthcare Limited, an exempted company incorporated in the Cayman Islands with limited liability under the Cayman Companies Law on 3 January 2018
“Consultation Services”	the provision of medical consultation to, and assessment of, patients at our Clinics
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules and, in the context of this prospectus, means the controlling shareholders of our Company, namely, Dr. Alan Tan and BVI Co 2
“core connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules as amended, supplemented or otherwise modified from time to time
“Deed of Indemnity”	the deed of indemnity dated 18 May 2018 and executed by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries), the particulars of which are set out in the paragraph headed “Statutory and General Information — Other Information — 1. Deed of indemnity” in Appendix IV to this prospectus
“Deed of Non-competition”	the deed of non-competition dated 18 May 2018 and executed by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries) regarding certain non-competition undertakings, a summary of the principal terms of which is set out in the paragraph headed “Relationship with our Controlling Shareholders — Non-competition undertaking” of this prospectus

DEFINITIONS

“Director(s)”	the director(s) of our Company
“Doctors”	our resident doctors employed at our Clinics to provide the Services to our patients, all of whom are registered medical practitioners with the SMC
“Dr. Alan Tan”	Dr. Tan Cher Sen Alan (陳致暹), our chairman, executive Director and one of our Controlling Shareholders
“DTAP Clinic(s)”	our network of general practice clinics operating in Singapore under the brand “Dr. Tan & Partners” providing treatment solutions for common medical conditions with a focus on sexual health and infectious diseases. As at the Latest Practicable Date, our DTAP Clinics comprised our Robertson Clinic, Bencoolen Clinic, Novena Clinic, Scotts Clinic, Somerset Clinic and Katong Clinic
“FY2016”	the financial year ended 31 December 2016
“FY2017”	the financial year ended 31 December 2017
“GDP”	gross domestic product
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“GFA”	gross floor area
“Government”	the Government of the Republic of Singapore
“Group”, “our Group”, “we”, “us” or “our”	our Company and its subsidiaries or any of them, or where the context so requires, in respect of the period before our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time or the businesses which have since been acquired or carried on by them or has the case may be their predecessors
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC

DEFINITIONS

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Branch Share Registrar”	Boardroom Share Registrars (HK) Limited
“Independent Third Party(ies)”	a person(s) or company(ies) who or which is/are independent of and not connected (within the meaning of the GEM Listing Rules) with any of the directors, chief executive or substantial shareholders of our Company or its subsidiaries or any of their respective associates
“Joint Bookrunners” or “Joint Lead Managers”	China Industrial Securities International Capital Limited, Sincere Securities Limited and Titan Financial Services Limited
“Katong Clinic”	one of our DTAP Clinics located at 1st Floor, 184 East Coast Road, Singapore 428890
“Latest Practicable Date”	25 May 2018, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of the Shares on GEM
“Listing Date”	the date, expected to be on or around Friday, 15 June 2018, on which the Shares are listed on GEM and from which date dealings in the Shares are permitted to commence on GEM
“Medical Investigation Services”	the conduct of laboratory and/or radiology tests for general health, sexual health and infectious diseases
“Medical Protection Society” or “MPS”	The Medical Protection Society Limited of Singapore
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company adopted on 18 May 2018 with immediate effect and as supplemented, amended or otherwise modified from time to time, a summary of which is set out in the paragraph headed “Memorandum of Association” in Appendix III to this prospectus
“MML”	Medway Medical Pte. Ltd., a company incorporated in Singapore on 2 February 2015 and wholly-owned by Dr. Alan Tan prior to the Reorganisation and being an indirect wholly-owned subsidiary of our Company following the Reorganisation
“MOH”	the Ministry of Health, Government of Singapore
“Mr. Toh”	Mr. Toh Han Boon (卓漢文), our executive Director and chief financial officer

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“Novena Clinic”	one of our DTAP Clinics located at 10 Sinaran Drive, #08-31 Novena Medical Centre, Singapore 307506
“Offer Price”	the final price per Offer Share which will not be more than HK\$0.60 per Offer Share and is expected to be not less than HK\$0.50 per Offer Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), such price to be agreed upon by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on or about the Price Determination Date
“Offer Shares”	collectively, the Placing Shares and Public Offer Shares
“Penjuru Clinic”	one of our DTAP Clinics located at 46 Penjuru Lane, #04-00 C & P Hub 3, Singapore 609206, which ceased operations in February 2018
“Placing”	the conditional placing of the Placing Shares by the Placing Underwriters on behalf of our Company for cash at the Offer Price with professional, institutional and other investors in Hong Kong as described in the section headed “Structure and Conditions of the Share Offer” of this prospectus
“Placing Shares”	the 117,000,000 new Shares (subject to re-allocation) initially being offered for subscription by our Company at the Offer Price under the Placing as described in the section headed “Structure and Conditions of the Share Offer” of this prospectus
“Placing Underwriters”	the underwriters of the Placing Shares who are expected to enter into the Placing Underwriting Agreement to underwrite the Placing Shares
“Placing Underwriting Agreement”	the conditional underwriting agreement relating to the Placing expected to be entered into by our Company, our executive Directors, our Controlling Shareholders, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners, and the Placing Underwriters on or around the Price Determination Date
“Price Determination Agreement”	the agreement to be entered into by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date, expected to be on Thursday, 7 June 2018, and in any event, no later than Tuesday, 12 June 2018, on which the Offer Price is determined by entering into the Price Determination Agreement

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“Public Offer”	the offer of the Public Offer Shares for subscription by the members of the public in Hong Kong for cash at the Offer Price on and subject to the terms and conditions stated in this prospectus and in the Application Forms as further described in the section headed “Structure and Conditions of the Share Offer” of this prospectus
“Public Offer Shares”	the 13,000,000 new Shares (subject to re-allocation) initially being offered by our Company for subscription at the Offer Price under the Public Offer, as described under the section headed “Structure and Conditions of the Share Offer” of this prospectus
“Public Offer Underwriters”	the underwriters of the Public Offer Shares whose names are set out in the paragraph headed “Underwriting — Public Offer Underwriters” of this prospectus
“Public Offer Underwriting Agreement”	the conditional underwriting agreement relating to the Public Offer entered into by our Company, our executive Directors, our Controlling Shareholders, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters on 31 May 2018, details of which are set forth in the section headed “Underwriting” of this prospectus
“Reorganisation”	the corporate reorganisation of our Group in preparation for the Listing, details of which are set out in the section headed “History, Reorganisation and Group Structure” of this prospectus
“RHH SG”	Republic Healthcare Holdings Pte. Ltd., a company incorporated in Singapore with limited liability on 4 February 2017 and wholly-owned by Dr. Alan Tan prior to the Reorganisation and being an indirect wholly-owned subsidiary of our Company following the Reorganisation
“RHL”	Republic Healthcare Pte. Ltd., a company incorporated in Singapore with limited liability on 5 February 2016 and wholly-owned by Dr. Alan Tan prior to the Reorganisation and being an indirect wholly-owned subsidiary of our Company following the Reorganisation
“Robertson Clinic”	one of our DTAP Clinics located at #02-06 and #02-07 Robertson Walk, 11 Unity Street, Singapore 237995
“SA Clinic(s)”	our medical aesthetics clinic(s) operating under the brand of “S Aesthetics”. As at the Latest Practicable Date, we operated one SA Clinic located at 9 Scotts Road, #07-07 Scotts Medical Centre, Pacific Plaza, Singapore 228210
“Scotts Clinic”	one of our DTAP Clinics located at 9 Scotts Road, #06-06 Scotts Medical Centre, Pacific Plaza, Singapore 228210

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“Services”	the Consultation Services, Medical Investigation Services and Treatment Services or any combination thereof provided at our Clinics
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of our Company
“Share Offer”	the Public Offer and the Placing
“Share Option Scheme”	the share option scheme conditionally adopted by our Company on 18 May 2018, a summary of its principal terms is set out in the paragraph headed “Statutory and General Information — Share Option Scheme” in Appendix IV to this prospectus
“Shareholder(s)”	holder(s) of the Share(s)
“SHCL”	Straits Health Corp Pte. Ltd., a company incorporated in Singapore with limited liability on 7 January 2014 and wholly-owned by Dr. Alan Tan prior to the Reorganisation and being an indirect wholly-owned subsidiary of our Company following the Reorganisation
“SMC”	Singapore Medical Council
“Sole Sponsor” or “Titan Financial”	Titan Financial Services Limited, a corporation licensed to carry out Type 1 (dealing with securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the sole sponsor of the Listing
“Somerset Clinic”	one of our DTAP Clinics located at #10-08 Orchard Building, 1 Grange Road, Singapore 239693
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules, unless the context otherwise requires
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong issued by the SFC, as amended, supplemented or otherwise modified from time to time

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“Track Record Period”	the period comprising FY2016 and FY2017
“Treatment Services”	treatment and/or management plans for our patients which are recommended by our Doctors and which include, among others, prescription and dispensing of medication and/or skincare products (including our “肤” skincare products and other over-the-counter skincare products), the performance of procedure(s) on our patients, or a combination of both, in order to treat and/or manage the specific condition of our patients
“Underwriters”	the Public Offer Underwriters and the Placing Underwriters
“Underwriting Agreements”	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
“United States” or “U.S.”	The United States of America
“ WHITE Application Form(s)”	the application form(s) for use by the public who require(s) such Public Offer Shares to be issued in the applicant’s or applicants’ own name(s)
“ YELLOW Application Form(s)”	the application form(s) for use by the public who require(s) such Public Offer Shares to be deposited directly into CCASS
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	the lawful currency of Singapore
“sq. ft.”	square feet
“sq.m.” or “m ² ”	square metre(s)
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“%”	per cent

All dates and times in this prospectus refer to Hong Kong time unless otherwise stated.

No representation is made that any amounts in S\$, US\$ or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates or at all.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments and, accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY

This glossary of technical terms contains explanations and definitions of certain terms used in this prospectus in connection with our Group and our business. These terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“acne”	acne vulgaris, is a long-term skin disease that occurs when hair follicles are clogged with dead skin cells and oil from the skin
“AIDS”	acquired immune deficiency syndrome
“bacterial vaginosis”	a disease of the vagina caused by excessive growth of bacteria
“blood test”	laboratory analysis performed on a blood sample that is usually extracted from a vein in the arm using a hypodermic needle, or via finger prick
“botulinum toxin”	a natural protein produced by the bacterium — clostridium botulinum, botulinum toxin results in less wrinkling of the skin in the areas treated by blocking the signals from nerves to muscles, ensuring weaker muscle contraction or complete cessation of muscle movement
“carbon dioxide laser”	lasers which may be used to treat certain skin conditions through the removal of bumps and lumps
“circumcision”	the removal of the foreskin from the human penis
“computerised tomography” or “CT”	diagnostic imaging test used to create detailed images of internal organs, bones, soft tissue and blood vessels
“endoscopic treatment”	medical treatment and procedure which is carried out via the endoscope
“ESWT”	extra-corporeal shock wave therapy
“excision”	description of a surgical treatment for the removal of tissue
“filler injections”	a soft tissue filler injected into the skin to help fill in facial wrinkles, restoring a smoother appearance
“general practice” or “GP”	the medical practice of general practitioners who treat minor and chronic illnesses
“general practitioners”	a medical practitioner registered under the Medical Registration Act
“Hepatitis”	an inflammatory condition of the liver

GLOSSARY

“histopathology”	the examination of a biopsy or surgical specimen
“HIV”	human immunodeficiency virus
“infectious diseases”	disorders caused by organisms such as bacteria, viruses, fungi or parasites
“influenza”	an infectious disease caused by an influenza virus
“Intense Pulsed Light” or “IPL”	a technology making use of intense pulses of non-coherent light distributed over a range of wavelengths to treat pigmentation and easy flushing, etc.
“laboratory tests”	comprising blood tests, skin tests, urine tests, stool tests, semen analysis, swabs, histopathology and culture and sensitivity tests
“laser”	Light Amplification by Stimulated Emission of Radiation
“low testosterone”	underproduction of testosterone which may result in a decrease in libido, fewer spontaneous erections, and a slightly lower sperm count
“magnetic resonance imaging” or “MRI”	a medical imaging technique used in radiology to form pictures of the anatomy and the physiological processes of the body in both health and disease
“medical aesthetics treatments” or “medical aesthetics procedures”	treatments or procedures done by a doctor or a aesthetician at a medical clinic to improve the physical appearance of the patient
“Medisave”	a Singapore national medical savings scheme which helps members of the Central Provident Fund of Singapore set aside part of their income into their Medisave accounts to meet their future personal or immediate family’s hospitalisation, day surgery and certain outpatient expenses
“melanocytes”	a specialised skin cell that produces the protective skin-darkening pigment melanin
“microdermabrasion”	description of a cosmetic painless, non-invasive skin rejuvenation treatment that uses a mechanical medium to gently exfoliate the outermost layer of dead skin cells from the epidermis
“pigmentation”	the colouring of the skin, hair, mucous membranes and the retina of the eye due to the deposition of the pigment melanin, which is produced by specialised cells called melanocytes

GLOSSARY

“radiofrequency”	a technology used in a device, with the oscillation of alternating currents at a frequency of around 3 kHz to 300 GHz, which may be used for skin rejuvenation
“radiology tests”	comprising X-rays and ultrasounds, MRI and CT scanning
“semen culture”	a test used in the diagnosis of chronic bacterial prostatitis
“sexual health”	a state of physical, mental and social well-being in relation to sexuality
“sexually transmitted diseases” or “STDs”	infections that are passed from one person to another through sexual contact
“skin rejuvenation”	a process that takes place to attempt the reversal of visible signs of aging
“surgical operation”	description of a medical treatment involving an incision with instruments
“surgitron machine”	a device for the removal of cosmetic lumps and bumps on the face and body with virtually no risk of scarring
“ultrasound”	sound or other vibrations having an ultrasonic frequency, which may be used for skin rejuvenation
“X-ray”	a form of electromagnetic radiation for medical imaging
“yellow fever”	a viral disease of typically short duration where symptoms include fever, chills, loss of appetite, nausea, muscle pains particularly in the back, and headaches

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that state our Company's belief, expectations, or intentions for the future. The words "aim", "anticipate", "believe", "could", "estimate", "expect", "forecast", "going forward", "intend", "ought to", "may", "plan", "potential", "project", "seek", "should", "will", "would", "wish" and similar expressions, as they relate to us, are intended to identify a number of these forward-looking statements.

These forward-looking statements reflecting our current views with respect to future events are not a guarantee of future performance and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this prospectus. One or more of these risks or uncertainties may materialise, or underlying assumptions may prove incorrect.

These forward-looking statements reflect the current view of our Company with respect to future events and are, by their nature, subject to significant risks, assumptions and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- our business and operating strategies and our various measures to implement such strategies;
- our operations and business prospects, including development plans for our existing business;
- changes in policies, legislation, regulations or practices in the industry and those countries or territories in which we operate that may affect our business operations;
- our financial condition and results of operations;
- our dividend policy;
- changes in economic conditions and competitions in the area in which we operate, including a downturn in general economy;
- the regulatory environment and industry outlook in general;
- capital market developments;
- future developments in the competition markets of our industry and actions of our competitors;
- catastrophic losses from fires, floods, wind; and
- other factors beyond our control and other risks and uncertainties described in the section headed "Risk Factors" of this prospectus.

Subject to the requirements of the applicable laws, rules (including the GEM Listing Rules) and regulations, our Group does not intend to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way our Group expects, or at all. Accordingly, you should not place undue reliance on any forward-looking information or statements. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements set forth in this section.

FORWARD-LOOKING STATEMENTS

We believe that the sources of information and assumptions contained in such forward-looking statements are appropriate sources for such statements and we have taken reasonable care in extracting and reproducing such information and assumptions. We have no reason to believe that information and assumptions contained in such forward-looking statements are fake or misleading or that any fact has been omitted that would render such forward-looking statements fake or misleading in any material respect.

The information and assumptions contained in the forward-looking statements have not been independently verified by us, the Controlling Shareholders, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and any other parties involved in the Share Offer or their respective directors, officers, employees, advisers or agents and no representation is given as to the accuracy or completeness of such information or assumptions on which the forward-looking statements are made. Additional factors that could cause actual performance or achievements of our Group to differ materially include, but are not limited to, those discussed under the sections headed “Risk Factors”, “Business”, “Financial Information” and “Future Plans and Use of Proceeds” and elsewhere of this prospectus.

These forward-looking statements are based on current plans and estimates, and apply only as of the date they are made. Subject to the requirements of the applicable laws, rules (including the GEM Listing Rules) and regulations, our Group does not intend to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way our Group expects, or at all.

We caution you that a number of important facts could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statement. Accordingly, you should not place undue reliance on any forward-looking information or statements. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements set forth in this section.

In this prospectus, statements of or references to the intentions of our Company or any of our Directors are made as of the date of this prospectus. Any such intentions may potentially change in light of future developments.

RISK FACTORS

Prospective investors should consider carefully all the information set forth in this prospectus and, in particular, should consider the following risks and special considerations in connection with an investment in our Company before making any investment decision in relation to the Share Offer. The occurrence of any of the following risks may have a material adverse effect on the business, results of operations, financial conditions and future prospects of our Group. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This prospectus contains certain forward-looking statements regarding our plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group's actual results could differ materially from those discussed in this prospectus. Factors that could cause or contribute to such differences include those discussed below as well as those discussed elsewhere in this prospectus. The trading price of the Offer Shares could decline due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO THE BUSINESS OF OUR GROUP

We rely on our reputation in the industry that may be adversely affected by negative publicity

Our Directors consider that our Group's success depends on, to a significant extent, the recognition of our brand and our reputation in the industry as a reliable primary healthcare services provider, particularly in the treatment of sexual health and infectious diseases. We rely on the professional judgement of our Doctors in diagnosing the conditions of our patients, followed by recommending and administering suitable medical treatment(s) by our Doctors. As such, our reputation is susceptible to the occurrence of negative reactions of our patients to treatments and medications, and any litigation, claims or complaints from our patients in relation to the quality of our Services or our products may adversely affect the reputation of our Group, and may in turn, materially and adversely affect the demand for our Services.

In relation to our Treatment Services, we cannot guarantee the results of the procedures available at our Clinics as the results may vary depending on factors including, among others, patients' medical background and underlying medical conditions, their adherence to pre-procedure and post-procedure instructions and their distinct responses to treatments. Our Doctors may also prescribe medication and/or recommend skincare products as part of the treatment and/or management plans for our patients. We cannot guarantee the quality of the medication and/or skincare products as they are not manufactured by us.

Where undesirable complications or harm are caused by our Services and/or products or where the relevant treatment and/or product does not fully meet the expectations of a patient, the patient may express negative sentiments on the internet, to the media, lodge complaints with the SMC and/or pursue a claim against our Group or our Doctors. These complaints may result in reviews, investigations or disciplinary actions by regulatory and professional bodies and may affect the reputation of the relevant Doctor and/or our Group.

RISK FACTORS

Should the provision of our Services result in an undesirable outcome for a patient or if we receive a complaint from a patient, we may need to divert a significant amount of resources and incur extra expenses to handle such outcome or complaint which could adversely affect our corporate image and reputation in the industry, and hence, our financial performance. For further details, please refer to the paragraph headed “Business — Quality assurance — Customer feedback” of this prospectus.

We could face difficulties in setting up our new DTAP Clinics and SA Clinics, which could materially and adversely affect our business, results of operations, financial position and prospects

We intend to expand our business operations through, among others, the establishment of our new DTAP Clinics and SA Clinics. The growth of our business depends on the implementation of our business strategies and future plans to a large extent. The successful implementation of our business strategies are also subject to significant business, economic and competitive uncertainties and contingencies, including, among others, continuous growth of the primary healthcare industry in Singapore, the availability of pharmaceutical drugs and medical equipment, the availability of suitable locations, securing requisite regulatory approvals, compliance with applicable laws and regulations, and changes in economic and market conditions.

We intend to use approximately HK\$20.5 million (equivalent to approximately S\$3.5 million) from the net proceeds of the Share Offer for the establishment of new DTAP Clinics and SA Clinics in Singapore. For further details, please refer to the paragraph headed “Future Plans and Use of Proceeds — Business strategies and future plans” of this prospectus.

We cannot guarantee that we will be able to establish and commence operations of our new Clinics in a timely manner or at all. In addition, we may not be able to achieve comparable operating results to that generated by any of our existing Clinics or achieve breakeven for our new Clinics due to, among others, (i) our inability to obtain or material delay in obtaining the required approvals, permits or licences; (ii) any substantial increase in our costs of operations; and (iii) any labour shortage in qualified healthcare professionals and/or supporting staff. We also expect to incur an aggregate depreciation expenses for our new DTAP Clinics and SA Clinics of approximately S\$23,000, S\$164,000; and S\$33,000, S\$230,000 for the year ending 31 December 2018 and 31 December 2019, respectively. The new DTAP Clinics and SA Clinics may even operate at a loss, which could materially and adversely affect our results of operations.

We may be unable to implement our business strategies within our budget successfully and this could adversely affect our business, operating results and financial position

The planned expansion of our business to establish new DTAP Clinics and SA Clinics may place significant strain on our management, systems and resources. To accommodate our growth, we will need to enter into additional lease agreements and hire more doctors, clinic assistants and staff, which will result in increase in our operating costs in terms of rental costs and staff costs. Whether we can successfully implement our business strategies also depends on various factors including, among others, the availability of suitable locations and suitable rental prices, being able to attract and retain sufficient qualified doctors and supporting staff and changes in economic and market conditions. There is no assurance or guarantee that our expansion plan may be implemented successfully. Any delay or failure to successfully implement our business strategies could adversely affect our business, operating results and financial position and we may not be able to meet the profit and earnings projections.

RISK FACTORS

We cannot assure you that we will be able to manage our growth effectively, and any failure to do so may have a material adverse effect on our business, prospects, financial position and results of operations.

Our Doctors could become the subject of legal claims, regulatory actions or professional investigations and litigations regarding any medical dispute brought by patients, and we may be liable for the professional misconduct or negligence of our Doctors, which may harm our reputation and business

Our Group provides primary healthcare services including, among others, conducting medical investigations, medical consultation and treatment for common medical conditions, sexual health conditions and infectious diseases, which do not have guaranteed positive outcomes and entail inherent risks of liability. As such, we are susceptible to complaints, allegations and legal actions, with or without merit, which may be made or taken against us and/or our Doctors.

Under the Medical Registration Act, the SMC may investigate complaints made against medical practitioners in relation to any alleged professional misconduct and may impose sanctions including, among others, fines, issuing a letter of advice or warning, referring the matter for mediation between the doctor and the patient, ordering the doctor to undergo further education or training or medical or psychiatric treatment or counselling, or removing or suspending his registration from the register if he is found guilty of professional misconduct. For further details, please refer to the paragraph headed “Regulatory Overview — Medical Registration Act” of this prospectus.

Where our Doctors are involved in medical disputes and/or subject to complaints or professional investigations, we may have to allocate our resources in handling such disputes, complaints or investigations which may affect the operations of our Clinics. Such claims would typically be brought against the relevant Doctor and may also include our Group as a defendant since the diagnosis, medical investigation or treatment would be conducted at our Clinics. Legal actions against us or our Doctors may have a material adverse impact on our financial position due to the resources involved in dealing with such legal actions and any possible claims and damages made against us. In addition, should any of our Doctors be convicted of professional misconduct, it is possible that he/she may be restricted from practising in our Clinics or at all. This may have a material adverse effect on our operations and/or profitability if we are not able to find suitable replacement promptly.

For further details on any past claims, regulatory or professional investigations and litigation relating to our Group, please refer to the paragraph headed “Business — Regulatory compliance and legal proceedings” of this prospectus.

We are dependent on skilled and competent professional staff and we may be unable to attract suitable doctors to join our Group which will in turn adversely affect our business, financial position and results of operation

Our business operations are dependent on our ability to attract and retain skilled and competent professional staff. As at the Latest Practicable Date, our Group had a total of 21 skilled professionals, comprising seven resident Doctors, two aestheticians and 12 clinic assistants. Our ability to attract and retain such skilled professionals is dependent on several factors such as our continued reputation, financial remuneration and job satisfaction. For further details of our professional staff, please refer to the paragraph headed “Business — Our professional team” of this prospectus.

RISK FACTORS

The demand for doctors with necessary experience and qualifications is high in the market and we are competing for suitable candidates with other primary healthcare services providers. We may need to offer competitive terms and attractive remuneration packages to attract and retain medical practitioners to practise at our Clinics. Our employee benefits expenses were approximately S\$1,866,000 and S\$2,798,000 for FY2016 and FY2017, respectively. We cannot assure that we will be able to attract and retain sufficient suitable doctors with similar experience. In the event that we are unable to find suitable and timely replacements, our business, financial position and results of operations could accordingly be materially and adversely affected.

We depend on our resident Doctors and if our employment contracts with the resident Doctors are terminated, our business, financial position, results of operations and prospects may be materially and adversely affected

Our performance depends on the continued services and performance of our resident Doctors as they are fundamental in contributing to the revenue of our Group. The expertise and services of our resident Doctors are important to the reputation and business operation of our Group. If any of the employment contracts of our resident Doctors were terminated, there can be no assurance that we would be able to find suitable replacements in a timely manner or at all. The loss of employment of our resident Doctors and/or the inability to identify, hire and retain other doctors in the future may materially and adversely affect our business, financial position, results of operations and prospects. For further details of the years of employment with our resident Doctors and their turnover rate, please refer to the paragraphs headed “Our professional team — Our Doctors” and “Employees” under the section headed “Business” of this prospectus.

Any inability to keep abreast of technological developments and to enhance our medical equipment and devices will affect our competitive edge and hence may adversely affect our financial performance

We need to continually keep pace with and respond to new medical technology, equipment and devices in relation to the medical investigations and treatments available at our Clinics. Changes in the primary healthcare industry, particularly with regard to the medical aesthetics field require sourcing for and investing in new treatment devices and technology and in the case of sexual health conditions and infectious diseases, the development of more effective medication and/or products. From time to time, we also need to upgrade our existing treatment devices and facilities which may require significant capital expenditure.

If we are unable to adapt to and/or to acquire such advances in technology, demand for our Services may decline. There is also no assurance that we will be able to recover the financial outlay for these treatment devices and technology should patients’ expectations for these services not be met. As a result, our operations and financial position may be adversely affected.

We have not entered into any long-term supply agreements with our suppliers and any shortage of or delay in the supply may materially and adversely affect the operations of our Clinics

We rely on our suppliers for the supply of pharmaceutical drugs, laboratory and radiology testing services, consumables and other medical supplies required for our clinical operations. However, we have not entered into any long-term supply agreements with our suppliers and there is no assurance that our suppliers will continue to supply the products or services to us on commercially reasonable terms, or at

RISK FACTORS

all, which could affect our ability to secure future supply. Further, we may be unable to find suitable alternative suppliers within a short period of time, and as such, any shortage of or delay in the supply of the medications, skincare products, laboratory and radiology testing services to us may materially and adversely affect the operations of our Clinics. As a result, our financial position and results of operations could be materially and adversely affected.

Our Group faces the risk of obsolescence for our inventory and the potential increase in medical professional costs and costs of consumables and medical supplies may have a material and adverse impact on our business, results of operations and financial position

Our inventories mainly comprises consumables and medical supplies, which amounted to approximately S\$577,000 and S\$400,000 as at 31 December 2016 and 31 December 2017, respectively. Our inventory inevitably faces obsolescence risks where there are unexpected material fluctuations or abnormalities in the supply and demand of consumables and medical supplies by suppliers and customers, respectively or where there are changes in private healthcare industry, which may lead to fluctuating demands and overstocking of particular consumables and/or medical supplies. This may result in shelving of such consumables and medical supplies which increases the risk of inventories obsolescence.

During the Track Record Period, (i) our costs of consumables and medical supplies increased from approximately S\$1,434,000 for FY2016 to approximately S\$1,797,000 for FY2017; and (ii) our medical professional costs increased from approximately S\$719,000 for FY2016 to approximately S\$952,000 for FY2017. In this regard, in the event that there is an increase in the medical professional costs and costs of consumables and medical supplies in the future, the costs of our operations may increase, which may in turn have a material and adverse impact on our business, results of operations and financial position.

Our Group has a relatively limited operating history and our past performance is not necessarily indicative of future results

Our revenue for FY2016 and FY2017 was approximately S\$7,128,000 and S\$9,957,000, respectively. Although our revenue recorded a substantial growth during the Track Record Period, such financial data only reflects our past performance. Our past performance is not necessarily indicative of our future results. In addition, our first Clinic, being our Robertson Clinic, commenced operations in August 2010 and the rest of our Clinics commenced operations between March 2014 and May 2017. Our Group has a relatively limited operational history on which our past performance may be judged. The effects of the changing regulatory, economic and other unpredictable factors may have a material effect on our business and hence may affect our future financial performance.

Moreover, our financial position and operating results may not meet the expectations of public market analysts or investors, which could cause the future price of our Shares to decline. Our revenue, expenses and operating results may vary from period to period in response to a variety of factors beyond our control. You should not rely on our historical results to predict the future performance of our Shares.

RISK FACTORS

We have limitations in promoting/marketing our business and we may be in breach of the PHMC (Publicity) Regulations and be subject to disciplinary actions

Our Doctors and our Clinics have to comply with the PHMC (Publicity) Regulations which sets out (i) restrictions on the promotion or dissemination of information about the professional services and practice carried out by medical practitioners or their group practice; and (ii) restrictions on publication or marketing efforts for the predominant purpose of promoting the products or services of doctors to patients or potential patients. For further details, please refer to the paragraph headed “Regulatory Overview — Private Hospitals and Medical Clinics (Publicity) Regulations” of this prospectus. The restrictions in promoting our Group’s business may affect our ability to further enhance our brand recognition or secure new business opportunities in the future. Moreover, there is no guarantee that our existing practices of monitoring our information dissemination process and publication can continue to be effective if we are required to abide by any additional and/or stricter requirements arising from amendments to the PHMC (Publicity) Regulations in the future. Should there be any change in the relevant regulations, or change of interpretation thereof, our Doctors and/or our Clinics may be regarded as breaching the PHMC (Publicity) Regulations and may be subject to relevant disciplinary actions such as fines. Should there be any disciplinary actions against our Doctors and/or our Clinics, our reputation, business and results of operations could be materially and adversely affected.

We may be exposed to risks in relation to the disposal of medical waste and the use of certain medical equipment and any failure to comply with the relevant laws and regulations may expose us to fines, suspension or claims

Our operations involve the disposal of medical waste such as needles, used surgical items and other common by-products of clinics, which we dispose of through an independent corporation duly licensed under the Environmental Public Health Regulations. We are required to dispose of medical waste and use our medical equipment in accordance with procedures prescribed by law. Failure to comply with these procedures may expose us to fines or suspension by the relevant authorities and any injury or damage caused by the wrongful disposal of medical waste or misuse of medical equipment may expose us to civil claims from injured parties. If any of the above were to occur, our financial position, results of operation and market reputation will be materially and adversely affected.

Any non-renewal of leases resulting in relocation of our Clinics and/or our head office or substantial increase in rent may affect our business and financial performance

As at the Latest Practicable Date, we have entered into ten lease agreements for our Clinics and head office in Singapore, and thus, we are exposed to fluctuations in the retail rental market. During the Track Record Period, our operating lease rentals in respect of the office and clinics amounted to approximately S\$372,000 and S\$556,000, representing approximately 5.2% and 5.6% of our revenue for FY2016 and FY2017, respectively. Upon the expiry of each of the leases, we have to negotiate terms of renewal with our respective landlords. There is no assurance that the leases would be renewed on similar or favourable terms or at all. There is also no guarantee that the leases will not be terminated early by the landlords before the expiry of the relevant terms.

RISK FACTORS

In the event that we are required to relocate our Clinics and/or our head office to other locations, there is no guarantee that we will be able to secure comparable locations with a lease based on comparable terms. We may also incur substantial expenses for renovation if we have to move our Clinics and/or our head office to new locations. This may have an adverse impact upon our business, financial position and our future potential growth.

Professional responsibilities of our Doctors to patients may override the interest of our Shareholders

Our Doctors, being registered medical practitioners, are required to comply with the SMC Ethical Code and SMC Ethical Guidelines 2016, failing which the SMC may take disciplinary action against them. The SMC Ethical Code and SMC Ethical Guidelines 2016 set out the duties of a registered medical practitioner including, among others:

- always placing patients' best interests above any business or financial considerations;
- not letting the business or financial considerations influence the objectivity of clinical judgement in the management of patients; and
- not participating in "fee splitting" or "fee sharing" by offering gratuitous payments, gifts or other rewards for patients referred to him from any source.

Such professional duties and obligations of our Doctors may not at all times be in line with our Shareholders' commercial interest, which is primarily to maximise the profit of our Group. As a result, our Group's ability to maximise its profit may be limited by the professional duties and obligations of our Doctors owed to our patients. For further details, please refer to the paragraph headed "Regulatory Overview — Singapore Medical Council Ethical Code and Ethical Guidelines 2016" of this prospectus.

We face possible infringement of our intellectual property rights, which could weaken our competitive position and affect our operations

Our principal intellectual property rights are our trademarks, and our know-how in our business operations and the provision of personalised services. We are susceptible to infringement of our intellectual property rights by third parties. There is no assurance that third parties will not copy or otherwise obtain and use our intellectual property rights without our prior authorisation. Infringement of our intellectual property rights could adversely affect the perception that our patients have of us as to our credibility, creditworthiness and abilities, which in turn may have a material adverse effect on our business, financial condition, results of operations and prospects. If we were to enforce our intellectual property rights through litigation, such litigation, whether successful or unsuccessful, could result in the incurrence of substantial costs and the diversion of our resources. In the event that we are unable to adequately protect or safeguard our intellectual property rights, our reputation, business, financial position and results of operations and prospects may be materially and adversely affected.

As at the Latest Practicable Date, our Group had (i) registered two trademarks in Singapore; and (ii) applied for the registration for one trademark in Singapore and two trademarks in Malaysia, details of which are set out in the paragraph headed "Statutory and General Information — Further information about the business of our Group — 2. Intellectual property" in Appendix IV to this prospectus. It is possible that we may be unable to register trademarks in future markets in which we operate or to renew

RISK FACTORS

the registrations of our trademarks. Further, there is no guarantee that the registrations of our trademarks can completely protect us against any infringement or keep us away from any potential challenges raised by our competitors or other third parties.

We may be unable to protect our patients' information from leakage or improper use, which could expose our Group and/or Doctors to claims or litigation

We understand that a patient's right to privacy is particularly essential in the medical service context and our patients expect us to keep their information strictly confidential. Our Doctors are required by the SMC Ethical Code and SMC Ethical Guidelines 2016 not to disclose medical information of patients to any third party without the patient's consent except in certain specific circumstances. We are also subject to the Personal Data Protection Act which restricts the use of personal data of our patients collected by us for such purposes which they were collected or for a directly related purpose.

However, there is no guarantee that our confidentiality policies and measures can completely prevent our patients' information from leakage or being used for an improper purpose. Any breach of our confidentiality obligations towards our patients could expose our Group and/or our Doctors to potential liabilities, such as claims or litigation, which may have an adverse impact on our Group's and our results of operations. For further details, please refer to the paragraphs headed "Singapore Medical Council Ethical Code and Ethical Guidelines 2016" and "Personal Data Protection Act 2012 (No. 26 of 2012)" under the section headed "Regulatory Overview" of this prospectus.

Our insurance coverage and indemnities may not cover all our damages, losses and risks arising from our course of operations

Our Clinics and our medical equipment face the risk of being physically damaged as a result of fire, natural disasters, or other causes, as well as potential public liability claims, which could disrupt our business operations. There is no assurance that there will not be any such damage or that liability claims will not be in excess of the amount covered by our insurance policies or that such insurance policies are comprehensive and cover all types of damage suffered or public liability claims. As such, should there be adverse developments such as terrorist attacks and other natural or man-made disasters such as earthquakes and floods, fire hazards and other events beyond our control, we may not have adequate insurance coverage to cover these liabilities and risks and our business, financial position, results of operations and prospects may be materially and adversely affected. There is no assurance that we will be able to renew all of our insurance policies or obtain new policies on similar terms.

Further, we do not maintain professional indemnity insurance for our Doctors. If our Group (in its own capacity or together with our Doctors) experiences any situation where we are sued by our patients for damages caused by the acts or negligence of our Doctors, we cannot guarantee that our Doctors would have the financial capability to indemnify us against all claims and damages in case their respective memberships with the Medical Protection Society or other professional indemnity provider would be insufficient to cover the cost of the claims. In the event that the claims from our patients exceeds the professional indemnity coverage of our Doctors, or if such claim does not fall within the scope of such professional indemnity coverage, or if we are not able to claim the compensation from insurance companies in full or in a timely manner or at all, we may have to make provisions in our accounts and our financial position and our operations may be materially and adversely affected by the costs arising therefrom. For further details of the professional indemnity coverage maintained by our

RISK FACTORS

Doctors and the insurance policies maintained our Group, please refer to the paragraphs headed “Our professional team — Our Doctors — Doctors’ liability” and “Insurance — Insurance policies” under the section headed “Business” of this prospectus.

Our business depends significantly on our brand “Dr. Tan & Partners” and any damage of our brand name could materially and adversely affect our business and the results of our operations

We believe our success depends significantly on our brand “Dr. Tan & Partners”. Our continued success will also depend largely on our ability to protect and enhance the value of our brand. Any incident that erodes potential customers’ trust in our brand could adversely affect our reputation. In particular, our Group had entered into a clinic management services agreement with a company based in Kuala Lumpur, Malaysia to provide clinic management services. For further details, please refer to the paragraph headed “Business — Other Services” of this prospectus. We cannot assure that the clinic will be operated by such company in compliance with the terms of the clinic management services agreement or otherwise fully adhere to the relevant laws and regulations in Malaysia. If the terms of the clinic management services agreement are not complied with or if the clinic in Kuala Lumpur is not operated in adherence with the applicable laws and regulations, our reputation and brand name may be negatively affected and thus may materially and adversely affect our business and results of operations. Additionally, unauthorised or incorrect use of our brand name, trademarks or variants thereof may materially and adversely harm our reputation, our business, financial position, results of operations and prospects.

RISKS RELATING TO OUR INDUSTRY

We rely on a single geographical market and any adverse economic, social and/or political conditions affecting the market may adversely affect our business

Currently, our business operations are solely based in Singapore. Our business operations and the demand for our Services are therefore exposed to any deterioration in the economic, social and/or political conditions as well as any incidence of social unrest, civil disturbance or disobedience in Singapore (in particular where any such activity causes inconvenience to patients who visit, and our staff who attend, our Clinics). The aforesaid circumstances may disrupt and materially and adversely affect the operations of our Clinics, and consequently, our results of operations.

We operate in a highly competitive industry

Due to continuous technological upgrades and advancements, the primary healthcare industry is characterised by rapidly changing market trends. Our patients are constantly looking for innovative and high performance medical treatment procedures with minimal risks or side effects and medical investigation tests, medicines and/or products at reasonable prices. As a result, we are in constant competition with other primary healthcare services providers in aspects such as quality, scope of services and products, comprehensiveness and diversity of laboratory tests, radiology tests and treatment devices as well as pricing. Some of our competitors have longer operating histories, a wider range of services, more advanced technologies and equipment and greater brand recognition. They may also have

RISK FACTORS

more financial and other resources than we do, thus allowing them to provide similar services or products at a lower price. If we are unable to compete successfully with our competitors, we may experience a reduction of market share, which may have a material adverse effect on our business performance, results of operations and financial position.

We are subject to regulations and licensing requirements for our operations

The primary healthcare industry is highly regulated. We and our healthcare professionals are subject to laws and regulations governing, among others, the conduct of our business operations, adequacy of medical care, quality of medical facilities, equipment and services, purchase of pharmaceutical drugs and medications, qualifications of healthcare professionals, and confidentiality and use of health-related information and medical records. For details of the applicable regulatory requirements, please refer to the section headed “Regulatory Overview” of this prospectus. As the private general practice industry develops, more or stricter regulations and policies may be introduced to regulate the operations of such clinics and/or to protect patients. For instance, in order to enhance fee transparency, the Government of Singapore has introduced “Itemised Billing for Clinics under the Community Health Assist Scheme”, which is applicable to general practice clinics under the Community Health Assist Scheme (“CHAS”) and dental clinics, requiring such clinics to issue itemised bills to, among others, all CHAS patients and from 1 January 2017. Any adverse changes in laws and regulations or the introduction of new applicable laws and regulations could result in, among others, more stringent requirements and/or an increase in compliance costs, which could materially and adversely affect our business, financial position and results of operations.

Two of our licences are held in the individual capacity of two of our resident Doctors which are those required for the operation of non-ionising radiation irradiating apparatus, including our laser equipment, at our Clinics. Should we be unable to renew these licences under our Group, our operations could be affected in the event that any Doctor holding a relevant licence leaves the employment of our Group. Any changes to the existing laws and regulations may require us to apply for new approvals, licences and/or permits and there is no assurance that we will be able to obtain these new approvals, licences and/or permits. In the event that we are unable to obtain or renew the requisite approvals, licences and/or permits, or such approvals, licences and/or permits are withdrawn, we may be required by the relevant governmental agencies to cease operations and the business, financial position and results of operations of our Group may be adversely affected.

In addition, if our Group or our staff breaches any requisite regulatory requirements or laws, including conditions in the permits required for our business operations, we may also be subject to fines or penalties. The relevant governmental authorities may also suspend or deny renewal of licences in respect of our business operations and healthcare professionals if they determine that we or our healthcare professionals do not meet the applicable standards and this could also materially and adversely affect our Group’s reputation and the business, financial position and results of operations of our Group.

RISK FACTORS

Our business operations may be affected by the challenges affecting the Singapore healthcare industry

Our business, financial position, results of operations and prospects may be affected by the challenges currently faced by the healthcare industry such as:

- there is no assurance that the local economy in Singapore can support sustainable growth of consumer spending on primary healthcare services, medical investigation services and medicine and/or related products;
- general slowdown of economic, business and demographic conditions at local, regional, national and international levels may result in a decrease in consumer spending on primary healthcare services medical investigation services and medicine and/or related products as well as weaken consumer spending willingness, thus reducing the overall demand for our Services and products;
- an increase in the threat of terrorism or armed conflict and the occurrence of natural and man-made disasters that affect travel security which could reduce the volume of medical travellers;
- improvements in the quality of healthcare services in neighbouring countries that may affect the stream of medical travellers coming to our Clinics;
- technological and pharmaceutical improvements that reduce the demand for our Services;
- rising costs of medicines and pharmaceutical drugs;
- stricter regulations governing the purchase of medications and pharmaceutical drugs, which are highly regulated;
- stricter regulations governing protection of sensitive or confidential patient information from unauthorised disclosure;
- changes in the supply distribution chain or other factors that increase the cost of supplies, as well as increased cost of rental and staff salaries and benefits;
- potential reputational and potential financial risk to our operations caused by the independent actions of doctors, including the prices they charge patients for their services; and
- credit and collection risks due to difficulties in collecting payments from patients for procedures performed and services rendered.

Any failure by us to effectively manage these challenges may have a material adverse effect on our business, financial position, results of operations and prospects.

RISK FACTORS

We may be affected by the spread or outbreak of any infectious diseases

A resurgence of the outbreak of the Middle East Respiratory Syndrome or any other contagious or virulent diseases like influenza such as H5N1 and H7N9, the avian influenza or the Zika virus in Singapore or the region could have a material adverse impact on our operations. In the event such outbreaks occur at any of our Clinics, greater infection control measures will have to be implemented with the possibility of temporary closure of the affected facility and quarantine of all affected healthcare professionals.

In addition, occurrences of epidemics and pandemics could also result in negative public opinion of medical institutions, which will materially and adversely affect our results of operations and financial position.

RISKS RELATING TO THE SHARE OFFER

There is no assurance of liquidity of our Shares and the price and/or trading volume of our Shares may be volatile

Prior to the Share Offer, there has been no public market for the Shares. The Offer Price will be determined through negotiation between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the final Offer Price may not be indicative of the price at which the Shares will be traded following the completion of the Share Offer. Following the Listing, there is no assurance that an active trading market for the Shares will develop, or, if it does develop, that it will be sustained following completion of the Share Offer, or that the trading price of the Shares will not decline below the Offer Price. In addition, investors may be unable to sell their Shares at or above the Offer Price.

The pricing and/or trading volume of the Shares may be volatile. The market price of the Shares may fluctuate significantly and rapidly as a result of the factors which are beyond the control of our Group, including but not limited to, actual or anticipated fluctuations in our results of operations; changes in investors' perception of our Group and the investment environment generally; changes in the analysis and recommendations of financial analysts; addition or departure of key management personnel; changes in pricing made by our competitors; changes in market valuations and share prices of companies with businesses similar to that of our Company that may be listed in Hong Kong; the liquidity of the market for the Shares; announcements of competitive developments, acquisitions or strategic alliances in our industry; our ability to successfully implement our investment plans and growth strategies; fluctuations of exchange rates; involvement in potential litigation or regulatory investigations and proceedings; general changes and/or developments in rules or regulations with regards to the Singapore primary healthcare industry that our Group operates in; and changes in conditions affecting the primary healthcare industry, the general economic conditions or stock market sentiments.

Furthermore, the stock market of Hong Kong generally has experienced increasing price and volume fluctuations, some of which have been unrelated or have not corresponded to the operating performances of such companies in recent years.

RISK FACTORS

Future sales of substantial amounts of the Shares or the availability thereof in the public market may adversely affect the prevailing market price of the Shares and our Group's ability to raise further capital

There is no guarantee that our Controlling Shareholders will not dispose of their Shares following the expiration of their respective lock-up periods after the Listing. For further details, please refer to the section headed "Underwriting" of this prospectus in relation to the restrictions that may apply to future issuances and sales of the Shares. The market price of the Shares may decline as a result of the future issuance of the new Shares or other securities relating to the Shares, sales of substantial amounts of the Shares or other securities relating to the Shares in the public market, or the perception that such issuances or sales may occur. This may also materially and adversely affect our Group's ability to raise capital in the future at a time and at a price we deem appropriate.

Shareholders' interests may be diluted in the future as a result of additional equity fund raising

We may need to raise additional funds in the future to finance further expansion of our business. If additional funds are raised through the issuance of new equity or equity-linked securities of us other than on a pro rata basis to existing Shareholders, the percentage of ownership of such Shareholders in us may be reduced, and such new securities may confer rights and privileges that take priority over those conferred by our Shares.

Our Company will comply with Rule 17.29 of the GEM Listing Rules, which specifies that no further Shares or securities convertible into equity securities of our Company (subject to certain exceptions) may be issued or form the subject of any agreement to be issued within six months from the Listing Date. Upon expiry of such six-month period, our Group may raise additional funds by way of issue of new equity or equity-linked securities of our Company to finance further expansion of our business, joint ventures or other strategic partnerships and alliances. Such fund-raising exercises may not be conducted on a pro-rata basis to existing Shareholders. As such, the shareholding of the then Shareholders may be reduced or diluted, and such new securities may confer rights and privileges that take priority over those conferred by our Shares.

Shareholders' interest may be diluted because of the issuance of Shares pursuant to the Share Option Scheme

We have adopted a share option scheme which we may grant share options to eligible persons including any of our Director and employees, consultants or advisers of our Group, provider of goods and/or services to our Group, customers of our Group, any holder of securities issued by any member of our Group and any other person at the sole discretion of the Board under the Share Option Scheme. The exercise of the share options under the Share Option Scheme will result in an increase in the number of Shares, and may result in a dilution to the percentage of ownership of our Shareholders, the earnings per Share and net asset value per Share depending on the relevant exercise price. For further details, please refer to the paragraph headed "Statutory and General Information — Share Option Scheme" in Appendix IV to this prospectus.

RISK FACTORS

The interests of our Controlling Shareholders may not always coincide with the interests of our Company's public shareholders

Immediately upon completion of the Share Offer, our Controlling Shareholders will own 75.0% of our enlarged share capital. Therefore, our Controlling Shareholders will be able to exercise substantial control or influence over our business by directly or indirectly voting at shareholders' meetings in matters that are significant to us and our public Shareholders. For example, they may perform significant corporate actions, influence the Board composition and affect the issue of dividends. Our Controlling Shareholders may take actions, and exercise influence that favours their interests over the interests of us or our public shareholders. We cannot assure you that our Controlling Shareholders will not cause us to enter into transactions or take, or fail to take, other actions or make decisions that conflict with the best interests of our other Shareholders. If the interests of our Controlling Shareholders conflict with our and/or your interests, or if our Controlling Shareholders choose to cause our business to pursue strategic objectives that conflict with our and/or your interests, Shareholders, including you, may be disadvantaged as a result.

Possible termination of the Public Offer Underwriting Agreement

Prospective investors should note that the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) are entitled to terminate their obligations under the Public Offer Underwriting Agreement by giving written notice to our Company upon the occurrence of any of the events stated in the paragraph headed "Underwriting — Underwriting arrangement and expenses — Grounds for termination" of this prospectus at any time at or before 8:00 a.m. (Hong Kong time) on the Listing Date. Such events include, without limitation, any acts of God, wars, riots, public disorder, civil commotion, fire, flooding, epidemic, acts of terrorism, strikes or lockouts. Should the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) exercise their rights and terminate the Public Offer Underwriting Agreement, the Share Offer will not proceed and will lapse.

Historical dividends are not indicative of future dividends and there is no assurance that we will pay dividends in the future

For FY2016 and FY2017, our Group declared and paid dividends of approximately S\$408,000 and S\$2,203,000, respectively. Investors should not use such historical dividend as a reference or basis to determine the level of dividends that may be declared and paid by our Company in the future. The declaration and payment of future dividends will depend on our operating results, financial position, other cash requirements including capital expenditure, the terms of borrowing arrangements (if any) and other factors deemed relevant by our Directors. As such, there is no assurance that dividend distributions will be made by our Company in the future.

Shareholders and investors could face difficulties in protecting their interests because our Company was incorporated under the laws of the Cayman Islands and these laws could provide different protections to our minority Shareholders than the laws of Hong Kong

Our corporate affairs are governed by the Memorandum, the Articles, the Companies Law and common law of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders could differ in some respects from those established under statutes or judicial precedent in existence in Hong Kong. Such differences could mean that our minority Shareholders could have different protections than they would have under the laws of Hong Kong.

RISK FACTORS

RISKS RELATING TO INFORMATION CONTAINED IN THIS PROSPECTUS

Investors should not place undue reliance on facts, statistics and data contained in this prospectus with respect to the economies and our industry

Certain facts, statistics and data in this prospectus are derived from various sources including various official government sources that we believe to be reliable and appropriate for such information. However, we cannot guarantee the quality or reliability of such source materials. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Whilst our Directors have taken reasonable care in extracting and reproducing the information, they have not been prepared or independently verified by us, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of their respective directors, affiliates or advisers. Therefore, none of them makes any representation as to the accuracy or completeness of such facts, statistics and data. Due to the possibly flawed or ineffective collection methods or discrepancies between published information, market practice and other problems, the statistics in this prospectus may be inaccurate or may not be comparable to statistics produced for other publications or purposes and you should not place undue reliance on them. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such information or statistics.

You should read the entire prospectus and we strongly caution you not to place any reliance on any information contained in press articles or media regarding us or the Share Offer

There may be press and media coverage regarding us or the Share Offer, which may include certain events, financial information, financial projections and other information about us that do not appear in this prospectus. We have not authorised the disclosure of any other information not contained in this prospectus. We do not accept any responsibility for any such press or media coverage and we make no representation as to the accuracy or completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to subscribe for and/or purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements and information that are “forward-looking” and uses forward-looking terminology such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “may”, “ought to”, “should” or “will” or similar terms. Those statements include, among other things, the discussion of our Group’s growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors of the Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect.

RISK FACTORS

The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our Group's control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by our Company that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligations to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. For further details, please refer to the section headed "Forward-looking Statements" of this prospectus.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (WUMP) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the GEM Listing Rules for the purpose of giving information to the public with regard to us. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

ABOUT THE SHARE OFFER

We have not authorised anyone to provide any information or to make any representation not contained in this prospectus. You should not rely on any information or representation not contained in this prospectus as having been authorised by us, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of our or their respective directors, officers or representatives or any other persons involved in the Share Offer.

The delivery of this prospectus should not, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply the information contained in this prospectus is correct as at any date subsequent to the date of this prospectus.

UNDERWRITING

This prospectus is published solely in connection with the Share Offer, comprising the Placing and the Public Offer. Details of the structure of the Share Offer, including conditions of the Share Offer, are set out in the section headed "Structure and Conditions of the Share Offer" of this prospectus. The Listing is sponsored by the Sole Sponsor and managed by the Joint Lead Managers. The Public Offer is fully underwritten by the Public Offer Underwriters under the terms of the Public Offer Underwriting Agreement and is subject to the agreement to the Offer Price between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters). The Placing will be fully underwritten by the Placing Underwriters under the terms of the Placing Underwriting Agreement. For further details about the Underwriters and the Underwriting Agreements, please refer to the section headed "Underwriting" of this prospectus.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on the Price Determination Date, and, in any event, not later than Tuesday, 12 June 2018. If, for any reason, our Company and the Joint Lead Managers (for themselves and on behalf of Underwriters) are unable to reach an agreement on the Offer Price on or before Tuesday, 12 June 2018, the Share Offer will not proceed. The Offer Price is currently expected to be not more than HK\$0.60 per Offer Share and not less than HK\$0.50 per Offer Share. The Joint Lead Managers (for themselves and on behalf of the Underwriters) may, with the consent of our Company, reduce the indicative Offer Price range stated in this prospectus at any time prior to the morning of the last day for lodging applications under

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

the Public Offer. In such case, a notice of the reduction of the indicative Offer Price range will be published on the Stock Exchange's website at www.hkexnews.hk and our Company's website at republichealthcare.asia.

SELLING RESTRICTIONS OF OFFER SHARES

No action has been taken to permit any public offering of the Offer Shares or the distribution of this prospectus and/or the related Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus and/or the related Application Forms may not be used for the purpose of, and does not constitute, an offer or invitation nor is it calculated to invite or solicit offers in any jurisdiction or in any circumstances in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and/or the related Application Forms and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable laws, rules and regulations of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities or as an exemption therefrom.

The Offer Shares are offered to the public for subscription solely on the basis of the information contained and the representations made in this prospectus and the Application Forms. No person is authorised in connection with the Share Offer to give any information, or to make any representation, not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorised by our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors or any other person involved in the Share Offer.

Each person acquiring the Offer Shares will be required to confirm, or by his/her acquisition of the Offer Shares be deemed to confirm, that he/she is aware of the restrictions on the offer of the Offer Shares described in this prospectus and/or the related Application Forms and that he/she is not acquiring, and has not been offered any such Offer Shares in circumstance that contravenes any such restrictions.

This prospectus and any other materials relating to the Offer Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore pursuant to the Securities and Futures Act (Chapter 289) of Singapore (the "SFA"). Accordingly, this prospectus and any other prospectus or materials in connection with the offer or sale, or invitation for subscription or purchase, of Offer Shares, may not be issued, circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with, the conditions of an exemption invoked under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

Prospective investors for the Offer Shares should consult their financial advisers and take legal advice as appropriate, to inform itself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective investors for the Offer Shares should inform itself as to the relevant legal requirements of applying for the Offer Shares and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

PROCEDURE FOR APPLICATION FOR THE PUBLIC OFFER SHARES

The procedure for application for the Public Offer Shares is set out in the section headed “How to Apply for Public Offer Shares” of this prospectus and on the relevant Application Forms.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Details of the structure and conditions of the Share Offer are set out in the section headed “Structure and Conditions of the Share Offer” of this prospectus.

APPLICATION FOR LISTING ON GEM

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Share Offer and the Capitalisation Issue and the Shares which may be issued pursuant to the exercise of options that may be granted under the Share Option Scheme.

Under section 44B(1) of the Companies (WUMP) Ordinance, if the permission for the Shares to be listed on GEM pursuant to this prospectus has been refused before the expiration of three weeks from the date of the closing of the application lists for the Public Offer or such longer period not exceeding six weeks as may, within the said three weeks, be notified to our Company for permission by or on behalf of the Stock Exchange, then any allotment made on an application in pursuance of this prospectus shall, whenever made, be void.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of Listing and at all times thereafter, our Company must maintain the “minimum prescribed percentage” of 25% of the issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

No part of the Shares or loan capital of our Company is listed, traded or dealt in on any other stock exchange. At present, our Company is not seeking or proposing to seek a listing of, or permission to deal in, any part of the Shares or loan capital on any other stock exchange.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on GEM and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, or on any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements as such arrangements will affect their rights and interests.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

DEALINGS AND SETTLEMENT

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on or around Friday, 15 June 2018.

Shares will be traded in board lots of 5,000 Shares each and are freely transferable. The stock code of our Shares is 8357.

HONG KONG SHARE REGISTER AND STAMP DUTY

All of the Shares will be registered in our Company's branch register of members to be maintained in Hong Kong by the Hong Kong Branch Share Registrar, Boardroom Share Registrars (HK) Limited at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong. Only Shares registered on our Company's branch register of members maintained in Hong Kong may be traded on GEM.

Our Company's principal register of members will be maintained by the principal share registrar and transfer office, Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Dealings in the Shares registered in the branch register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

Unless determined otherwise by our Company, dividends payable in HK\$ in respect of the Shares will be paid to the Shareholders listed on our Company's Hong Kong branch register of members to be maintained in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder or if joint Shareholders, to the first-named therein in accordance with the Articles.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Share Offer are recommended to consult their professional advisers if they are in any doubt as to taxation implications of the subscription for, purchase, holding or disposal of, dealings in, or the exercise of any rights in relation to, the Offer Shares. None of our Company, our Directors, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, advisers, officers, employees, agents or representatives (where applicable) or any other persons involved in the Share Offer accepts responsibility for any tax effects on or liabilities of any person resulting from the subscription for, purchase, holding or disposal of, dealings in, or the exercise of any rights in relation to, the Offer Shares.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese version of this prospectus, the English version of this prospectus shall prevail. Names of any laws and regulations, governmental authorities, institutions, natural persons or other entities which have been translated into English and included in this prospectus and for which no official English translation exists are unofficial translations for your reference only.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

CURRENCY CONVERSION

Unless otherwise specified, for the purpose of this prospectus and for the purpose of illustration only, translations of US\$ and S\$ into HK\$ in this prospectus are based on the exchange rates set out below:

US\$1.00 : HK\$7.78

S\$1.00 : HK\$5.80

No representation is made that any amounts in US\$, S\$ and HK\$ can be or could have been converted at the relevant dates at the above exchange rates or any other rates or at all.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, totals of rows or columns of numbers in tables may not be equal to the apparent total individual items. When information is presented in thousands or millions of units, amounts may have been rounded up or down.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

DIRECTORS

Name	Residential address	Nationality
Executive Directors		
Dr. Tan Cher Sen Alan (陳致暹)	3 Jalan Sindor Singapore 808359	Singaporean
Mr. Toh Han Boon (卓漢文)	Apt Block 310C Punggol Walk #12-592 Singapore 823310	Singaporean
Independent non-executive Directors		
Mr. Leung Ho San Jason (梁浩山)	Room H, 27/F, Tower 1 The Apex 33 Wo Yi Hop Road Kwai Chung, New Territories Hong Kong	Chinese
Mr. Soh Sai Kiang	16 Balmoral Crescent #04-02 Singapore 259910	Singaporean
Mr. Tan Chee Ken (陳志勤)	Block 54 Toh Tuck Road #09-07 Singapore 596745	Singaporean

Please refer to the section headed “Directors, Senior Management and Employees” of this prospectus for further information on our Directors.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

PARTIES INVOLVED IN THE SHARE OFFER

Sole Sponsor

Titan Financial Services Limited

Suites 3201-02, 32/F

COSCO Tower

Grand Millennium Plaza

183 Queen's Road Central

Central, Hong Kong

(A licensed corporation carrying on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO)

Joint Bookrunners and Joint Lead Managers

China Industrial Securities International Capital Limited

7/F, Three Exchange Square

8 Connaught Place

Central, Hong Kong

(A licensed corporation carrying on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO)

Sincere Securities Limited

9/F, COSCO Tower

183 Queen's Road Central

Sheung Wan

Hong Kong

(A licensed corporation carrying on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO)

Titan Financial Services Limited

Suites 3201-02, 32/F, COSCO Tower

Grand Millennium Plaza

183 Queen's Road Central

Central, Hong Kong

(A licensed corporation carrying on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO)

Legal advisers to our Company

As to Hong Kong law:

Robertsons

57th Floor, The Center

99 Queen's Road Central

Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

As to Singapore law:

Rajah & Tann Singapore LLP

9 Battery Road

#25-01

Singapore 049910

As to Cayman Islands law:

Conyers Dill & Pearman

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

**Legal advisers to
the Sole Sponsor and
the Underwriters**

As to Hong Kong law:

D. S. Cheung & Co.

29/F, Bank of East Asia Harbour View Centre

56 Gloucester Road

Wanchai

Hong Kong

**Auditor and
reporting accountant**

PricewaterhouseCoopers

Certified Public Accountants

22/F, Prince's Building

Central

Hong Kong

Industry consultant

China Insights Industry Consultancy Limited

10/F, Tomorrow Square

399 West Nanjing Road

Huangpu District

Shanghai, China

Receiving bank

DBS Bank (Hong Kong) Limited

11/F, The Center

99 Queen's Road Central

Hong Kong

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 Companies Ordinance	Room 5705, 57 th Floor The Center 99 Queen's Road Central Hong Kong
Company's website	republichealthcare.asia <i>(information on this website does not form part of this prospectus)</i>
Company secretary	Mr. Kwok Siu Man (郭兆文) 31/F, 148 Electric Road North Point, Hong Kong <i>(a fellow member of The Hong Kong Institute of Chartered Secretaries)</i>
Authorised representatives	Mr. Toh Han Boon (卓漢文) Apt Block 310C Punggol Walk #12-592 Singapore 823310 Mr. Kwok Siu Man (郭兆文) 31/F, 148 Electric Road North Point, Hong Kong
Compliance officer	Mr. Toh Han Boon (卓漢文)
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 (<i>Chairman</i>) Mr. Soh Sai Kiang Mr. Tan Chee Ken

CORPORATE INFORMATION

Remuneration committee	Mr. Tan Chee Ken (<i>Chairman</i>) Mr. Soh Sai Kiang Mr. Leung Ho San Jason
Nomination committee	Mr. Soh Sai Kiang (<i>Chairman</i>) Mr. Tan Chee Ken Mr. Leung Ho San Jason
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

INDUSTRY OVERVIEW

Unless otherwise indicated, the information presented in this section is derived from the CIC Report prepared by CIC, which was commissioned by us and is prepared primarily as a market research tool intended to reflect estimates of market conditions based on publicly available sources and trade opinion surveys. Our Directors believe that the sources of information and statistics are appropriate sources of such information and statistics and have taken reasonable care in extracting and reproducing such information and statistics. Our Directors have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading in any material respect. Any reference to CIC should not be construed as the opinion of CIC as to the value of any security or the advisability of investing in our Group. The information prepared by CIC and set out in this Industry Overview has not been independently verified by our Group, our Controlling Shareholders, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other party involved in the Share Offer or their respective directors, officers, employees, advisers and agents (except CIC), and no representation is given as to its accuracy and completeness. Accordingly, such information should not be unduly relied upon.

SOURCES OF INFORMATION

Our Group has commissioned CIC, an independent industry consultant, to conduct an analysis of and to prepare a report on the private general practice clinic market in Singapore for the period from 2012 to 2022. The CIC Report has been prepared by CIC independent of our influence. We paid CIC a fee of HK\$380,000 for the preparation of the CIC Report, which our Group considers to be in line with market rates.

Research methodology

CIC's independent research was undertaken using both primary and secondary research approaches. Primary research involved interviewing industry experts and leading industry participants. Secondary research involved analysing data from various publicly available data sources, such as MOH, the Singapore Department of Statistics, SMC, etc.

Basis and assumptions

The market projections were obtained from analysis of historical data as well as underlying market drivers. In preparing the CIC Report, CIC has adopted the following key assumptions: (i) Singapore's economic development is likely to maintain a steady growth trend throughout the next five years; (ii) relevant key industry drivers are likely to continue driving growth in the private general practice clinic market in Singapore during the forecast period, including an ageing population in Singapore, increasing household income and per capita health expenditure, high insurance coverage ratio, public-private partnership programmes, etc.; and (iii) there is no extreme force majeure or set of industry regulations in which the market may be affected either dramatically or fundamentally.

Except as otherwise noted, all the data and forecasts in this section are derived from the CIC Report. Our Directors confirm that, to the best of their knowledge, and after taking reasonable care, there is no adverse change in the market information since the date of the CIC Report, which may qualify, contradict or have an impact on the information as disclosed in this section.

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OVERVIEW ON THE HEALTHCARE INDUSTRY IN SINGAPORE

Introduction of the healthcare system in Singapore

Singapore boasts one of the most advanced and comprehensive healthcare systems in the world. Its healthcare system can be divided into two sectors, namely the public sector and the private sector. The public sector comprises a number of medical institutions, including polyclinics, general and specialist hospitals, and specialty centres. In the private sector, there are general practice (GP) clinics, specialist clinics, and private hospitals that provide healthcare services to the public.

Singapore operates a multi-level healthcare system, which can be divided into (i) primary care and (ii) secondary care. Primary care relies on polyclinics and GP clinics, both of which provide day-to-day healthcare services that range from diagnosis and prescriptions to even treatment of common medical conditions, such as sexually transmitted diseases (STDs). Secondary care is performed by various hospitals and specialty centres. It is a common practice in Singapore for patients to be referred by polyclinics and GP clinics to secondary care service providers if specialty services are required.

Overall revenue of the healthcare services industry and total health expenditure in Singapore

The overall revenue of the healthcare industry in Singapore increased from S\$10.75 billion in 2012 to S\$16.14 billion in 2017, representing a CAGR of 8.5%. Between 2012 and 2017, total revenue of the private healthcare services industry experienced a relatively faster growth than the public sector. Total revenue of the private sector increased from S\$4.67 billion in 2012 to S\$7.06 billion in 2017, registering a CAGR of 8.6%, while total revenue of the public sector increased from S\$6.08 billion in 2012 to S\$9.08 billion in 2017, registering a CAGR of 8.3%. This variation in growth rates has been in part attributable to the Government's support for private contributions to healthcare financing and the nation's ambition to develop itself into a regional healthcare hub.

Singapore's total health expenditures have been increasing strongly in the past five years, up from S\$13.69 billion in 2012 to S\$21.43 billion in 2017 with a CAGR of 9.4%. In 2017, the total healthcare expenditures accounted for 5.1% of Singapore's gross domestic product.

OVERVIEW ON THE PRIVATE HEALTHCARE SERVICES INDUSTRY IN SINGAPORE

Private healthcare services in Singapore are rendered by private hospitals, GP clinics, specialist clinics, etc. Customers generally include those who are privately insured, public patients who are able to afford large out-of-pocket payments and tourists from abroad seeking medical care. The private healthcare sector offers relatively better services and reduced wait time for patients, and serves as a complement to the public healthcare sector by absorbing patient traffic across the city state.

Private GP clinics and their capacity

The private GP clinic industry in Singapore has flourished as the number of private GP clinics increased from 1,743 in 2012 to 2,012 in 2017, representing a CAGR of 2.9%. While most GP clinics are run as solo practices, there are some clinics that have two or more general practitioners either on a part-time or a full-time basis.

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The private sector employed 2,579 general practitioners as of 31 December 2017, increased from 2,222 in 2012, representing a CAGR of 3.0%. General practitioners usually start practising in the public sector after graduating from medical schools and may choose to move into the private sector once they have accumulated enough experience. The private sector therefore has a larger number of more experienced doctors, and the growth in the number of doctors is smaller than in the public sector.

The continuous increase in the number of public general practitioners, which represents the total talent pool for recruiting general practitioners in the private sector, is expected to provide a sustainable and sufficient supply of candidates for the private GP clinic market, thus fueling the development of this market in Singapore. Moreover, as the private sector usually offers a more attractive remuneration package for the general practitioners compared to the public sector, it will not be a challenge for the private sector to recruit general practitioners.

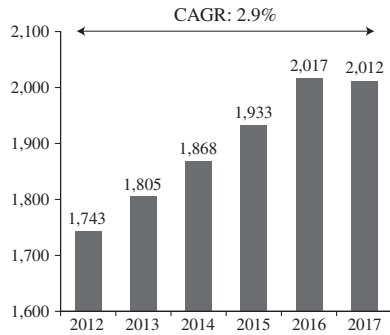
As of 31 December 2016, there were 5,059 general practitioners working in the public sector, up from 3,789 in 2012 with a robust CAGR of 7.5%. Furthermore, in order to cope with the increasing demand of patient, the Singapore government has raised the annual intake of medical students among local universities, increasing from 354 in 2012 to 471 in 2016. According to MOH, the medical intake is expected to achieve 500 in 2018. Besides growing local intakes, an increasing number of Singaporean practitioners trained overseas have been attracted to return and to practice in Singapore through the Pre-Employment Grant and Relocation Incentive programmes. The number of newly registered overseas-trained Singaporean practitioners returning annually has doubled from 92 in 2012 to 182 in 2016. Hence, it is expected that the number of general practitioners will keep growing at a stable pace in the future.

Considering (i) the continuously increased talent pool of general practitioners; (ii) competitive remuneration package offered by private sector; (iii) the government policy to encourage more local intakes from medical schools; and (iv) the increased number of registered overseas-trained Singaporean practitioners, the recruitment market of general practitioners in private sector in Singapore will remain active and it is less likely to face any shortage or difficulty in recruitment.

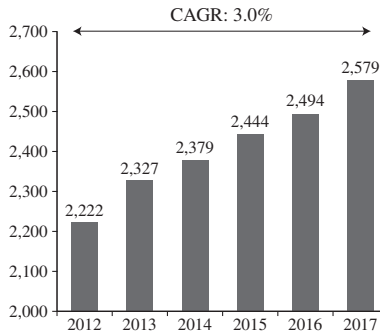
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The majority of outpatients in Singapore opt for private GP clinics. The number of outpatient visits to private GP clinics rose from 19.4 million in 2012 to 21.7 million in 2016, having grown at a CAGR of 2.8%. In 2016, the private sector took in as many as 80.5% of all patient visits seeking primary care in Singapore.

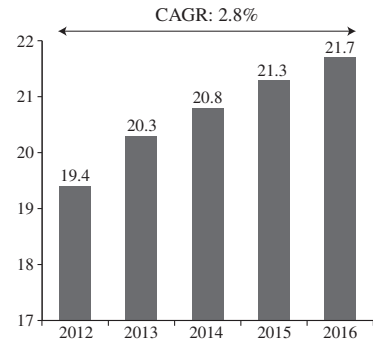
Number of private GP clinics in Singapore, 2012–2017



Number of GPs working in the private sector, 2012–2017



Total number of outpatient visits to private GP clinics, 2012–2016

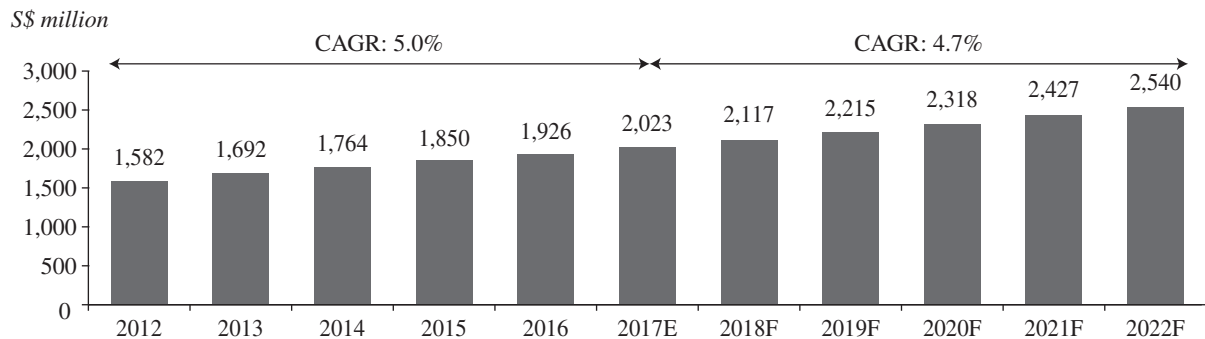


Source: MOH, Singapore Department of Statistics, CIC Report

Market size

The private GP clinic industry in Singapore has experienced a healthy growth in the past five years. Its market size increased from S\$1,582 million in 2012 to S\$2,023 million in 2017, registering a CAGR of 5.0%. It is expected that the market will continue growing throughout the next five years and reach S\$2,540 million by 2022.

Market size of the private GP clinic industry in Singapore, 2012–2022F



Note: Only includes the basic fee components of consultation and prescriptions for a patient seeking general primary care services.

Source: Singapore Department of Statistics, CIC Report

In Singapore, a typical GP clinic bill comprises two standard components, being consultation fees paid to remunerate doctors for their services and prescription fees. On average, a patient in Singapore paid S\$30.0 for consultation fees for a visit to a private GP in 2017, and an average of S\$60.0 for prescriptions of medicine.

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Market drivers

An ageing population in Singapore

The population aged 65 and above in Singapore increased from 0.52 million in 2012 to 0.74 million in 2017 with a CAGR of 7.2%. Although the government has taken a series of actions to deal with the ageing problem, it is unlikely to be solved immediately as the ageing population continues to expand, even if at a slower pace. The ageing trend in Singapore's population will directly drive the demand for healthcare services, which includes services offered by the private GP clinic industry.

Increasing health awareness together with higher disposable incomes

With a favourable projection of GDP growth in Singapore, it is expected that median monthly household incomes will grow at a rate of 5.5% and reach S\$11,613 by 2022. Meanwhile, per capita health expenditures in Singapore have been growing rapidly, from S\$2,597 in 2012 to S\$3,753 in 2017, registering a CAGR of 7.6%. Rising household incomes translate into a greater capability of Singaporeans to spend more on healthcare services and more expensive healthcare products. Moreover, increasing per capita health expenditures reflect that the healthcare awareness of the general public is improving as people are willing to and have spent more on healthcare services and products. Both of these trends are expected to drive market growth in the private GP clinic industry in Singapore.

Greater health insurance coverage and improving national medical subsidy schemes

Medisave is a mandatory medical savings programme that requires workers to contribute a percentage of their wages to a personal account, with a matching contribution from employers, for the certain use of future personal health expenditures or those of an immediate family member. Medisave's coverage has increased steadily in recent years with 86.4% of Singapore citizens and permanent residents being covered by Medisave in 2016, and Medisave has expanded its coverage to include a series of additional ailments and diseases.

Favourable policies and regulations introduced by the Government

In order to ensure public access to affordable healthcare services, the government rolled out a series of public-private partnership programmes that are aimed to encourage the private sector to assume the duty of providing the majority of primary care services. Through the shifting of patients from the public sector to the private sector, not only do public-private participation programmes enhance the efficiency of healthcare services, but they also assist in better leveraging the capacity of the private healthcare system, driving revenue up for GP clinics in the private market.

Entry barriers

Licensing requirements

Licensing requirements for private GP clinics in Singapore involve two different levels. On the business level, a newly-established GP clinic must obtain licenses and permits from the Accounting and Corporate Regulatory Authority, MOH, the Urban Redevelopment Authority, etc. On the individual level, a GP clinic is required to have a qualified medical practitioner work as a clinic manager. Any failure to secure licenses or authorised personnel prevents a GP clinic from operating.

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Industry expertise

It is imperative to have an experienced general practitioner with a good track record and an established reputation to successfully run a practice, as the quality of clinical treatments is the chief concern of patients when choosing a GP clinic. The supply of such general practitioners is scarce, however, due to rigorous procedures for a candidate to become an accredited medical practitioner, including a qualified academic background, housemanship training, a minimum amount of full-time service, good performances, etc.

Future trends

Diversification of business models

With an increasing demand for primary healthcare services, healthcare professionals are trying out new business models to improve the efficiency of the private healthcare system in Singapore. Apart from focusing on the traditional visits to clinics, general practitioners are trying to test out new methods, to reach the patients regardless of where they are located such as via mobile apps with instant communication with patients.

Market consolidation

In order to expand the coverage of clinics and remain competitive in the private GP clinic market, some GP clinics may resort to mergers and acquisitions to form larger medical groups, a move which will create synergies and help decrease operating costs by consolidating resources and leveraging on economies of scale. This market consolidation may take the form of larger clinics acquiring smaller ones or smaller GP clinics integrating with each other to form larger groups.

Stricter regulations

As the private GP clinic industry develops, stricter regulations and policies will be introduced to protect patients. For example, the Singapore Government has initiated 'Itemized Billing for Clinics under the Community Health Assist Scheme' in order to enhance fee transparency. In sum, there would be more stringent rules and regulations in the future targeting healthcare professionals, GP clinics and every other aspect of private healthcare.

More aesthetics services provided by GP clinics

People are becoming more self-conscious about the way they look nowadays, and they seek more aesthetic treatments, such as plastic surgeries, to help them transform their appearance to look younger and slimmer. This trend is expected to contribute to the development of medical aesthetics services. More private GP clinics are also expected to offer aesthetics services to their customers in order to benefit from the development in this market.

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Threats

Doctor-and-patient relationship

A good doctor-and-patient relationship is of critical importance in the healthcare industry and is essential for the delivery of high-quality healthcare services during diagnosis and treatment. However, according to SMC, the number of patient complaints concerning doctors has risen over the past decade, which revealed that the doctor-and-patient relationship in Singapore has been worsening in recent years, which is likely to be a potential threat for the private GP clinic industry in Singapore.

Increasing competition in the market

As of 31 December 2016, there were approximately 2,017 private GP clinics operating in Singapore. More than half of these clinics were smaller-sized individual clinics that are offering identical healthcare services and targeting the same group of customers. Given the future trend of market towards increasing consolidation, smaller-sized GP clinics tend to be in a disadvantageous position because they are easy to be acquired by larger players in the GP clinic market. Furthermore, it is predicted that the number of players in Singapore's private GP clinic industry will keep growing in next decade, which is leading to fiercer competition in this market.

Cost analysis

In normal circumstances, the cost of operating GP clinics include labour costs, costs of medication, rental costs, operating costs, etc. Labour costs, which are made up of remuneration paid to medical practitioners and other non-doctor staff within a clinic, constitute the largest portion of day-to-day expenses, which in aggregate represent about 44% of the total cost. Medicine costs contribute to about 32% of the total cost. Rental and operating costs are estimated to take up 11% and 13% of the total cost, respectively. It is worth noting, however, that rental costs have undergone a slight drop in recent years. The average annual salary of general practitioners has increased at a CAGR of 3.3% from 2012 to 2017, and is expected to further increase at a CAGR of 4.6% from 2017 to 2022.

COMPETITIVE LANDSCAPE OF THE PRIVATE GP CLINIC INDUSTRY IN SINGAPORE

Overview on market participants

As of 31 December 2017, there were over 1,000 players in Singapore's private GP clinic industry. According to research conducted by CIC, it is estimated that a total of 2,008 GP clinics provide general primary care services in Singapore in 2017, and around 42% of them were operated under franchise arrangements. In 2017, the private GP clinic industry in Singapore was competitive and fragmented with the top five players only taking up approximately 12.5% of the market share in terms of revenue and the remaining 87.5% of the market share being taken up by the other players.

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Our Group recorded a total revenue of S\$3.9 million from the provision of general primary care services, which was approximately 0.2% of the total revenue generated by the private GP clinics providing primary care services in 2017.

Ranking and market shares of private GP clinics, 2017 *(Note)*

Rank	Company name	Number of general practitioners	Number of clinics	Listed (Y/N)	Revenue <i>(S\$ million)</i>	Market share <i>(Approximate %)</i>
1	Company A	131	52	Y	103	5.1%
2	Company B	74	43	Y	59	2.9%
3	Company C	55	35	Y	50	2.5%
4	Company D	28	14	N	22	1.1%
5	Company E	23	12	N	18	0.9%
—	Others	2,172	1,852		1,771	87.5%
	Total	2,483	2,008		2,023	100.0%

Note: GP clinics include those which provide general primary care services, including consultation and prescriptions.

Source: CIC Report

OVERVIEW ON THE PRIVATE NON-SURGICAL MEDICAL AESTHETICS CLINIC INDUSTRY IN SINGAPORE

Medical aesthetics services involve a series of treatments that focus on improving the appearance of an individual. Medical aesthetics services include both surgical procedures (e.g. liposuction, facelifts and breast implants) and non-surgical procedures (e.g. laser hair removal, fillers and chemical peel). For GP clinics in Singapore, general practitioners are only allowed to perform non-surgical procedures for customers, and it is estimated that over 80 GP clinics in Singapore provided medical aesthetics services in 2017. Meanwhile, customers can choose to take non-surgical procedures in nearly 80 specialist clinics in Singapore.

As people are increasingly concerned with their physical appearance and beauty, the private non-surgical medical aesthetics industry in Singapore has been growing during the last five years. Its market size climbed from S\$290 million in 2012 to S\$392 million in 2017 with a CAGR of 6.2%. With favourable development of this market, the market size is forecasted to embrace further growth throughout the next five years and reach S\$515 million by 2022, registering a CAGR of 5.6%.

Market drivers

Increasing affordability of customers in Singapore

As a result of the economic development in Singapore, personal disposable incomes have been growing, which renders an increasing affordability of customers for medical aesthetics services. Furthermore, as the major customers of medical aesthetics services, the middle-class group is taking up

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an increasingly large percentage of total consumers due to higher personal income. Thus, burgeoning population of middle-class Singaporeans creates a larger customer base for the medical aesthetics services market.

Increasing desire to look younger and more beautiful

Online searches and enquiries for medical aesthetics services in Singapore have increased in recent years, which indicates that interest in medical aesthetics treatments has grown as those treatments are becoming increasingly popular. This increasing interest in medical aesthetics services has led to a growing number of people who are willing to invest more money in personal aesthetics treatment, driving the demand for medical aesthetics services.

Development of medical aesthetics technology

With the development of medical aesthetics technology, more devices are expected to be sophisticated while also providing a higher level of safety. These new capabilities of medical aesthetics devices enable service providers to widen their business scope and open more clinics to increase customer coverage.

Entry barriers

High initial capital investment

Setting up medical aesthetics clinics requires a large number of professional devices and equipment than GP clinics. The unit price for aesthetics equipment is also relatively higher and a single kind of equipment could only be used for a specific type of treatment. As a result, the total upfront investment can reach as high as approximately S\$500,000.

Relevant expertise

The provision of medical aesthetics services requires specific knowledge and experience in related fields. Compared with general practice services provided by an ordinary GP clinic, the services rendered in a medical aesthetics clinic is completely different. It is difficult to hire qualified personnel in a short period of time, thus creating another barrier to entry for newcomers.

Reputation

Medical aesthetics clinics with a good reputation are able to retain stable customer traffic due to repeat visits by existing customers. Furthermore, it is highly likely that new customers would be attracted through referrals or by a clinic's reputation. Existing medical aesthetics clinics have already built up a good reputation by their outstanding services and experienced doctors. Therefore, it is difficult for a new player to establish a good reputation among customers in a short period of time while also competing with existing players.

Future trends

Medical aesthetics apps

In order to satisfy an increasing demand for aesthetics services, service providers are coming up with new methods to optimise customer experience and improve the efficiency of clinics. Mobile apps seem to be a promising method in the future. For example, a Canadian company invented a ‘live facial app’ in 2016, which enables its users to preview the projected results derived from different aesthetics treatments. Medical aesthetics apps are expected to be a game changer and will boost the growth of the medical aesthetics services industry in the next decade.

More ‘non-surgical’ treatments

According to CIC’s research, enquiries of non-surgical services have increased faster in Singapore than other surgical services in past years, and most people have a certain level of dissatisfaction with aesthetics services that require patients to undergo a long course of treatments, including surgical procedures. In other words, people are more willing to adopt non-surgical treatments instead of surgical ones. With the development of medical aesthetics technology, there will likely be more non-surgical treatments in Singapore to meet customer’s needs.

Partnership with GP clinics

With a prosperous development in the private GP clinic industry, the number of customers visiting private GP clinics is expected to rise, which will enlarge the customer base for medical aesthetics services. In order to benefit from the development of the private GP clinic industry, a growing number of private medical aesthetics services providers are expected to partner with private GP clinics to fulfil customers’ needs.

Increasing male customers

With increased attention being placed on personal appearances, male customers in Singapore are growing fonder of medical aesthetics services. There has been a steady growth in the number of younger men in their 20s and 30s coming into clinics for aesthetics services, such as rhinoplasty and liposuction. Younger men’s concerns tend to be more focused on enhancing their aesthetics appeal instead of dealing with certain medical conditions that may typically only affect them later due to the effects of ageing.

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Our operations are subject to various laws, rules, regulations and policies in Singapore where we operate. This section contains a summary of certain aspects of Singapore laws, rules, regulations and policies which are relevant to our Group's operation and business.

Our Directors confirm that (i) our Group has complied with all material applicable laws and regulations in Singapore to our Group's operations; and (ii) our Group has obtained all necessary permits, licences and certificates for our operations during the Track Record Period and up to the Latest Practicable Date.

Private Hospitals and Medical Clinics Act, Chapter 248 of Singapore (“Private Hospitals and Medical Clinics Act”)

Private hospitals, medical clinics, clinical laboratories and healthcare establishments in Singapore are regulated by the Private Hospitals and Medical Clinics Act and the relevant subsidiary legislation, primarily (i) the Private Hospitals and Medical Clinics Regulations; and (ii) the Private Hospitals and Medical Clinics (Publicity) Regulations.

Section 5 of the Private Hospitals and Medical Clinics Act requires that a licence issued by the Director of Medical Services (the “DMS”) be obtained before any premises or conveyance is used as a private hospital, medical clinic, clinical laboratory or healthcare establishment.

In determining whether to issue or refuse to issue a licence, the DMS shall have regard to, among others, the following:

- (a) the character and fitness of the applicant to be issued with a licence or, where the applicant is a body corporate, the character and fitness of the members of the board of directors or committee or board of trustees or other governing body of the body corporate;
- (b) the ability of the applicant to operate and maintain a private hospital, medical clinic, clinical laboratory or healthcare establishment, as the case may be, in accordance with the prescribed standards;
- (c) the suitability of the premises or conveyance (including the facilities and equipment therein) to be licensed for use as a private hospital, medical clinic, clinical laboratory or healthcare establishment, as the case may be; and
- (d) the adequacy of the nursing and other staff that are to be employed at the premises or conveyance to be licensed.

In respect of amendments to licences which had been issued, pursuant to the PHMC Regulations (as defined below), an application for any amendment to such licences shall be made by way of an application for a fresh licence accompanied by payment of the appropriate fee as specified in the PHMC Regulations.

The DMS may, at any time, vary or revoke existing terms and conditions imposed under subsisting licences or impose new terms and conditions. The licence may also be suspended or revoked if there is, amongst others, a breach of any of the provisions of the Private Hospitals and Medical Clinics Act. If a private hospital, medical clinic, clinical laboratory or healthcare establishment is not licensed or is used

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otherwise than in accordance with the terms and conditions of its licence, every person having the management or control thereof shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$20,000 or to imprisonment for a term not exceeding two years or to both.

Private Hospitals and Medical Clinics Regulations (“PHMC Regulations”)

Pursuant to Regulation 37 of the PHMC Regulations, where the licensee of a medical clinic intends to establish any special care service specified in the Third Schedule of the PHMC Regulations, he shall obtain the prior approval of the DMS. All surgical operations or endoscopic treatment, other than those which would normally be carried out by a medical practitioner or a dentist in his consultation room, shall be performed in an operating theatre.

Where a medical clinic provides laboratory or radiology services, the licensee has to ensure that the medical clinic is provided with adequate and appropriate equipment for the service to be carried out accurately and safely, and that the laboratory is staffed by at least one person trained in the disciplines he is licensed to practice. The licensee of a clinical laboratory is also to ensure that there is an effective and documented quality control program, and medical clinics which provide specialised diagnostic radiology are to establish one or more quality assurance committees.

Every licensee of a private hospital, medical clinic or healthcare establishment shall keep and maintain proper medical records. Licensees are required under Regulation 12 of the PHMC Regulations to take all reasonable steps, including implementing such processes as are necessary, to ensure that the medical records are as accurate, complete and up-to-date as are necessary for the purposes for which they are to be used, and to implement adequate safeguards (whether administrative, technical or physical) to protect the medical records against accidental or unlawful loss, modification or destruction, or unauthorised access, disclosure, copying, use or modification. Licensees are also required to periodically monitor and evaluate the safeguards to ensure that they are effectively being complied with by the persons involved in handling the medical records, as well as take reasonable care in the disposal or destruction of the medical records so as to prevent unauthorised access to the records.

The person managing a private hospital, medical clinic, clinical laboratory or healthcare establishment must be a medical practitioner, have the specified qualifications, or be a qualified person approved by the DMS, respectively. Any changes in the appointment of any person as the manager or deputy manager of a licensee of a private hospital, medical clinic or clinical laboratory or any intention by a licensee to cease operating or to let, sell or in any way dispose of a private hospital, medical clinic, clinical laboratory or healthcare establishment shall require notification to be made to the DMS.

Private Hospitals and Medical Clinics (Publicity) Regulations (“PHMC (Publicity) Regulations”)

The publicity of healthcare institutions is regulated under the PHMC (Publicity) Regulations.

Regulation 4 of the PHMC (Publicity) Regulations provide that a licensee of a healthcare institution, defined as private hospitals, medical clinics, clinical laboratories and healthcare establishments, shall ensure that any publicity of the services of the healthcare institution conducted by him or any other person on his behalf in Singapore complies with the following requirements:

- (a) the information contained in the publicity must be factually accurate and capable of being substantiated, and must not be exaggerated, false, misleading or deceptive;

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- (b) the publicity must not be offensive, ostentatious or in bad taste such as to undermine the honour and dignity of the medical, dental or nursing profession;
- (c) the publicity must not contain any information that implies that the healthcare institution can obtain results from treatment not achievable by other healthcare institutions or create an unjustified expectation from the treatment provided, or compares and contrasts the quality of the services of the healthcare institution with those provided by other healthcare institutions or deprecate the services of other healthcare institutions;
- (d) the publicity must not contain any laudatory statements (including statements of prominence or uniqueness) or superlatives to describe the services of the healthcare institution;
- (e) the information contained in the publicity must not contain any testimonial or endorsement of the services, including the services of any employee of the healthcare institution; and
- (f) the publicity must not provide information to the public in such a manner as to amount to soliciting or encouraging the use of the services provided by or at any healthcare institution.

The licensee of a healthcare institution shall also ensure that any publicity of the services of the healthcare institution appears only in newspapers, directories, medical journals, magazines, brochures, leaflets, pamphlets and the Internet. Where the publicity of the services of a healthcare institution appears on the Internet, the licensee of the healthcare institution shall ensure that the Internet is not used for patient consultation with any employee of the healthcare institution if the patient is not an existing patient of the healthcare institution. Where the publicity of the services of a healthcare institution appears in brochures, leaflets or pamphlets, the licensee of the healthcare institution shall ensure that the brochures, leaflets or pamphlets contain the date of publication.

Medical Registration Act, Chapter 174 of Singapore (the “Medical Registration Act”)

The Medical Registration Act provides for, among others, the establishment of SMC and the registration of medical practitioners in Singapore.

Some of the important functions of SMC are:

- (a) to keep and maintain registers of registered medical practitioners;
- (b) to approve or reject applications for registration under the Medical Registration Act or to approve any such application subject to such restrictions as it may think fit;
- (c) to issue practising certificates to registered medical practitioners;
- (d) to make recommendations to the appropriate authorities for the training and education of registered medical practitioners; and
- (e) to determine and regulate the conduct and ethics of registered medical practitioners.

Section 13 of the Medical Registration Act further provides that no person shall practice as a medical practitioner or do any act as a medical practitioner unless he is registered under the Medical Registration Act and has a valid practising certificate. Any person who is not qualified and, among

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others, (a) practises medicine; (b) wilfully and falsely pretends to be a duly qualified medical practitioner; (c) practises medicine or any branch of medicine under the style or title of physician, surgeon or doctor; or (d) advertises or holds himself out as a medical practitioner, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$100,000 or to imprisonment for a term not exceeding 12 months or to both. In the case of a second or subsequent conviction, a fine not exceeding S\$200,000 or imprisonment for a term not exceeding two years or both will be imposed.

Additionally, under the Medical Registration Act, a Complaints Committee is to be appointed to inquire into complaints against doctors and to determine how the complaint should be dealt with. The Complaints Committee members are senior members of the medical profession and laypersons who volunteer their services. Subject to the provisions of the Medical Registration Act, the Complaints Committee has, among others, the power to dismiss an unmeritorious complaint, issue a letter of advice in a less serious case, in an appropriate case refer the matter for mediation between the doctor and the patient, or appoint an investigator to carry out investigation and report to it, and after considering the report, where appropriate, direct an inquiry to be held by a disciplinary tribunal. In addition, a Complaints Committee where appropriate, can seek a report on the status of the doctor's medical practice (from an investigator appointed to carry out the investigation), or seek a report on the status of his physical or mental fitness; order the doctor to seek and take advice in relation to the management of his medical practice; and/or undergo further education or training, or medical or psychiatric treatment or counselling.

The SMC may also conduct disciplinary proceedings under the Medical Registration Act and the Medical Registration Regulations. Disciplinary proceedings comprise two main stages: a review by the Complaints Committee, which may be followed by a formal inquiry by the Disciplinary Committee. The primary role of the Complaints Committee is to inquire into a complaint and determine if the matter should be formally inquired into by the Disciplinary Committee or in appropriate cases, the Health Committee (where the complaint touches on the physical or mental fitness of the practitioner). In the event the Complaints Committee decides that no formal inquiry be made but that the practitioner be issued with a letter of advice or warning, the aggrieved practitioner has the right of appeal to the Minister of Health, whose decision shall be final. Separately, a practitioner facing a Disciplinary Committee will be liable for professional misconduct if he is either convicted of a heinous offence, or found to have been guilty of infamous conduct in a professional respect.

Infectious Diseases Act, Chapter 137 of Singapore (the “Infectious Diseases Act”) and Infectious Diseases (Notification of Infectious Diseases) Regulations 2008 (the “Infectious Diseases Regulations”)

Section 6 of the Infectious Diseases Act, together with the Infectious Diseases Regulations, requires that every medical practitioner who has reason to believe or suspect that any person attended or treated by him is suffering from an infectious disease or is a carrier of that disease shall notify the DMS within 24 hours or 72 hours (as the case may be) after the medical practitioner has reason to believe or suspect that such person is suffering from or is a carrier of that infectious disease, and in the appropriate form set out in the electronic notification system.

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Further, the DMS may, for the purpose of investigating into any outbreak or suspected outbreak of an infectious disease, preventing the spread of an infectious disease, or treating any person who is, or is suspected to be, a case or carrier or contact of an infectious disease:

- (a) require any healthcare professional to obtain from his patient such information as the DMS may reasonably require for that purpose and transmit such information to the DMS; and
- (b) with the approval of the MOH, prescribe by order any general or specific measures or procedures for that purpose for compliance by any healthcare professional, hospital, medical clinic, clinical laboratory or healthcare establishment.

Any person who fails to comply with the requirements above or furnishes as true information which he knows or has reason to believe to be false shall be guilty of an offence and shall be liable upon first conviction to a fine not exceeding \$10,000 or to imprisonment for a term not exceeding six months or to both, and on second or subsequent conviction to a fine not exceeding \$20,000 or to imprisonment for a term not exceeding 12 months or to both.

In addition, pursuant to section 25 of the Infectious Diseases Act, any person who, in the performance or exercise of his functions or duties under the Infectious Diseases Act, is aware or has reasonable grounds for believing that another person has AIDS or HIV Infection or is suffering from a sexually transmitted disease or is a carrier of that disease, shall not disclose any information which may identify the other person except in the following circumstances:

- (a) with the consent of the other person;
- (b) when it is necessary to do so in connection with the administration or execution of anything under the Infectious Diseases Act;
 - (ba) when it is necessary to do so in connection with the provision of information to a police officer under sections 22 or 424 of the Criminal Procedure Code 2010;
- (c) when ordered to do so by a court;
- (d) to any medical practitioner or other health staff who is treating or caring for, or counselling, the other person;
- (e) to any blood, organ, semen or breast milk bank that has received or will receive any blood, organ, semen or breast milk from the other person;
- (f) for statistical reports and epidemiological purposes if the information is used in such a way that the identity of the other person is not made known;
- (g) to the victim of a sexual assault by the other person;
- (h) to the Controller of Immigration for the purposes of the Immigration Act, Chapter 133 of Singapore;
- (i) to the next-of-kin of the other person upon the death of such person;

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- (j) to any person or class of persons to whom, in the opinion of the DMS, it is in the public interest that the information be given; or
- (k) when authorised by the MOH to publish such information for the purposes of public health or public safety.

Despite the above, a medical practitioner may disclose information relating to any person whom he reasonably believes to be infected with AIDS or HIV Infection to the spouse, former spouse or other contact of the infected person or to a Health Officer for the purpose of making the disclosure to the spouse, former spouse or other contact so long as:

- (a) he reasonably believes that it is medically appropriate and that there is a significant risk of infection to the spouse, former spouse or other contact;
- (b) he has counselled the infected person regarding the need to notify the spouse, former spouse or other contact and he reasonably believes that the infected person will not inform the spouse, former spouse or other contact; and
- (c) he has informed the infected person of his intent to make such disclosure to the spouse, former spouse or other contact,

unless, upon the medical practitioner's application, the DMS believes that it is medically appropriate to disclose the information and that there is a significant risk of infection to the spouse, former spouse or other contact and as such agrees to waive any of requirements (b) and (c) above.

Any person who contravenes section 25 of the Infectious Diseases Act shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding three months or to both.

Radiation Protection Act, Chapter 262 of Singapore (the "Radiation Protection Act") and the Radiation Protection (Ionising Radiation) Regulations (the "Radiation Protection Regulations")

The Radiation Protection Act regulates, among others, the import, export, manufacture, sale, disposal, transport, storage, use and possession of radioactive materials and irradiating apparatus. Sections 5 and 6 of the Radiation Protection Act provide that no person shall, except under and in accordance with a licence:

- (a) import into, or export out of, Singapore any radioactive material;
- (b) keep, have in his possession or under his control, or use any radioactive material;
- (c) manufacture, sell or otherwise deal in any radioactive material;
- (d) transport any radioactive material;
- (e) import into, or export out of, Singapore any irradiating apparatus;
- (f) keep, have in his possession or under his control, or use any irradiating apparatus;

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- (g) manufacture, or otherwise produce, any irradiating apparatus; or
- (h) sell, deal with or otherwise deal in any irradiating apparatus.

Any person who contravenes subsections (a) to (h) above shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$100,000 or to imprisonment for a term not exceeding five years or to both.

The Radiation Protection Act also provides that:

- (a) every person who sells any irradiating apparatus shall immediately give notice of the sale to the Director-General of Environmental Protection (the “**Director-General**”), together with the name, address and prescribed particulars of the person to whom it was sold, in such form and manner as may be prescribed;
- (b) every person who purchases any irradiating apparatus shall immediately give notice of the purchase to the Director-General, together with the name, address and prescribed particulars of the person from whom it was purchased, in such form and manner as may be prescribed; and
- (c) no person shall dispose of any irradiating apparatus, whether in a working condition or otherwise, without the prior approval in writing of the Director-General.

Any person who contravenes subsections (a) to (c) above shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$50,000 or to imprisonment for a term not exceeding twelve months or to both.

The Radiation Protection Regulations provide for, *inter alia*, the various purposes a licence can be granted for, the control of radiation exposure, medical and radiological supervision, labelling of irradiating apparatus and radioactive materials, storage of radioactive materials and the use of irradiating apparatus for medical, dental and veterinary diagnostic purposes.

Medicines Act, Chapter 176 of Singapore (the “Medicines Act”)

The Medicines Act stipulates, among others, general provisions for the manufacturing of and dealing in medicinal products, the considerations of the licensing authority for granting licences, including wholesale dealer’s licences, regulation of pharmacies, the labelling of medicines, the packaging of medicines and the content of materials advertising and/or promoting the sale of medical products.

Save as provided for in the Medicines Act, all persons and corporations must obtain licences to sell, supply, export, procure the sale of, procure the supply or exportation of, procure the manufacture or assembly for sale, supply or exportation of, or import any medicinal product.

The MOH has also set forth regulations that prescribe the conditions and requirements to be complied by a person carrying on a retail pharmacy business.

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Any person who contravenes the aforesaid provisions in relation to, among others, the dealing, manufacture and wholesale dealing of medicinal products shall be guilty of an offence. The licensing authority also has the right to revoke a licence as it deems appropriate.

Ancillary laws and regulations

The operation of our healthcare business and Clinics in Singapore is also subject to other ancillary laws and regulations, including:

- (a) the Poisons Act, which regulates and licences the importation, possession, manufacture, compounding, storage, transport and sale of poisons;
- (b) the Sale of Drugs Act, which makes provisions for the sale of drugs in a pure state so that consumers are supplied with the quantity and quality of drugs demanded by them, explicitly or implicitly;
- (c) the Health Products Act, which regulates the manufacture, import, supply, presentation and advertisement of health products and of active ingredients used in the manufacture of health products; and
- (d) the Pharmacists Registration Act, which stipulates the qualification requirements and application processes for registration of pharmacists, and regulates the practice of pharmacy in Singapore.

Singapore Medical Council Ethical Code (“SMC Ethical Code”) and Ethical Guidelines 2016 (“SMC Ethical Guidelines”)

The SMC Ethical Code sets out the fundamental tenets of conduct and behaviour expected of doctors practicing in Singapore. Under the SMC Ethical Code, a doctor is generally expected, among others, to:

- (a) be dedicated to providing competent, compassionate and appropriate medical care to patients;
- (b) provide access to and treat patients without prejudice of race, religion, creed, social standing, disability or financial status;
- (c) maintain the highest standards of moral integrity and intellectual honesty;
- (d) keep confidential all medical information about patients; and
- (e) keep abreast of medical knowledge relevant to practice and ensure that clinical and technical skills are maintained.

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The SMC Ethical Guidelines elaborate on the application of the SMC Ethical Code and are intended as a guide to all medical practitioners as to what SMC regards as the minimum standards required of all practitioners in the discharge of their professional duties and responsibilities in the context of practice in Singapore. Some of the relevant guidelines provided are:

- (a) doctors who have any financial or professional relationship with organisations offering medical services have responsibility for the organisation's standard of information output about themselves and must therefore acquaint themselves with the nature and content of the organisation's information output as well as their press and media output; and
- (b) doctors may provide information about their qualifications, areas of practice, practice arrangements and contact details. Such information, where permitted, shall be factual, accurate, verifiable and shall not be an extravagant claim, misleading, sensational, persuasive, laudatory, comparative or disparaging.

Environmental Public Health (Toxic Industrial Waste) Regulations 1988 (“Environmental Public Health Regulations”)

The handling, transportation, treatment and disposal of toxic industrial waste in Singapore are controlled under the Environmental Public Health Regulations. A list of controlled toxic industrial wastes can be found in the Schedule of the regulations and includes, among others, (i) pharmaceutical wastes comprising antineoplastic agents, antibiotics, vaccines and other immunological products, controlled drugs under the Misuse of Drugs Act, Chapter 185 of Singapore and pharmaceutical wastes containing arsenics, cyanides and heavy metals and their salts; and (ii) pathogenic wastes from healthcare and research institutions, clinics and laboratories.

Under the Environmental Public Health Regulations, all toxic industrial waste collectors must be licensed. Licences for the collection of toxic waste will be issued on the condition that:

- (a) the toxic waste treatment, storage and disposal facility owned by the collector is located in a suitable industrial area outside water catchment;
- (b) the types and quantities of toxic wastes are commensurate with the treatment process and disposal facilities;
- (c) adequate measures such as containment areas, leak detection and warning devices, proper emergency action plans, neutralising agents, handling gear, absorbent material, etc are provided to prevent and mitigate any accidental release of the toxic wastes; and
- (d) the incinerator complies with the National Environment Agency's Guidelines for a Special Waste Incinerator.

Further, holders of toxic waste collector's licences are required to keep records of toxic wastes they collect, store, treat and dispose of. Storage, process, treatment and disposal of toxic wastes must only take place at approved premises and in accordance with standards and practices acceptable to the National Environment Agency. Licensees are also required to submit an emergency response plan for

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dealing with any accidental release of toxic wastes if large quantities of wastes are stored in their premises. The transport of toxic industrial waste in quantities exceeding those stipulated in the Schedule requires a separate transport approval.

Workplace Safety and Health Act, Chapter 354A of Singapore (“Workplace Safety and Health Act”) and Workplace Safety and Health Guidelines — Healthcare, 2015 Revised Edition (“Workplace Safety and Health Guidelines 2015”)

The Workplace Safety and Health Act provides that every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work. These measures include (i) providing and maintaining for employees a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work; (ii) ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by the employees; (iii) ensuring that the employees are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer; (iv) developing and implementing procedures for dealing with emergencies that may arise while those persons are at work; and (v) ensuring that the employees at work have adequate instruction, information, training and supervision as is necessary for them to perform their work.

Under the Workplace Safety and Health Act, the Commissioner for Workplace Safety and Health (the “**Commissioner**”) may serve a remedial order or a stop-work order in respect of a workplace if he is satisfied that (i) the workplace is in such condition, or is so located, or any part of the machinery, equipment, plant or articles in the workplace is so used, that any process or work carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of the persons at work; (ii) any person has contravened any duty imposed by the Workplace Safety and Health Act; or (iii) any person has done any act, or has refrained from doing any act which, in the opinion of the Commissioner, poses or is likely to pose a risk to the safety, health and welfare of persons at work. The remedial order will direct the person served with the order to take such measures, to the satisfaction of the Commissioner, to, amongst others, remedy any danger so as to enable the work or process in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work, while the stop-work order will direct the person served with the order to immediately cease to carry on any work indefinitely or until such measures as are required by the Commissioner have been taken to remedy any danger so as to enable the work in the workplace to be carried on with due regard to the safety, health and welfare of the persons at work.

The Workplace Safety and Health Guidelines 2015 supplement the Workplace Safety and Health Act with specific requirements targeted at ensuring the proper management of workplace safety and health risks in healthcare facilities. Each healthcare facility is expected to have in place some form of safety and health management system that covers the safety, health and wellbeing of all employees in the workplace. Such safety and health management system should include, *inter alia*, the following:

- (a) a workplace safety and health policy;
- (b) a plan with clear objectives and standards;

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- (c) established procedures for the identification of hazards, assessment of risks, and implementation of necessary control measures;
- (d) record keeping and notifications (includes incidents, accidents and dangerous occurrences, illnesses, risk assessments and training records);
- (e) emergency response plans (includes fires, chemical spills, airborne release of hazardous substances and natural disaster emergencies, etc.);
- (f) regular review of the workplace safety and health programmes;
- (g) management of change through modification or introduction of new work methods, materials, processes or machinery;
- (h) exposure monitoring (includes monitoring of workplace levels of chemical, noise hazards and/or medical surveillance and action plans);
- (i) preventive maintenance programmes (includes critical equipment and systems);
- (j) workplace safety and health training for employees (includes induction and periodic training and assessment for competency);
- (k) regular workplace safety and health inspections or workplace visits; and
- (l) management of contractual, outsourced and insourced work, medical students, temporary staff and volunteer work.

The Workplace Safety and Health Guidelines 2015 requires that the management of all healthcare facilities develop a hazardous waste management programme suitable for the size of the facility and the types of waste generated. Such a programme should form part of the relevant healthcare facility's safety and health management system. Each healthcare facility's management is also expected to appoint person(s) within each facility to be responsible for maintenance and management of waste transfer and the disposal documentation on the generation, collection, treatment and safe disposal of hazardous waste.

Personal Data Protection Act 2012 (No. 26 of 2012) (“Personal Data Protection Act”)

Singapore's Personal Data Protection Act governs the collection, use and disclosure of individuals' personal data by organisations. An organisation is required to comply, among others, with the following obligations:

- (a) obtain the consent of the individual before collecting, using or disclosing his personal data, save in situations required and authorised under the Personal Data Protection Act or any other written law;
- (b) may collect, use or disclose personal data about an individual only for purposes that a reasonable person would consider appropriate in the circumstances and, if applicable, have been notified to the individual concerned;

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- (c) notify the individual of the purpose(s) for which it intends to collect, use or disclose the individual's personal data on or before such collection, use or disclosure of the personal data;
- (d) protect personal data in its possession or under its control by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks;
- (e) not transfer personal data to a country or territory outside Singapore except in accordance with the requirements prescribed under the Personal Data Protection Act; and
- (f) develop and implement the necessary policies and practices in order to meet its obligations under the Personal Data Protection Act and make information about its policies and practices available on request.

If an organisation is found to be in breach of the Personal Data Protection Act, the Personal Data Protection Commission may require the organisation to (i) stop collecting, using or disclosing personal data in contravention of the Personal Data Protection Act; (ii) destroy personal data collected in contravention of the Personal Data Protection Act; (iii) provide access to or correct the personal data; and/or (iv) pay a financial penalty of an amount not exceeding S\$1 million.

Employment Act, Chapter 91 of Singapore (“Employment Act”)

The Employment Act of Singapore is administered by the Ministry of Manpower and sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the Employment Act comprising local and foreign employees under a contract of service with an employees on a full-time, part-time, temporary or contract basis, but which excludes persons employed as (i) a manager or executive with a monthly basic salary of more than S\$4,500; (ii) a seafarer; (iii) a domestic worker; and (iv) a statutory board employee or civil servant (“**Relevant Employees**”). In particular, Part IV of the Employment Act sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S\$4,500 a month and employees (other than workmen) who receive salaries not exceeding S\$2,500 a month. Section 38(8) of the Employment Act provides that a Relevant Employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defense or security. In addition, section 38(5) of the Employment Act limits the extent of overtime work that a Relevant Employee can perform to 72 hours a month.

Employees must seek the prior approval of the Commissioner for Labour for an exemption if they require a Relevant Employee or class of Relevant Employee to work more than 12 hours a day or work overtime for more than 72 hours a month. The Commissioner for Labour may, after considering the operational needs of the employer and the health and safety of the Relevant Employee or class of Relevant Employees, by order in writing exempt such Relevant Employees from the overtime limits subject to such conditions as the Commissioner for Labour thinks fit. Where such exemptions have been granted, the employer must display the order or a copy thereof conspicuously in the place where such employees are employed.

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Central Provident Fund Act, Chapter 36 of Singapore (“CPF Act”)

The Central Provident Fund (“**CPF**”) system is a mandatory social security savings scheme funded by contributions from employers and employees. Pursuant to the CPF Act, an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore under a contract of service (save for employees who are employed as a master, a seaman or an apprentice in any vessel, subject to an exception for non-exempted owners). CPF contributions are not applicable for foreigners who hold employment passes, S Passes or work permits.

CPF contributions are required for both ordinary wages and additional wages (subject to a yearly additional wage ceiling) of employees at the applicable prescribed rates which is dependent on, among others, the amount of monthly wages and the age of the employee. An employer must pay both the employer’s and employee’s share of the monthly CPF contribution. However, an employer can recover the employee’s share of CPF contributions by deducting it from their wages when the contributions are paid for that month.

Taxation

Corporate tax

The prevailing corporate tax rate in Singapore is 17% with effect from the Year of Assessment 2010. In addition, 75% of up to the first S\$10,000 and 50% of up to the next S\$290,000 of a company’s normal chargeable income is exempt from corporate tax. The remaining chargeable income (after the partial tax exemption) will be taxable at 17%. For newly incorporated entities, subject to certain conditions and exceptions, the first S\$100,000 and 50% of up to the next S\$200,000 of normal chargeable income, will be eligible for tax exemption for each of the company’s first three years of assessment. Further, it was announced during the Singapore Budget 2018 that companies will receive a 40% corporate income tax rebate for the Year of Assessment 2018, subject to a cap of S\$15,000. The corporate income tax rebate will be extended to the Year of Assessment 2019 at a rate of 20% of the tax payable, subject to a cap of S\$10,000. The rebate will not be applicable to the income derived by a non-Singapore tax resident company that is subject to final withholding tax.

Dividend distributions

One-tier corporate taxation system

All Singapore tax resident companies are under the One-Tier Corporate Taxation System (the “**One-Tier System**”). Under the One-Tier System, the tax on corporate profits is final and dividends paid on or after 1 January 2008 by a Singapore-resident company are tax-exempt in the hands of shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Withholding tax

Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders. Foreign shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective home countries/countries of residence and the applicability if any double taxation agreement which their country of residence may have with Singapore.

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Goods and services tax (“GST”)

GST in Singapore is a consumption tax that is levied on import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 7%.

HISTORY, REORGANISATION AND GROUP STRUCTURE

HISTORY AND DEVELOPMENT OF OUR GROUP

Business history

Our founder, Dr. Alan Tan has over 16 years of experience in the healthcare and medical industry. With his experience and knowledge in the field of infectious diseases, Dr. Alan Tan wanted to implement a vision and strategy to build and to grow a brand that is able to provide comprehensive treatment for sexual health and infectious diseases. In doing so, in July 2010, Dr. Alan Tan established Mere Consulting Pte. Ltd. (formerly known as Republic Clinics Pte. Ltd.) (“**Mere Consulting**”), a private company limited by shares incorporated in Singapore which was owned as to 81.0% by Dr. Alan Tan and 19.0% by an Independent Third Party since its establishment to the Latest Practicable Date, and was primarily engaged in (i) the business of clinical operations; and (ii) the provision of marketing consultancy services in the healthcare industry. Mere Consulting then commenced the operations of our first Clinic, being Robertson Clinic in August 2010, under our brand “Dr. Tan & Partners”. For further details of Dr. Alan Tan’s qualifications and medical practising experience, please refer to the section headed “Directors, Senior Management and Employees” of this prospectus.

In January 2014, SHCL was incorporated as the holding entity of our Bencoolen Clinic. Our Bencoolen Clinic commenced its operations in March 2014 and was targeted to serve the corporate clientele in the vicinity and provides primary healthcare services with a focus on sexual health and infectious diseases.

In September 2014, Mere Consulting commenced the operations of our Novena Clinic.

In order to streamline and to consolidate the holding structure of our Clinics, RHL was incorporated in February 2016 and subsequently, the clinical operations of Mere Consulting, namely our Robertson Clinic and Novena Clinic, were transferred to RHL in April 2016 at a consideration of approximately S\$396,400, which was determined based on the net asset value of Robertson Clinic and Novena Clinic. Mere Consulting ceased to engage in the business of clinical operations in Singapore since then and was no longer engaged in the provision of marketing consultancy services in the healthcare industry since October 2016 and is currently an inactive company.

In May 2017, in order to broaden our service offering, we established our SA Clinic under RHL.

Throughout our operating history, we have positioned ourselves as a primary healthcare services provider in Singapore providing treatment solutions for common medical conditions with a focus on sexual health and infectious diseases. Leveraging on the experience of our management team and Doctors, we believe that we are able to enhance our market share in the primary healthcare industry, in particular (i) the treatment of sexual health and infectious diseases in Singapore with our operations under our brand “Dr. Tan & Partners”; and (ii) to expand our business operations as a medical aesthetics services provider under our brand “S Aesthetics”.

HISTORY, REORGANISATION AND GROUP STRUCTURE

Key milestones and development

The following table sets forth a summary of the key milestones and development of our Group since its establishment:

Year	Event
August 2010	Establishment of our first Clinic, Robertson Clinic under our brand “Dr. Tan & Partners”.
March 2014	Commencement of operations at our Bencoolen Clinic.
September 2014	Commencement of operations at our Novena Clinic.
April 2015	Commencement of operations at our Scotts Clinic.
September 2015	Commencement of operations at our Somerset Clinic.
April 2016	Transfer of the clinical operations of Mere Consulting, namely our Robertson Clinic and Novena Clinic, to our Group.
June 2016	Commencement of operations at our Katong Clinic.
July 2016	Establishment of our head office at Tong Eng Building.
May 2017	Introduction of our medical aesthetics practice with the commencement of operations of our first SA Clinic.

CORPORATE HISTORY

As at the Latest Practicable Date, our Group comprised our Company, BVI Co 1, RHH SG, BCL, BMAL, MML, RHL and SHCL. The following is a brief corporate history of the establishment and major changes in the shareholdings of our Company and our subsidiaries during the Track Record Period:

Our Company

For the purposes of the Listing, our Company was incorporated on 3 January 2018 in the Cayman Islands under the Companies Law as an exempted company with limited liability with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares. Upon its incorporation, one nil-paid initial Share (the “**Subscriber Share**”) was allotted and issued to the initial subscriber. On the same day, the Subscriber Share was transferred to BVI Co 2 for value.

On 18 May 2018, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$100,000,000 comprising 10,000,000,000 Shares by the creation of an additional 9,962,000,000 Shares which rank pari passu in all respects with the existing Shares.

HISTORY, REORGANISATION AND GROUP STRUCTURE

Our Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 6 March 2018.

As a result of the Reorganisation, our Company has become the ultimate holding company of our Group. For further details of such transfers, please refer to the paragraph headed “Reorganisation” in this section below.

BVI Co 1

On 4 January 2018, BVI Co 1 was incorporated in the BVI with limited liability. BVI Co 1 is authorised to issue a maximum of 50,000 shares of a single class of US\$1.00 par value each, of which one share of US\$1.00 was allotted and issued to our Company for cash and at par. As a result, BVI Co 1 became a wholly-owned subsidiary of our Company.

RHH SG

RHH SG was incorporated in Singapore on 4 February 2017 as a private company limited by shares. RHH SG has an authorised share capital of S\$1,000 divided into 1,000 ordinary shares of S\$1.00 each. All 1,000 ordinary shares were allotted and issued to Dr. Alan Tan as initial subscriber shares.

BCL

BCL was incorporated in Singapore on 7 July 2015 as a private company limited by shares. BCL has an authorised share capital of S\$100,000 divided into 100,000 ordinary shares of S\$1.00 each. All 100,000 ordinary shares were allotted and issued to Dr. Alan Tan as initial subscriber shares.

During the Track Record Period, BCL was principally engaged in the business of operating medical clinics and was the company running the operations of our Somerset Clinic.

BMAL

BMAL was incorporated in Singapore on 21 October 2016 as a private company limited by shares with an authorised share capital of S\$10,000 divided into 10,000 ordinary shares of S\$1.00 each. All 10,000 ordinary shares were allotted and issued to Dr. Alan Tan as initial subscriber shares.

During the Track Record Period and up to the Latest Practicable Date, BMAL was principally engaged in the business of operating medical clinics and was the company running the operations of our BM Medical Clinic which had ceased operations in July 2017.

MML

MML was incorporated in Singapore on 2 February 2015 as a private company limited by shares with an authorised share capital of S\$200,000 divided into 200,000 ordinary shares of S\$1.00 each. 90,000 ordinary shares were allotted and issued to Dr. Alan Tan and 110,000 ordinary shares were allotted and issued to Dr. Sii Sik Liong (“**Dr. Sii**”) as initial subscriber shares. On the same date, Dr. Sii executed a declaration of trust to confirm that he held his 110,000 ordinary

HISTORY, REORGANISATION AND GROUP STRUCTURE

shares on trust for Dr. Alan Tan. However, in light of the Listing, it was determined not to have the 110,000 shares of MML held on trust and that the legal ownership be transferred back to Dr. Alan Tan. Therefore, on 7 March 2016, Dr. Sii transferred all of his 110,000 shares in MML back to Dr. Alan Tan for a nominal consideration of S\$10. Following such transfer and as at the Latest Practicable Date, RHH SG was the sole legal and beneficial shareholder of MML.

During the Track Record Period, MML was principally engaged in the business of operating medical clinics and was the company running the operations of our Scotts Clinic.

RHL

RHL was incorporated in Singapore on 5 February 2016 as a private company limited by shares with an authorised share capital of S\$100,000 divided into 100,000 ordinary shares of S\$1.00 each. All 100,000 ordinary shares were allotted and issued to Dr. Alan Tan as initial subscriber shares.

As at the Latest Practicable Date, RHL was principally engaged in the business of operating medical clinics and was the company running the operations of our Robertson Clinic, Novena Clinic, Katong Clinic, Scotts Clinic, Somerset Clinic and SA Clinic.

SHCL

SHCL was incorporated in Singapore on 7 January 2014 as a private company limited by shares with an authorised share capital of S\$10,000 divided into 10,000 ordinary shares of S\$1.00 each. 9,000 ordinary shares were allotted and issued to Dr. Alan Tan and 1,000 ordinary shares were allotted and issued to an Independent Third Party as initial subscriber shares.

On 13 August 2015, the Independent Third Party transferred all of the 1,000 Shares in the capital of SHCL held by him to Dr. Alan Tan for a consideration of S\$12,000. Following the transfer and as at the Latest Practicable Date, RHH SG was the sole legal and beneficial shareholder of SHCL.

During the Track Record Period and as at the Latest Practicable Date, SHCL was principally engaged in the business of operating medical clinics and was the company running the operations of our Bencoolen Clinic.

HISTORY, REORGANISATION AND GROUP STRUCTURE

REORGANISATION

In preparation for the Listing, our Group has undergone the Reorganisation whereupon our Company became the holding company and the listing vehicle of our Group and our operating subsidiaries were transferred to our Company.

The principal steps of the Reorganisation are as follows:

Incorporation of BVI Co 1

On 4 January 2018, BVI Co 1 was incorporated in the BVI as a limited liability company and was authorised to issue a maximum of 50,000 shares of US\$1.00 each. On the same day, BVI Co 1 allotted and issued 1 share to our Company for cash at par.

Transfer of RHH SG to our nominee, BVI Co 1

On 18 May 2018, pursuant to the sale and purchase agreement entered into between Dr. Alan Tan (as vendor) and our Company (as purchaser), Dr. Alan Tan transferred his entire shareholding interest in RHH SG to our nominee, BVI Co 1, for cash consideration of S\$1,000, being the par value of the entire issued shares of RHH SG.

Transfer of BCL, BMAL, MML, RHL and SHCL to our nominee, RHH SG

On 18 May 2018, pursuant to the sale and purchase agreement entered into between Dr. Alan Tan (as vendor) and our Company (as purchaser), Dr. Alan Tan transferred to our nominee, RHH SG, his entire shareholding interest in (i) BCL, in consideration of the allotment and issue of 20 Shares; (ii) BMAL, in consideration of the allotment and issue of 20 Shares; (iii) MML, in consideration of the allotment and issue of 20 Shares; (iv) RHL, in consideration of the allotment and issue of 20 Shares, all credited as fully paid by our Company to BVI Co 2 (as Dr. Alan Tan's nominee); and (v) SHCL, in consideration of the allotment and issue of 19 Shares, credited as fully paid by our Company to BVI Co 2 (as Dr. Alan Tan's nominee) and crediting the one nil-paid Share held by BVI Co 2 as fully paid.

Upon completion of the Reorganisation but before the Share Offer and Capitalisation Issue (without taking into account of any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), the entire issued share capital of our Company would be held by BVI Co 2, which is wholly-owned by Dr. Alan Tan.

THE CAPITALISATION ISSUE AND THE SHARE OFFER

Conditional upon the creation of our Company's share premium account as a result of the issue of the new Shares pursuant to the Share Offer, an amount of HK\$3,899,999 standing to the credit of the share premium account of our Company will be capitalised by applying such sum towards paying up in full at par a total of 389,999,900 Shares for allotment and issue to the BVI Co 2.

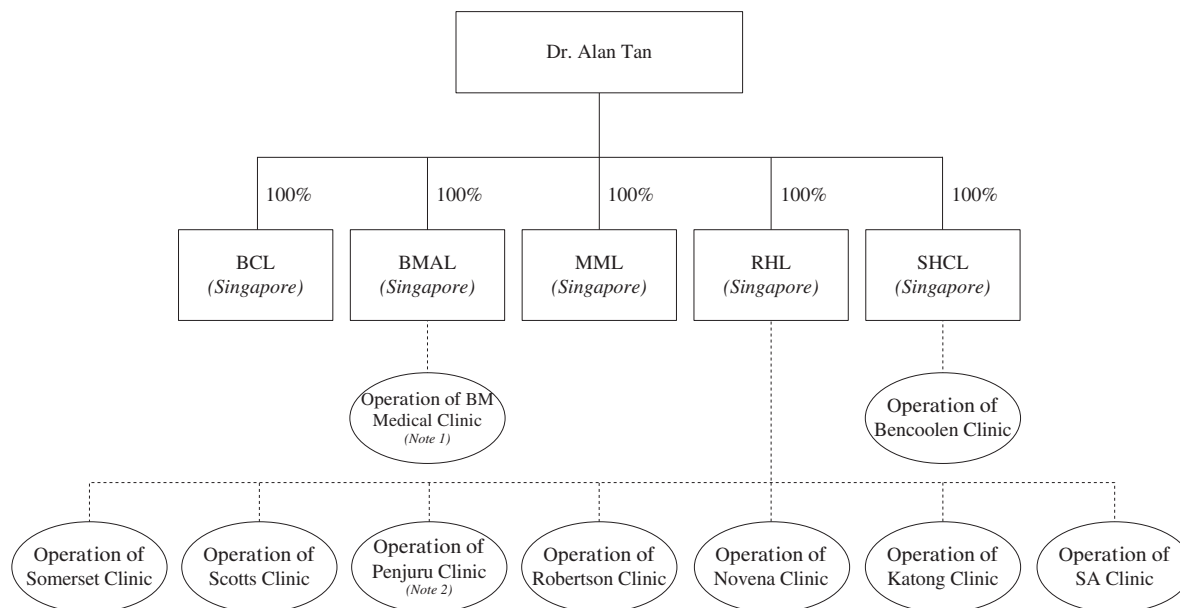
CORPORATE STRUCTURE OF OUR GROUP

The following charts illustrate our corporate structure (i) immediately before the Reorganisation; (ii) immediately after the Reorganisation but before the completion of the Capitalisation Issue and the Share Offer and without taking into account any Shares which may be allotted and issued upon the

HISTORY, REORGANISATION AND GROUP STRUCTURE

exercise of options which may be granted under the Share Option Scheme; and (iii) immediately following completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme):

The shareholding structure of our Group immediately before the Reorganisation is set out below:



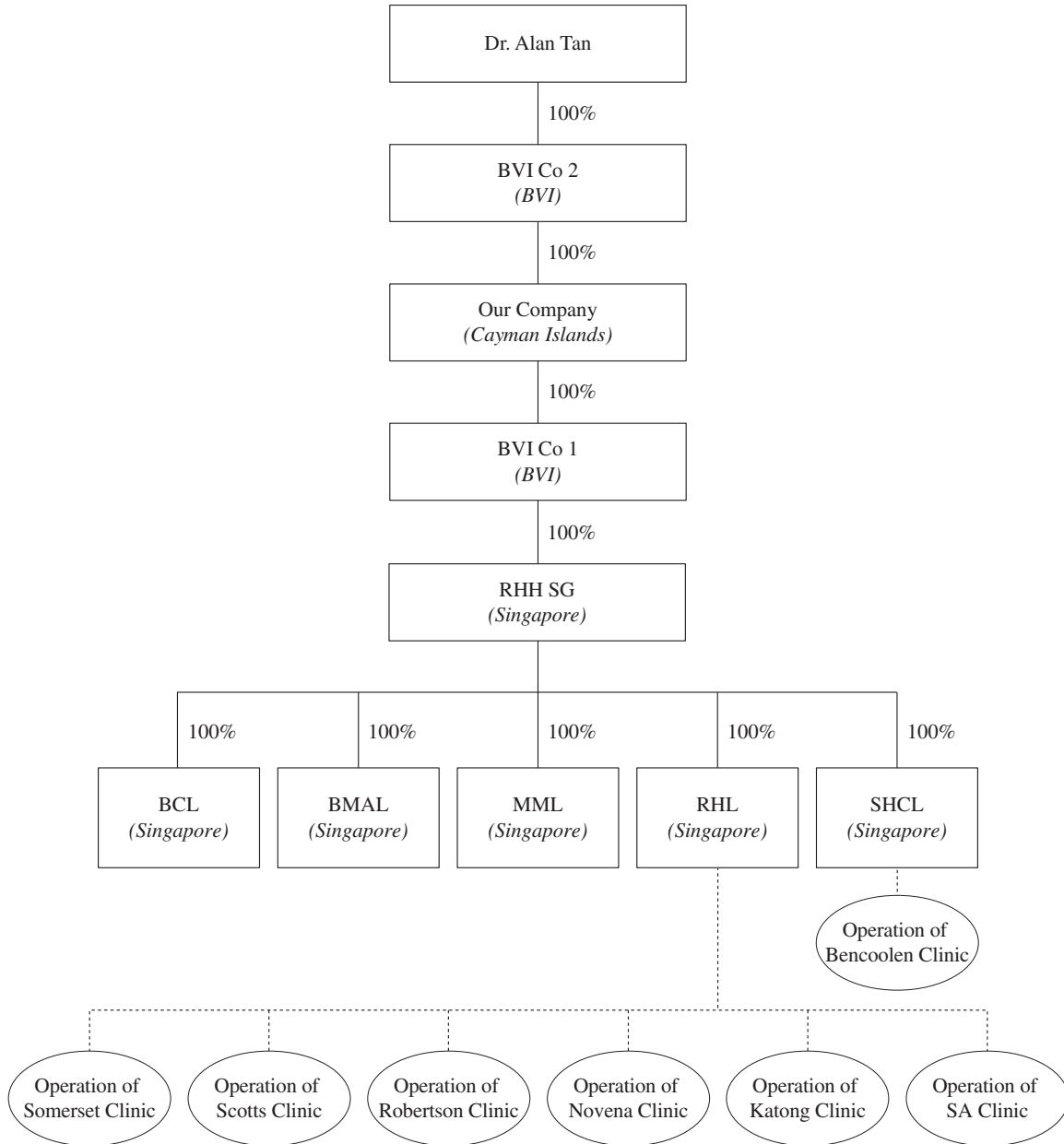
Notes:

1. The operations of BM Medical Clinic ceased in July 2017.
2. The operations of Penjuru Clinic ceased in February 2018.

----- refers to the principal operations of our companies.

HISTORY, REORGANISATION AND GROUP STRUCTURE

The shareholding structure of our Group immediately after the Reorganisation but before the completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme) is set out below:

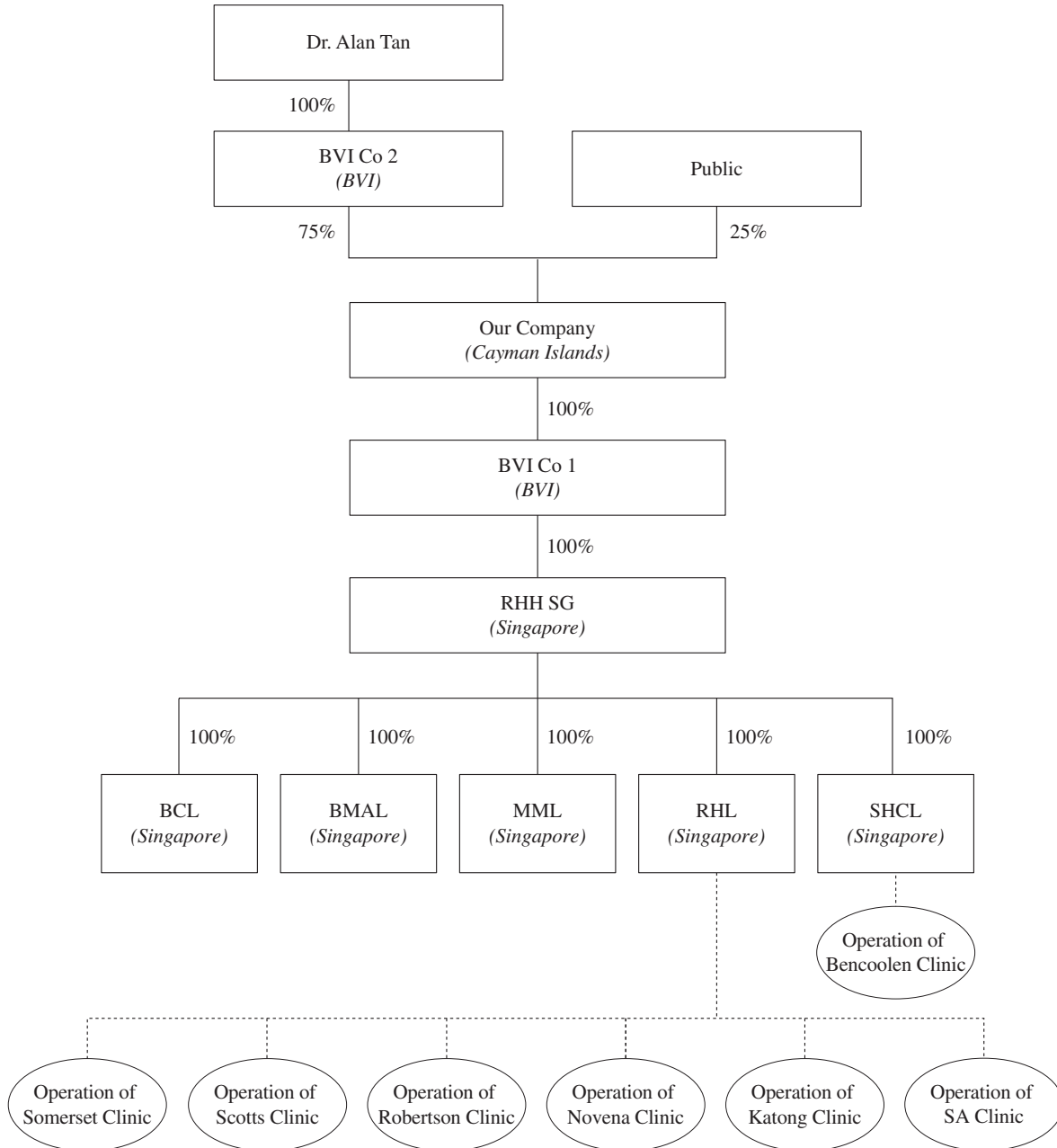


Note:

----- refers to the principal operations of our companies.

HISTORY, REORGANISATION AND GROUP STRUCTURE

The shareholding structure of our Group immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme) is set out below:



Note:

----- refers to the principal operations of our companies.

OVERVIEW

We are a primary healthcare services provider operating a network of general practice clinics under the brand “Dr. Tan & Partners” in Singapore since 2010, providing treatment solutions for common medical conditions, with a focus on sexual health and infectious diseases which includes, among others, diagnosis and treatment of sexually transmitted diseases, erectile dysfunction issues, low testosterone levels as well as screening of sexually transmitted diseases and anonymous HIV-testing services. In particular, we ranked second among the private GP clinics in Singapore which provide approved anonymous HIV-testing services in terms of revenue for FY2017. To expand our services, we have, in May 2017, started the operations of a medical aesthetics clinic under the brand “S Aesthetics” which focuses on providing treatment solutions for common skin conditions and basic medical aesthetics services. Our Clinics are conveniently and strategically located in Singapore. As at the Latest Practicable Date, we operated (i) six DTAP Clinics which provide primary healthcare services under the brand “Dr. Tan & Partners”, and (ii) one SA Clinic which provides basic medical aesthetics services under the brand “S Aesthetics”.

Services that we provide to our patients include (i) Consultation Services; (ii) Medical Investigation Services; and (iii) Treatment Services, details of which are further elaborated on below:

- (a) **Consultation Services:** Our Doctors provide medical consultation to, and assessment of, patients at our Clinics;
- (b) **Medical Investigation Services:** Depending on our patients’ condition(s), our Medical Investigation Services cover general health, sexual health and infectious diseases and are provided to our patients following the Consultation Services provided by our Doctors. After attending a consultation with our Doctors to discuss their concerns and/or condition(s), and, subject to the conditions of our patients, our Doctors may recommend and customise medical investigation tests for our patients including, among others, laboratory tests or radiology tests or a combination of both. We subcontract the conduct of radiology tests and the analysis of certain laboratory test samples to external service providers; and
- (c) **Treatment Services:** Following consultation with our Doctors and assessment of the specific condition(s) of our patients, our Doctors will recommend treatment and/or management plans for our patients, which include, among others, prescription and dispensing of medication and/or skincare products (including our “肤” skincare products and other over-the-counter skincare products), the performance of procedure(s) on the patients, or a combination of both.

In addition to the above Services, we also provide medical and healthcare related advisory services to our corporate customers. For further details, please refer to paragraph headed “Our business model, Services, products and procedures — Other services” in this section below.

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Our total revenue maintained a steady growth during the Track Record Period, which increased from approximately S\$7,128,000 for FY2016 to approximately S\$9,957,000 for FY2017. The following table sets out a breakdown of our revenue by service types during the Track Record Period:

	FY2016		FY2017	
	S\$	%	S\$	%
Consultation Services	866,787	12.2	1,078,735	10.8
Medical Investigation Services	2,347,434	32.9	2,941,806	29.6
Treatment Services	<u>3,913,770</u>	<u>54.9</u>	<u>5,460,174</u>	<u>54.8</u>
Sub-total	<u>7,127,991</u>	<u>100.0</u>	<u>9,480,715</u>	<u>95.2</u>
Other services ^(Note)	<u>—</u>	<u>—</u>	<u>476,179</u>	<u>4.8</u>
Total Revenue	<u><u>7,127,991</u></u>	<u><u>100.0</u></u>	<u><u>9,956,894</u></u>	<u><u>100.0</u></u>

Note: Other services mainly include revenue generated from the provision of medical and healthcare related advisory services to corporate customers.

All our resident Doctors are registered members of the SMC in accordance with the Medical Registration Act. As at the Latest Practicable Date, our Group had seven resident Doctors, with on average, over seven years of experience in the medical industry.

OUR COMPETITIVE STRENGTHS

We believe that the following competitive strengths are crucial and essential to our success and future growth:

We are one of the established private primary healthcare services provider in Singapore, with a primary focus on sexual health and infectious diseases that puts us in a niche market

According to the CIC Report, we are one of the established private primary healthcare services providers in Singapore out of over 2,000 private general practice clinics in Singapore. We are strategically located in prime and/or easily accessible locations in Singapore. Certain of our Clinics, such as our Scotts Clinic and Somerset Clinic, are located in popular districts in Singapore thereby allowing us to access retail clients, and our Katong Clinic is located in an accessible location within a residential enclave in Singapore, thereby allowing us to serve and tap into the suburban clientele.

We believe that the central and prominent locations of our Clinics serve to provide a strong branding of our Group as a premier clinic in Singapore and gives us access to a stable number of patients.

One of our Group's primary focuses is the provision of diagnosis and treatments for sexual health and infectious diseases with revenue contributed by such services of approximately S\$1,945,000 and S\$1,916,000 for FY2016 and FY2017, respectively, accounting for approximately 27.3% and 20.2% of our total revenue for the corresponding years. With this special focus and

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being accredited as one of the ten MOH approved anonymous HIV-testing sites in Singapore, our Directors believe that it puts us a niche market position and would set us apart from other existing private general practice clinics in Singapore. In particular, we ranked second among the private general practice clinics in Singapore which provide approved anonymous HIV-testing services in terms of revenue in 2017. Given the lack of concentration of services in this segment of medical diseases, coupled with increasing health awareness, our focus in such segment will enable us to increase our visibility and to reach out to both existing and potential patients who require these treatments, allowing us to capture additional market share in the primary healthcare services industry.

We offer a comprehensive range of services to treat a variety of medical conditions

Our Group has been recognised in providing a comprehensive range of services to diagnose and treat sexual health and infectious diseases. We are able to identify and thereafter put together treatment or management plans through our Medical Investigation Services, including laboratory and/or radiology tests to determine specific conditions of our patients, and Treatment Services, whereby our Doctors explain the recommended medication, treatment and/or management plan as well as the potential risks involved. Such a focus gives us an edge over other market participants which also do not provide as wide a range of services as our Group.

We also provide medical aesthetics services which aim to improve the overall appearance of our patients. Our medical aesthetics services offered, ranged from facials, fillers to injectables. In respect of facials, we offer tailored facial regimes catered to our patient's specific preferences and/or concerns. Additionally, the diagnosis and treatment of common skin conditions undergo a similar process as detailed above whereby it typically begins with consultation with our Doctors, the conducting of recommended medical investigations, formulation and explanation of the prescribed medicine and/or recommended skincare product by our Doctors. Treatment by way of procedures or a combination thereof will take place thereafter. Post-treatment care advice and follow-up consultation will be arranged by our Doctors to monitor the patient's condition if necessary. With our capability of delivering a broad range of treatment procedures through the experience of our Doctors, as well as through utilising the various treatment devices we possess, our Directors believe that we will be able to compete successfully against other players in the medical aesthetics industry in Singapore.

Apart from the integrated Services as mentioned above, our DTAP Clinics also provide (i) treatment of a myriad of common medical conditions which include influenza, the common cold, fever, cough, headaches and high blood pressure; (ii) vaccinations for travel, children, influenza, yellow fever and Hepatitis; and (iii) rapid tests for identifying sexually transmitted diseases. In addition, our Group had a range of treatment devices including lasers, IPL machines and ESWT machines so that we can perform various treatments for our patients.

We believe that our ability in providing a comprehensive range of services to our patients for the treatment of common medical and skin conditions places us in an advantageous position to compete with other players in the same or similar industry as we are able to address a wide variety of our patients' needs thoroughly, thereby reducing the need for us to refer our clients to other clinics.

We have a team of qualified and experienced Doctors and support staff

Our Group has a team of qualified and experienced Doctors in the primary healthcare industry. As at the Latest Practicable Date, we had seven resident Doctors who possess, on average, over seven years of experience in the medical industry. All of our Doctors are members of the SMC. Our Doctors take a leading role in selecting investigative tests and tailored treatment plans for our patients and also in carrying out treatments. For detailed biographies of our Doctors, please refer to the paragraph headed “Our professional team — Our Doctors” in this section below. Some of our Doctors are also members of well-recognised organisations including the Royal Colleges of Physicians of the United Kingdom.

In particular, Dr. Tan Kok Kuan (“**Dr. K.K. Tan**”), our chief executive officer and chief medical officer, has over 16 years of experience in the medical industry, including specialisations in andrology. For further details of Dr. K.K. Tan’s experience and professional qualifications, please refer to the paragraph headed “Directors, Senior Management and Employees — Senior management” of this prospectus.

Working along with our Doctors at our SA Clinic are our aestheticians who are capable of performing various non-medical aesthetics procedures such as facials. As at the Latest Practicable Date, we had two aestheticians with an average of five years of relevant industry experience. We require our newly recruited aestheticians to undergo an in-house training programme designed by our Doctors. Such in-house training programme consists of theoretical, practical and hands-on training under our Doctors’ supervision and direction. Following the completion of such training, our aestheticians will be able to carry out our non-medical aesthetics procedures independently as well as assist our Doctors in certain medical aesthetics procedures. For further details, please refer to the paragraph headed “Our professional team — Aestheticians” in this section below.

We believe our team of qualified Doctors, as assisted by our aestheticians, has been instrumental in enabling us to provide high quality services to our patients.

OUR BUSINESS STRATEGIES

Our primary business objectives are: (i) to enhance our market share in the primary healthcare services industry, in particular the treatment of sexual health and infectious diseases, with our operations under the brand “Dr. Tan & Partners”; and (ii) to expand our business operations as a medical aesthetics services provider under the brand “S Aesthetics”. We intend to achieve our business objectives by pursuing the following business strategies:

Strategically expanding and strengthening our network of DTAP Clinics

As at the Latest Practicable Date, we operated six DTAP Clinics which are conveniently and strategically located in Singapore, namely, at Robertson Walk, Bencoolen Street, Novena, Scotts Road, Grange Road and Katong which were established with the intention to provide convenient and accessible primary healthcare services to the suburban and retail customer bases. Our Somerset Clinic is located in a prominent building at a prime shopping area in Singapore, thereby allowing us to serve patients in the area which is easily accessible by foreigners and/or expatriates in Singapore. For FY2016 and FY2017, approximately 46.4% and 47.1% of our patients were foreigners and/or expatriates in Singapore, respectively. Our Scotts Clinic and Novena Clinic were set up in premier medical centres in Singapore

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which provide convenient access to members of the public who require medical expertise. Our Robertson Clinic and Bencoolen Clinic were set up at locations which give available access to the tourists in Singapore. Lastly, our Katong Clinic was set up in residential enclaves in the eastern part of Singapore.

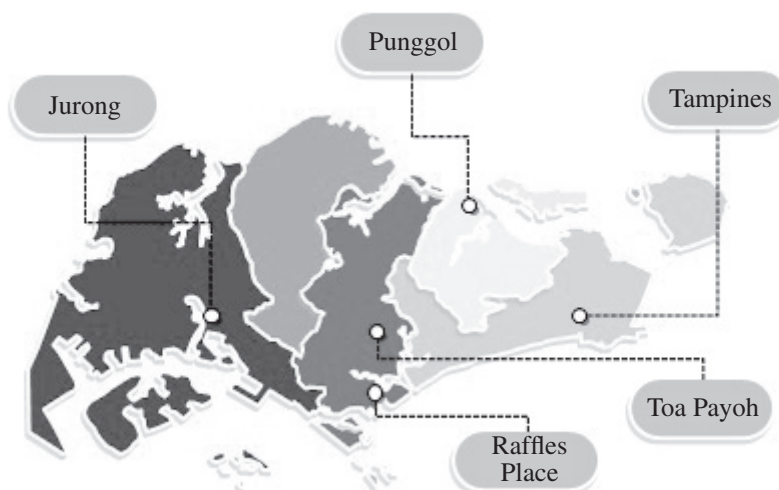
According to the CIC Report, the total revenue of the private general practice industry in Singapore reached S\$2,023 million in 2017, and is expected to increase to S\$2,540 million in 2022, representing a CAGR of 4.7%. In this regard, we believe that the market for private primary healthcare industry in Singapore will continue to thrive. Going forward, we intend to capitalise on business opportunities arising from the continued demand for our Services in Singapore, by seeking suitable and strategic locations to expand our growing business.

Our management endeavours to develop our network of Clinics as a primary healthcare services provider with a focus on sexual health and infectious diseases which is capable of delivering our Services to the broader community in Singapore. Leveraging on our experience and track record, we intend to establish five new DTAP Clinics in Singapore.

As accessibility and convenience for our customers is one of the main considerations for selecting the location of our new Clinics, we plan to extend our reach at suburban residential locations and commercial areas and intend to open new DTAP Clinics in densely populated and up-and-coming neighbourhoods in Singapore at or near public transportation facilities, which offers more accessible locations and may enable our Group to reach out to new and potential patients at these nearby regions and give us access to a large number of residents who require affordable yet comprehensive medical services. Our selection criteria includes average income of potential patients, the number of existing primary healthcare services providers in the neighbourhood, geographical overlap with our existing Clinics, accessibility and suitability of location for our patients and potential patients, growth potential, price of rental, population at the location and quality of the premises.

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In this regard, we intend to fund the establishment of our five new DTAP Clinics in Jurong, Tampines, Toa Payoh, Punggol and Raffles Place which are situated in areas with residential, commercial and corporate concentration with approximately S\$2,283,000 (equivalent to approximately HK\$13.2 million) from the net proceeds of the Share Offer. For illustration, the locations of the five new DTAP Clinics are reflected in the map below:



Please see the section headed “Future Plans and Use of Proceeds” of this prospectus for further details of our expansion plan.

The following table sets forth the details of our expansion plan in relation to the establishment of our five DTAP Clinics for the years ending 31 December 2018, 2019 and 2020:

Districts in Singapore	Expected commencement of operation	Current status as at the Latest Practicable Date	Approximate gross floor area	Estimated amount of proceeds used
Jurong	Six months ending 31 December 2018	Location selection stage	800 sq.ft.	S\$456,500
Tampines	Six months ending 31 December 2019	Location selection stage	800 sq.ft.	S\$456,500
Toa Payoh	Six months ending 30 June 2020	Location selection stage	800 sq.ft.	S\$456,500
Punggol	Six months ending 30 June 2020	Location selection stage	800 sq.ft.	S\$456,500
Raffles Place	Six months ending 31 December 2020	Location selection stage	800 sq.ft.	S\$456,500

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Our new DTAP Clinics will provide our patients with our Consultation Services, Medical Investigation Services and Treatment Services. Each of our five new DTAP Clinics will be equipped with one consultation room, one treatment room as well as one surgitron machine, ESWT machine and ultrasound machine, and will be staffed by two doctors and two clinic assistants.

The estimated initial set up costs of a new DTAP Clinic include (i) renovation costs of approximately S\$40,000; (ii) capital expenditure for the purchases of medical equipment and treatment devices, furniture and fixtures as well as computer equipment of approximately S\$308,000, S\$60,000 and S\$12,500, respectively; and (iii) initial three-month deposits of approximately S\$36,000.

We expect that it will take approximately two months after securing the leases for the completion of the necessary works to put each of the clinics in operation. We expect that our new DTAP Clinics will breakeven within nine months of commencement of operations, when monthly revenue of the clinic is equal to its monthly operating expenses (excluding tax and depreciation). We also estimate that it will take approximately 24 months for our Group to achieve investment payback (when the cashflow generated is equal to the initial cost of setting up the relevant DTAP Clinic). We estimate the monthly operating costs (including, among others, rental expenses, staff salaries and other operating costs) of each of our five new DTAP Clinics to be approximately S\$67,000 (equivalent to approximately HK\$0.4 million). The estimated breakeven period and the estimated investment payback period for our new DTAP Clinics are calculated with reference to our historical results of operations and having taken into account the differences in the locations which the new DTAP Clinics will be set up, as compared to the locations of our existing DTAP Clinics, as well as the experience of the new doctors whom we will recruit for our new DTAP Clinics, as compared to the experience of our existing Doctors at our existing DTAP Clinics.

As at the Latest Practicable Date, we were in the process of identifying suitable locations for our new DTAP Clinics and no lease agreement(s) had been entered into.

Establishing new SA Clinics

We commenced the operations of our SA Clinic at Scotts Road in May 2017. According to the CIC Report, the market size of the private non-surgical medical aesthetics services industry in Singapore has increased from S\$290 million in 2012 to S\$392 million in 2017 with a CAGR of 6.2% and is forecasted to further grow to S\$515 million in 2022 with a CAGR of 5.6%.

To this end, we intend to expand our medical aesthetics arm by establishing two new SA Clinics in Jurong and Tampines, which are situated in populated and up-and-coming neighbourhoods in Singapore with residential concentration which offers more accessible locations for our Group to reach out to new and potential patients at these nearby regions. We believe that the expansion of our SA Clinics as a separate brand from our DTAP Clinics to provide medical aesthetics services, that is distinct from the services that we provide at our DTAP Clinics which focus on sexual health and infectious diseases, will enable us to strengthen our brand awareness and gain market penetration into the medical aesthetics field, and thereby increase our Group's profitability in the long run. We intend to fund the establishment of our two new SA Clinics with approximately S\$1,257,000 (equivalent to approximately HK\$7.3 million) from our net proceeds of the Share Offer.

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For illustration, the locations of the two new SA Clinics are reflected in the map below:



In the event that the net proceeds from the Share Offer are insufficient to cover the actual costs to be incurred for the setting up of our new DTAP Clinics and SA Clinics, our Group shall finance such shortfall by internal resources, working capital and/or other debt financing, as and when appropriate.

Please see the section headed “Future Plans and Use of Proceeds” of this prospectus for further details of our expansion plan.

The following table sets forth the details of our expansion plan in relation to the establishment of our two new SA Clinics for the years ending 31 December 2018 and 2019:

Districts in Singapore	Expected commencement of operation	Current status as at the Latest Practicable Date	Approximate gross floor area	Estimated amount of proceeds used
Jurong	Six months ending 31 December 2018	Location selection stage	800 sq.ft.	S\$628,500
Tampines	Six months ending 31 December 2019	Location selection stage	800 sq.ft.	S\$628,500

Our new SA Clinics will provide our patients with our Consultation Services, Medical Investigation Services and Treatment Services. Each of our two new SA Clinics will be equipped with one consultation room, one treatment room, one laser, one radiofrequency machine and one IPL machine and staffed by one doctor and three aestheticians.

The estimated initial set up costs of a new SA Clinic include (i) renovation costs of approximately S\$40,000; (ii) capital expenditure for the purchases of medical equipment and treatment devices, furniture and fixtures as well as computer equipment of approximately S\$480,000, S\$60,000 and S\$12,500, respectively; and (iii) initial three-month deposits of approximately S\$36,000.

We expect that it will take approximately two months after securing the leases for the completion of the necessary works to put each of the clinics into operation. We expect that our new SA Clinics will breakeven within nine months of commencement of operations, when monthly revenue of the clinic equals to its monthly operating expenses (excluding tax and depreciation). We also estimate that it will

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take approximately 24 months for our Group to achieve investment payback (when the cashflow generated is equal to the initial cost of setting up the relevant SA Clinic). We estimate the monthly operating costs (including, among others, rental expenses, staff salaries and other operating costs) of each of our two new SA Clinics to be approximately S\$62,000 (equivalent to approximately HK\$0.4 million). The estimated breakeven period and the estimated investment payback period for our new SA Clinics are with reference to our historical results of operations and having taken into account the differences in the locations which our new SA Clinics will be set up, as compared to the location of our existing SA Clinic, as well as the experience of the new Doctors which we will recruit for our new SA Clinics, as compared to the experience of our existing Doctors at our existing SA Clinic.

As at the Latest Practicable Date, we were in the process of identifying suitable locations for our new SA Clinics and no lease agreement(s) had been entered into.

Upgrading and improving our information technology infrastructure and systems

As we continue to expand our business, we plan to continue to invest in information technology systems in order to monitor and manage our operations and financial resources more efficiently and effectively and provide our management with the relevant data and information required for us to streamline our operational procedures. We also intend to upgrade our information systems to create a personalised customer relationship management or human resource management software which would allow us to build a cloud-based accounting system and revamp our clinics management system which includes cloud service for the storage of our patients' records, appointments and our inventory. We also intend to revamp our Company's website to enhance its functionality by including a live chat function where we could assist visitors to our website with their queries. We believe such upgrading will optimise our operations and increase overall efficiency of our business operations.

We intend to utilise approximately S\$513,000 (equivalent to approximately HK\$3.0 million) from the net proceeds of the Share Offer to improve our information technology systems as described above.

Continuing to attract and retain talent pool of doctors and staff

We intend to recruit and retain highly qualified and talented corporate team, management and healthcare professionals to provide better services to our patients as well as to expand the scale of our operations. Our resident Doctors are qualified doctors registered with the SMC with, on average, over seven years of medical practicing experience.

As part of our expansion plan, we intend to further recruit 10 resident general practitioners and 10 clinic assistants by 31 December 2020 for our five new DTAP Clinics and two resident general practitioners and six aestheticians for our two new SA Clinics by 31 December 2019. In addition, we also intend to recruit a chief operating officer by 31 December 2018 to be responsible for overseeing the operations of these Clinics. In addition, we plan to provide in-house training to our staff in relation to, among others, services-related knowledge, operational safety and handling of emergency and/or accident administrative matters. We will also train our aestheticians to perform tasks independently, such as preparing our patients for procedures, performing facial treatments, applying local aesthetic creams on our patients (as instructed by our Doctors) before commencement of procedures and dressing of wounds.

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We intend to utilise approximately S\$3,761,000 (equivalent to approximately HK\$21.8 million) from the net proceeds of the Share Offer to continue to attract and retain our talent pool of doctors and staff.

Setting up a centralised pharmacy

To keep up with the expansion of our business and operations to include five new DTAP Clinics and two new SA Clinics, we intend to set up a centralised pharmacy and storage facility to house our shared inventory of medicine and skincare products which are dispensed and sold at our Clinics. This will ensure the efficient and proper monitoring of inventory levels and help to maintain quality control of our medications and skincare products and to ensure that all medications and skincare products are stored in a climate-controlled environment. The centralised pharmacy is expected to be located outside of the central business district of Singapore. It is expected that completion of renovation works and thereafter the commencement of operations of the centralised pharmacy will likely take place in the second half of 2019. We intend to use approximately S\$90,000 (equivalent to approximately HK\$0.5 million) from the net proceeds of the Share Offer to set up our centralised pharmacy.

OUR BUSINESS MODEL, SERVICES, PRODUCTS AND PROCEDURES

Our Group is a primary healthcare services provider with a focus on providing treatment solutions for sexual health and infectious diseases, as well as the provision of medical aesthetics services. We achieve this through the provision of our Consultation Services, Medical Investigation Services and Treatment Services.

Our Services

We aim to provide accessible, comprehensive and quality services at our Clinics, which include the following services:

(a) Consultation Services

All patients, other than patients with pre-scheduled treatment(s), will first attend medical consultation with our Doctors at our Clinics.

During consultations, our Doctors will examine as well as assess and/or diagnose our patients' medical and/or skin condition(s) with reference to their medical history, background and their specific needs and concerns.

Following such diagnosis, our Doctors will make appropriate recommendations to our patients, which may either include further medical investigations such as radiology and/or laboratory tests to be conducted on the patients for further assessment of their condition(s), or recommendation of treatment plans, which may be the prescription and dispensation of medication or skincare product, or the performance of procedure for the treatment of the condition(s), or a combination thereof, to address our patients' specific needs and concerns.

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Our Doctors, who have a professional understanding of the features and results of each medical investigation, medication and treatment offered at our Clinics, can advise our patients in taking the appropriate medical investigation, using the appropriate treatments and/or medication and skincare products and related side effects or risks, if any.

(b) Medical Investigation Services

Generally, we offer Medical Investigation Services following the provision of Consultation Services by our Doctors. In cases where our Doctors consider that further medical investigations on the patient's condition(s) are required for the assessment of his/her condition, we recommend and customise medical investigation tests for our patients. Medical Investigation Services offered at our Clinics can be broadly categorised as follows:

- (i) Laboratory tests: blood tests, skin tests, urine tests, stool tests, semen analysis, swabs, histopathology and culture and sensitivity tests; and
- (ii) Radiology tests: X-ray, ultrasound scanning, MRI and CT scanning.

We conduct certain medical investigation tests at our Clinics such as HIV rapid testing. For all other laboratory tests, we will send the samples collected from patients to third party laboratories for analysis. In relation to radiology tests, we will refer patients to external service providers for radiology tests. The test results from the external service providers will be delivered to our Clinics afterwards.

Results of the tests are generally communicated to patients at a subsequent consultation. In cases where there are abnormalities in the test results, our Doctors will recommend appropriate treatment and/or management plans which is suitable for the particular patient, being either a prescription and dispensation of medication and skincare products and/or the performance of certain procedure(s).

(c) Treatment Services

Following the Consultation Services with our Doctors and analysis of test results obtained from the Medical Investigation Services (if any), our Doctors may, based on our patients' specific condition(s):

- (i) prescribe medication and/or skincare products to our patients which may be dispensed at our Clinics;
- (ii) recommend that procedure(s) be performed on our patients; or
- (iii) a combination of (i) and (ii).

We may prescribe medication and/or skincare products for the use by our patients depending on their specific medical and/or skin condition(s), including prescribing oral medication and/or topical drugs, sourced from licensed and qualified international medical pharmaceutical manufacturers and/or distributors.

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In some cases, patients who have previously consulted our Doctors at our Clinics may seek to purchase a refill of medication and/or skincare products. In such circumstances, our patients will be able to obtain the required medication from our dispensary unit, unless the medication requires specific prescription from our Doctors.

In respect of the dispensation of any medication and/or skincare product, it is our policy that the following procedures are adhered to:

- handling only one single prescription at any one time;
- checking our patient's drug allergy and medical history prior to the dispensation of any prescribed medication and/or skincare products to the particular patient;
- checking the labels against the prescription containing the name of the patient, product name, dosage, frequency, intake and precautions and whether it is the correct product and/or correct quantity;
- reviewing the best intake, application and/or treatment method in respect of the medication and/or skincare products to be dispensed;
- selecting appropriate containers;
- ensuring that the product to be dispensed will not expire within the treatment period;
- counter-checking the prescribed medications and/or skincare products by our Doctors prior to dispensation;
- when dispensing capsules or tablets, counting the correct number of capsules or tablets and for creams, checking and counter-checking the correct volume and dosage by another staff;
- advising our patients on how to consume and apply the medication or use the skincare products; and
- verifying the identity of our patients upon dispensation.

In some instances, depending on the conditions of our patients, our Doctors may recommend our patients to undergo procedure(s) for the treatment and/or management of the patients' medical or skin condition(s). Procedures offered at our Clinics are broadly categorised into (i) invasive treatments; and (ii) minimally invasive/non-invasive treatments.

While several different treatments may achieve the same result, our Doctors may recommend one or several treatment(s) based on a variety of factors including, among others, our patients' condition, the treatment process involved, effectiveness of treatment, risks and/or possible side effects of treatment and our patients' preferences based on their budget, pain tolerance or duration and frequency of treatments.

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The table below summarises the type of Services which our Doctors may recommend to our patients to address the following major medical and/or skin conditions:

Medical/Skin conditions	Typical recommended treatment plan	Type of Service(s)
Sexually transmitted diseases	<ul style="list-style-type: none"> ● Pharmaceutical — oral and topical medication 	Consultation Services, Medical Investigation Services, and Treatment Services
Erectile dysfunction	<ul style="list-style-type: none"> ● Pharmaceutical — oral medication ● ESWT 	Consultation Services, Medical Investigation Services and Treatment Services
Fertility issues	<ul style="list-style-type: none"> ● Pharmaceutical — oral medication 	Consultation Services, Medical Investigation Services and Treatment Services
Low testosterone level	<ul style="list-style-type: none"> ● Injections ● Pharmaceutical — oral and topical medication 	Consultation Services, Medical Investigation Services and Treatment Services
Bacterial vaginosis	<ul style="list-style-type: none"> ● Pharmaceutical — oral and topical medication 	Consultation Services, Medical Investigation Services and Treatment Services
Acne	<ul style="list-style-type: none"> ● Pharmaceutical — oral and topical medication and/or skincare products 	Consultation Services and Treatment Services
Pigmentation	<ul style="list-style-type: none"> ● Pharmaceutical — oral and topical medication ● Laser therapy 	Consultation Services and Treatment Services
Skin rejuvenation	<ul style="list-style-type: none"> ● Pharmaceutical — oral and topical medication ● Filler injections ● Botulinum toxin injections ● Laser therapy 	Consultation Services and Treatment Services

Other Services

We have entered into agreements in Singapore with companies for the provision of medical and healthcare related advisory services, such as consultancy services in respect of the operations of private hospitals and clinics, advising on strategic collaborations between our client and insurers.

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In relation to the medical and healthcare related advisory services agreements (the “**Advisory Services Agreements**”) we entered into with companies in Singapore (the “**Corporate Customers**”), the salient terms are as follows:

- (a) The Advisory Services Agreements are generally project-based which typically ranges for a term of four to five months from the effective date of the respective Advisory Services Agreements.
- (b) Our Corporate Customers shall pay to our Group a fixed amount of retainer fee in consideration for the services provided in accordance with the Advisory Services Agreements.
- (c) Our Group shall be reimbursed for such reasonable expenses incurred for the sole benefit of our Corporate Customers in performance of the services.
- (d) Our Corporate Customers may suspend or terminate the performance of our Group in whole or in part upon 30 days prior written notice to our Group. In the event that our Corporate Customer elects to terminate the Advisory Services Agreements, our Group shall be paid for the reasonable costs incurred in the performance of the services with at least two months of the retainer fee.

In addition, our Group has also entered into a clinic management services agreement (the “**CMSA**”) with a company based in Kuala Lumpur, Malaysia (the “**KL Company**”), an Independent Third Party to provide clinic management services which include the right to use the Group’s brand name “Dr. Tan & Partners” for the signage, marketing materials and website of its clinic(s) in Kuala Lumpur, Malaysia and the provision of services such as assisting in the establishment of the said clinic, providing contacts of external service providers, providing administrative services such as recommending and providing assistance in the installation of centralised system where we charge such customer a monthly fee for our services provided. The measures implemented by our Group to monitor the KL Company’s use of the brand “Dr. Tan & Partners” include, among others, (i) requesting the KL Company to obtain prior written approval from our Group if it intends to use the said brand for any material or documentation and/or any other clinic(s); (ii) restricting the KL Company to use or seek to register the said brand in any country; and (iii) upon termination of the CMSA, the KL Company shall return all documents and/or materials to our Group and provide written certification of destruction of information and materials (if required by our Group). Our Directors consider that, by entering into the CMSA and allowing the Independent Third Party to operate a clinic in Kuala Lumpur in Malaysia under our brand “Dr. Tan & Partners”, it provides our Group with an opportunity to explore the medical market in Malaysia and to build our reputation and enhance the brand awareness of our Group.

Set out below are some of the other salient terms of the CMSA:

- (a) The CMSA is for a term of one year commencing on 1 October 2017 and shall be automatically renewed unless any of the following events occurs: (i) a material breach by the KL Company of its obligations under the CMSA; (ii) the cessation of the clinic business of the KL Company; and (iii) the mutual termination of the CMSA by either party giving the other party one month’s notice in writing, whichever is earlier.

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- (b) A one-time fee of S\$70,000 shall be paid by the KL Company to our Group in connection with the establishment of the relevant clinic(s) in Kuala Lumpur.
- (c) The KL Company shall pay our Group a monthly fee for the provision of the clinic management services, commencing on 1 October 2017 of (i) S\$3,500; or (ii) an amount equivalent to 5% of the gross sales of the clinic business of the KL Company, whichever is higher.

Dr. Alan Tan was, since the incorporation of the KL Company in May 2017, (i) an indirect sole shareholder up to 15 November 2017; and (ii) one of the directors of the KL Company up to 17 October 2017 with a view to facilitate and assist the necessary administrative works for the application of the clinic licence in Malaysia on behalf of the KL Company by leveraging on his experience and knowledge in the medical industry. Save for the CMSA which our Group has entered into with the KL Company, Dr. Alan Tan had neither equity interest nor held any directorship in the KL Company as at the Latest Practicable Date. As at the Latest Practicable Date, our Directors confirm that our Group currently has no plan to further expand our businesses in Malaysia through the operations of self-operated Clinics or enter into other clinic management services arrangement.

Our Products

Products available at our Clinics can be divided into (i) medication; and (ii) skincare products.

Depending on the condition(s) of the patient, our Doctors will prescribe an appropriate treatment and/or management plan for the patient, which may include the prescription and dispensation of oral and topical medication for condition(s) related to sexually transmitted diseases, fertility issues, erectile dysfunction, low testosterone level, bacterial vaginosis, acne and pigmentation. Medication that we prescribe and dispense at our Clinics are sourced from licensed and qualified international medical pharmaceutical manufacturers and/or distributors. We also prescribe and dispense oral supplements which are targeted at skin rejuvenation at our SA Clinic and Scotts Clinic at the patient's request.

Apart from medication that we prescribe and dispense at our Clinics, we also carry over-the-counter skincare products and our “肤” skincare products. Skincare products that we generally provide to our patients include cleanser, toner, moisturiser, serum, sun-block and other aesthetic skincare products. Our Doctors may recommend the use of our “肤” skincare products and/or other over-the-counter skincare products to meet the specific needs and concerns of our patients. Skincare products are carefully chosen and sourced by our Doctors based on factors such as the supplier's reputation, product quality, product strength and cost of products. For details, please refer to the paragraph headed “Our suppliers” in this section below.

For FY2016 and FY2017, our revenue generated from the sales of “肤” skincare products amounted to nil and approximately S\$30,000, respectively. As at the Latest Practicable Date, we carried 12 types of our “肤” skincare products at our SA Clinic which are designed to target a range of skin conditions. We outsource the manufacturing of our “肤” skincare products to a pharmaceutical company in Singapore which is an Independent Third Party. Such pharmaceutical company will ensure that these pre-formulated skincare products are properly notified in accordance with and comply with the Health Sciences Authority's Guidelines on the Control of Cosmetic Products. During the Track Record Period

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and up to the Latest Practicable Date, our Group had not entered into any long-term supply contract with the abovementioned pharmaceutical company in respect of the manufacture of our “肤” skincare products.

Our Directors believe that our “肤” skincare products differ from the over-the-counter skincare products as they are carefully handpicked by our Doctors from pre-formulated skincare products that our Doctors believe will achieve certain desired effects. As at the Latest Practicable Date, our Group had not registered any trademark for our “肤” skincare products.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material product recalls or received any product liability claims in respect of the medication and skincare products available at our Clinics.

Our Procedures

Our DTAP Clinics are centered towards the treatment of sexual health conditions and infectious diseases, treatment of which generally involves the prescribing and dispensing of medication. Treatment of sexual health and infectious diseases includes, among others, diagnosis and treatment of sexually transmitted diseases, erectile dysfunction issues, low testosterone level as well as screening of sexually transmitted diseases and anonymous HIV-testing.

Other than prescribing and dispensing medications (both oral and/or topical) to patients, our Doctors may recommend patients to undergo certain procedures, such as excisions or injections, if necessary.

Our SA Clinic focuses on providing treatment solutions for common skin conditions and basic medical aesthetics services and such treatment solutions typically involve the prescribing and dispensing of medication and/or skincare products, and/or the performance of minimally invasive/non-invasive procedures such as botulinum toxin injections, filler injections, laser, IPL and facials, amongst others.

All of our patients who undergo our procedures are required to attend medical consultations with our Doctors and to undergo medical investigations so that our Doctors can assess and/or diagnose their medical or skin condition(s) with reference to their medical history and background prior to recommending an appropriate management plan. All of our treatment devices used to perform treatments on our patients are carefully selected and evaluated by our Doctors using their clinical knowledge and experience as well as our selection criteria ensuring that the particular device is evidence-based, i.e. whether the effectiveness or technology of the device is supported by clinical trials published by peer-review medical journals as well as internationally established guidelines by recognised authorities in the field that they are reliable and are capable of delivering desired outcomes and results for our patients.

In terms of procedures offered at our Clinics, such treatments can be broadly categorised into (i) invasive treatments; and (ii) minimally invasive/non-invasive treatments.

BUSINESS

Invasive treatments

Invasive treatments would require the administration of anaesthesia on the patient and would require our Doctors to attend to such treatment. We offer invasive treatments to treat medical conditions such as removal of moles, lumps and bumps. Depending on the complexity of the medical condition, the type of facilities and/or the type of anaesthesia required, we may refer some of our patients for treatment by specialists in private or public hospitals.

The following is an example of a typical invasive treatment performed at our Clinics:

Type of Treatment Services	Primary target conditions	Brief description
<i>Invasive</i>		
Excision	Removal of moles, lumps and bumps	The use of a surgical blade to cut and remove a lesion or growth from the skin and to repair the defect created. Surgitron technology may be used whereby it involves high-frequency radio-wave technology to cut through the targeted tissue without crushing cells.

Minimally invasive/non-invasive treatments

Minimally invasive/non-invasive treatments usually require little recovery time to heal and the types of non-invasive/minimally invasive treatments we offer involve minimal penetration of skin or superficial breakage of skin. Our minimally invasive/non-invasive treatments comprise vaccinations, injectable fillers, botulinum toxin injections, skin rejuvenation boosters and machine-based treatments such as radiofrequency machine treatments and carbon dioxide laser treatments.

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Set out below is a summary of the typical non-invasive/minimally invasive treatments performed at our Clinics:

Types of Treatment Services	Primary target conditions	Brief description
<i>Minimally Invasive</i>		
Vaccinations	Common medical conditions	Injections which contain an agent that resembles a disease-causing micro-organism for purposes of providing active immunity to a particular disease
Botulinum toxin injection	Expression lines, eye bags, facial contouring, hyperhidrosis	The injection of botulinum toxin into skin tissue to achieve desired aesthetic and medical effects
Skin booster injection	Skin rejuvenation and aesthetic purposes	Cosmetic injection containing certain ingredients to target aging related problems
Filler injection	Facial contouring, eye bags, skin rejuvenation, improvement of skin tone	Cosmetic injection for soft tissue augmentation, scar/wrinkle improvement and shaping/modifying soft tissue
<i>Non-Invasive</i>		
ESWT	Erectile dysfunction	The use of energy from acoustic waves to trigger a process which assists in the formation of new blood vessels and helps improve blood flow to the targeted region
Laser	Skin rejuvenation, pigmentation, hair removal, rosacea, spider veins	Energy-based devices used for treatment of the main target problems, such as unwanted hair removal and skin rejuvenation

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Types of Treatment Services	Primary target conditions	Brief description
Intense Pulsed Light	Pigmentation, rosacea, telangiectasia	Lightening of unwanted pigmentation, reduction in the symptom of red lines on the face from rosacea and hair removal
Radiofrequency	Skin laxity on face, neck and abdomen	The use of radiofrequency waves at a calibrated intensity to stimulate the regeneration of collagen at a deeper layer of the skin
Facials	Aesthetic purposes	Facials are multi-step skin treatments for skin rejuvenation and aesthetic purposes. The skin is usually cleansed and nourished so as to promote a clear, well-hydrated complexion

Our Clinics

DTAP Clinics

As at the Latest Practicable Date, we operated six DTAP Clinics which are conveniently and strategically located at Robertson Walk, Bencoolen Street, Novena, Scotts Road, Grange Road and Katong. Our DTAP Clinics provide primary healthcare services which include treatment solutions for common medical conditions with a focus on sexual health and infections diseases, under the brand “Dr. Tan & Partners”. Our Somerset Clinic is located in a prominent building at a prime shopping area in Singapore, thereby allowing us to serve patients in the area which is easily accessible by many foreigners and/or expatriates in Singapore. Our Scotts Clinic, SA Clinic and Novena Clinic were set up in premier medical centres in Singapore which provide convenient access to members of the public who require medical expertise. Our Robertson Clinic and Bencoolen Clinic were set up at locations which give available access to the tourists in Singapore. Lastly, our Katong Clinic was set up in residential enclaves in the eastern part of Singapore.

During the Track Record Period, our Group operated two additional DTAP Clinics, namely our BM Medical Clinic and Penjuru Clinic, both of which had ceased operations as at the Latest Practicable Date. Our BM Medical Clinic was initially established pursuant to a business cooperation arrangement between BMAL and an Independent Third Party with a view to serving PRC nationals resided at the neighbourhood of the BM Medical Clinic. However, due to unsatisfactory operating results and to focus on the operations of the SA Clinic which commenced operations in May 2017, the said business cooperation arrangement was terminated and our BM Medical Clinic ceased operations in July 2017. The tenancy agreement of BM Medical Clinic was subsequently novated to the Independent Third Party.

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In March 2017, we entered into a services agreement with a corporate customer for the provision of primary healthcare services (comprising chronic disease management, minor industrial accident care and general health screening to the employees of such customer) at a fixed monthly service fee for eight hours per month at our Penjuru Clinic which we set up at their office premises pursuant to the services agreement. Our Penjuru Clinic ceased operations in February 2018 pursuant to the termination of our services agreement with such corporate customer due to the relocation of such customer.

No termination payment was made in relation to the termination of (i) the business cooperation arrangement between BMAL and an Independent Third Party; and (ii) the services agreement with our corporate customer in relation to the Penjuru Clinic, respectively.

Set out below is a map showing the locations of our DTAP Clinics as at the Latest Practicable Date:



SA Clinic

Our SA Clinic was set up in May 2017 to provide basic medical aesthetics services under the brand “S Aesthetics”, treatment solutions for common skin conditions and basic medical aesthetics services to patients. Our SA Clinic was set up in a premier medical centre in Singapore to provide convenient access to members of the public who require medical expertise.

Our DTAP Clinics offer Consultation Services, Medical Investigation Services and Treatment Services in relation to sexual health and infectious diseases which includes, among others, diagnosis and treatment of sexually transmitted diseases, erectile dysfunction issues, low testosterone levels as well as screening of sexually transmitted diseases and anonymous HIV-testing services, while our SA Clinic offers our Consultation Services, Medical Investigation Services and Treatment Services in relation to medical aesthetics conditions.

BUSINESS

Set out below is a summary of our Clinics which we operated during the Track Record Period and up to the Latest Practicable Date:

Clinic	Commencement of operations
Robertson Clinic	August 2010
Bencoolen Clinic	March 2014
Novena Clinic	September 2014
Scotts Clinic	April 2015
Somerset Clinic	September 2015
Katong Clinic	June 2016
BM Medical Clinic ⁽¹⁾	March 2017
Penjuru Clinic ⁽²⁾	March 2017
SA Clinic	May 2017

Notes:

(1) The operations of our BM Medical Clinic ceased in July 2017.

(2) The operations of our Penjuru Clinic ceased in February 2018.

The following table sets forth the revenue contribution of each of our Clinics which we operated during the Track Record Period:

Clinic	FY2016		FY2017	
	S\$	%	S\$	%
Robertson Clinic	2,218,879	31.1	2,575,330	27.1
Bencoolen Clinic	1,054,717	14.8	992,593	10.5
Scotts Clinic	1,415,020	19.8	1,103,170	11.6
Novena Clinic	1,601,179	22.5	2,225,106	23.5
Somerset Clinic	356,133	5.0	486,524	5.1
Katong Clinic	482,064	6.8	902,798	9.5
SA Clinic	—	—	1,134,632	12.0
Penjuru Clinic ⁽¹⁾	—	—	656	0.1
BM Medical Clinic ⁽²⁾	—	—	59,906	0.6
Total	<u>7,127,991</u>	<u>100.0</u>	<u>9,480,715</u>	<u>100.0</u>

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Notes:

- (1) The operations of our Penjuru Clinic ceased in February 2018.
- (2) The operations of our BM Medical Clinic ceased in July 2017.

The following table sets forth the breakeven period and the investment payment period of each of our Clinics which we operated as at the Latest Practicable Date:

Clinic	Breakeven period (months)	Investment payback period (months)
Robertson Clinic ⁽¹⁾	6	19
Bencoolen Clinic	6	21
Scotts Clinic	7	18
Novena Clinic	7	22
Somerset Clinic ⁽²⁾	13	29
Katong Clinic	5	21
SA Clinic	5	22

Notes:

1. Such information is based on the information currently available and to the best knowledge of our Directors after making all reasonable enquiries, as the Robertson Clinic has been established under our brand “Dr. Tan & Partners” since 2010 which our operational data for the breakeven period and investment payback period was not available.
2. The higher breakeven period and investment payback period of Somerset Clinic was mainly due to lower sales recorded as a result of lower patient visits.

As at the Latest Practicable Date, all of our Clinics have achieved breakeven and each of Robertson Clinic, Bencoolen Clinic, Scotts Clinic and Novena Clinic have achieved the investment payback.

PRICING POLICY

The pricing of our Services is determined as follows:

- (a) **Consultation Services:** for the first consultation, the consultation fee which we charge our patients ranges from S\$20 to S\$60 per visit or may be waived depending on the nature of consultations. During the Track Record Period, we have also entered into arrangements with companies in Singapore to provide our Services to their employees who visited our Clinics at a discounted fee which ranges from S\$12 to S\$18 per visit for our Consultation Services. Such arrangements are typically for a term of one year, which allow our Group to continue to have a relatively steady and sustainable stream of customers. We do not charge such companies a fixed fee as compensation for the discounted fee we offered to their employees. Such companies are required to pay for their employees’ expenses at our Clinics within 30 days upon the issuance of our monthly invoice to them.

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- (b) Medical Investigation Services: the price is determined on a cost-plus basis with reference to the number and types of tests that are conducted for a medical investigation.
- (c) Treatment Services: in relation to oral and/or topical medication, the price is determined on a cost-plus basis with reference to the price of similar medications in the market. The price of the procedure is determined based on, among others, (i) the complexity of the procedure; (ii) the risks involved in the procedure; (iii) the duration and skills typically required to administer or perform the procedure; (iv) the price of similar procedure on the market; and (v) the cost of consumables involved in the procedure.

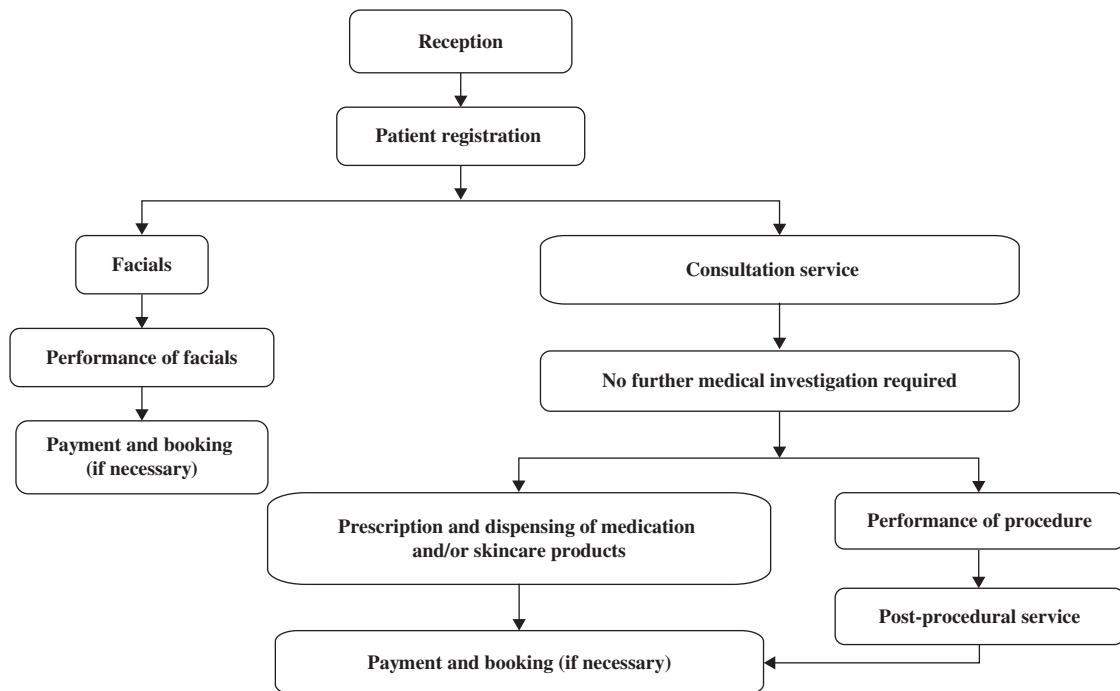
The pricing of our Services is reviewed by our Directors annually or on a regular basis and may be reviewed under the following circumstances: (i) change in the demand for our existing Services; (ii) increase in the cost of providing a test and/or the cost of analysing a test; (iii) increase in the cost of the medication and/or skincare products; and (iv) change in the market price of similar tests, products and/or treatments.

OUR BUSINESS PROCESS

Our Services mainly comprise the processes of Consultation Services, Medical Investigation Services and/or Treatment Services.

Process of Consultation Services and Treatment Services

The following diagram illustrates the major steps of our business operations in respect of Consultation Services and Treatment Services provided to a patient at our Clinics:



BUSINESS

Step 1: Reception and registration of patient

When a patient visits us for the first time, the patient is required to fill in a personal information sheet which contains the patient's name, gender, age, nationality, address, drug allergy and contact number for registration. We also request for the patient's proof of identity for registration.

Step 2: Consultation Services or performance of facials

At our DTAP Clinics and SA Clinic, our patient is required to consult one of our Doctors prior to receiving any treatment with the exception of facials. During the face-to-face consultation, such Doctor performs an examination and/or assesses and diagnoses the patient's medical and/or skin condition(s) with reference to his/her medical history and background. Such diagnosis will have regard to the patient's specific conditions, needs and concerns.

Depending on the medical and/or skin condition(s) of the patient, consultation will generally take around 10 to 20 minutes.

At our SA Clinic, where our patient has registered for our facial service, no consultation is required and upon reception and registration, our aestheticians will commence performance of the facial procedure. Depending on the type of facial requested by the patient, the facial procedure will typically take around 60 to 90 minutes.

Step 3a: Treatment Services by way of prescription and dispensing medication and/or skincare products

In cases where our Doctor considers that no further investigation or examination of the condition(s) is required, our Doctor may either prescribe or dispense medication and/or skincare products to the patient or proceed to perform procedure(s) on the patient. The responsible Doctor and/or aesthetician then explains the medication and/or skincare products to the patient, including the purpose, nature, process, possible risks and potential complications, and answers any questions that the patient may have relating to the medication and/or skincare products.

Step 3b: Treatment Services by way of performance of procedures

Where a procedure is recommended by our Doctor, our Doctor will then explain to the patient the procedure, the associated risks, the possible side-effects as well as answer the patient's questions and address his/her concerns. Should the patient decide to proceed with the procedure, the patient is required to sign a consent form prior to the performance of the procedure, acknowledging his/her understanding of the proposed procedure as explained by our Doctors, and the risks involved in the procedure and his/her consent to undergo such procedure and our Doctor will administer local anaesthesia if needed.

Thereafter, our Doctor will perform the procedure at our Clinics. The services provided by our Doctor cover invasive and/or minimally invasive treatments such as excision, botulinum toxin injections, skin boosters and machine-based treatments.

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Step 3c: Post-procedure services

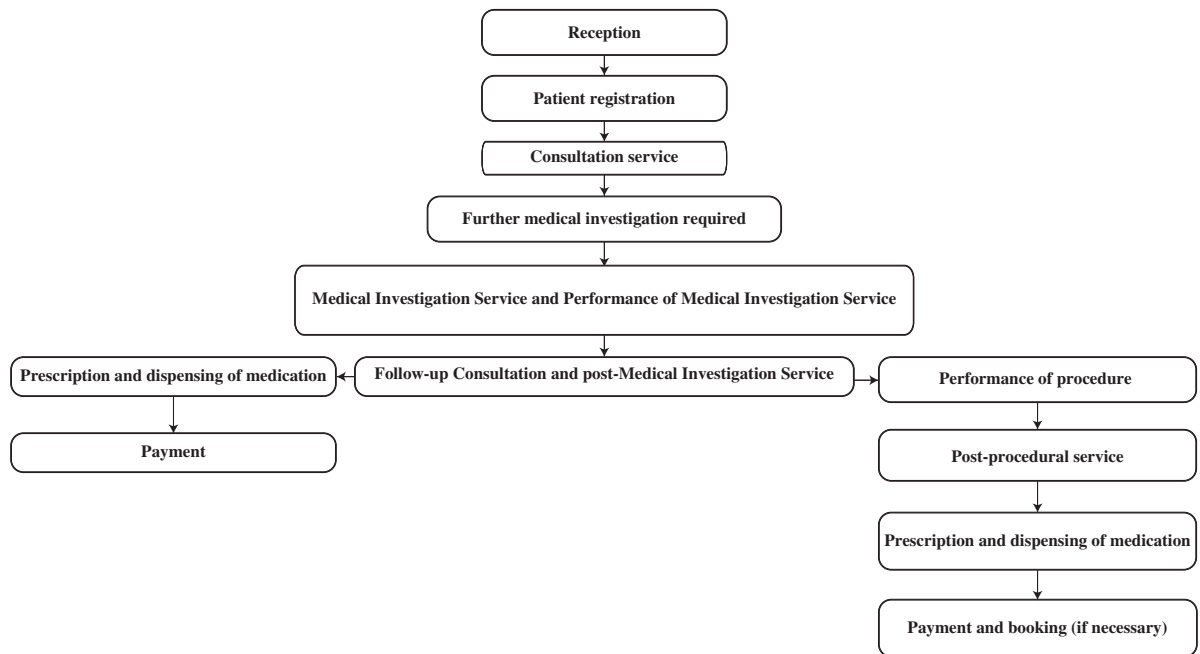
After completion of the facial or procedure, the patient is then educated on the use of any medication and/or skincare products recommended by our Doctors and informed of any post-treatment care tips.

Step 4: Payment and booking

The patient will thereafter proceed to make payment and obtain the required medication and/or skincare products from our dispensary unit. For patients claiming under Medisave, they will first pay the fees to the Clinic and thereafter apply to Medisave for reimbursement. The option of payment by Medisave is only available at selected DTAP Clinics, being our Robertson Clinic, Bencoolen Clinic, Somerset Clinic, Katong Clinic and Scotts Clinic. Where further treatment and/or follow-up consultation with our Doctor is required, the patient may also proceed to book a further appointment at the same time.

Process of Consultation Services, Medical Investigation Services and Treatment Services

The following diagram illustrates the major steps of our business operations in respect of the Consultation Services, Medical Investigation Services and Treatment Services provided to a patient at our Clinics:



Step 1: Reception and registration of patient

When a patient visits us for the first time, the patient is asked to fill in a personal information sheet which contains the patient's name, gender, age, nationality, address, drug allergy and contact number for registration. We also request for the patient's proof of identity for registration.

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Step 2: Consultation Services by our Doctors

Our patient is required to consult one of our Doctors prior to receiving any treatment. During the face-to-face consultation, such Doctor performs an examination and/or assesses and diagnoses the patient's medical and/or skin condition(s) with reference to his/her medical history and background. Such diagnosis will have regard to the patient's specific conditions, needs and concerns.

Depending on the medical and/or skin condition of the patient, consultation will generally take around 10 to 20 minutes.

Step 3: Medical Investigation Service and performance of Medical Investigation Services

After consultation and where necessary, further medical investigation may be carried out by our Doctors at their discretion including, among others, laboratory and/or radiology tests to conduct a thorough examination and diagnosis of the patient's condition(s).

In particular, in respect of sexual health related and/or infectious conditions, our Doctors will recommend the type of medical investigation tests based on the consultation session and the patient's medical history. Our Doctor will also explain to the patient the type of laboratory and/or radiology test(s) to be carried out prior to the performance of such medical investigation process.

We conduct HIV rapid tests in respect of detecting certain infectious diseases in-house at our DTAP Clinics. The relevant samples for laboratory tests including, among others, stools, urine, blood and semen, will also be obtained by our Doctors from the patient at our Clinics. These samples will be sent to external service providers for laboratory testing and analysis. In respect of radiological testing, our Doctor will refer the patient to our external providers where the patient will undergo the relevant radiological examinations.

Step 4: Follow-up consultation and post-Medical Investigation Services

The medical report is explained to the patient at a subsequent consultation. In the event of abnormalities in the results, our Doctor will recommend suitable procedure(s) to the patient following the review of the results of the medical investigation.

Where medication and/or skincare products are prescribed and dispensed, the responsible Doctor and/or aestheticians will explain the medication to the patient, including the purpose, nature, process, possible risks and potential complications, and answer any questions that the patient may have relating to the medication and/or skincare products.

Where a procedure is recommended by our Doctors, our Doctors will then explain to the patient the procedure, the associated risks, the possible side-effects as well as answer the patient's questions and address his/her concerns. Should the patient decide to proceed with the procedure, the patient is required to sign a consent form prior to the performance of the procedure, acknowledging his/her understanding of the proposed procedure as explained by our Doctor, and the risks involved in the procedure and his/her consent to undergo such procedure and our Doctor will administer local anaesthesia if needed.

Depending on the medical and/or skin condition of the patient, consultation with our Doctor may generally take around 10 to 20 minutes.

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Step 5: Performance of procedures

Where procedures are recommended, our Doctor will perform the procedures at the Clinic. The services provided by our Doctor include invasive and/or minimally invasive treatments such as excision in respect of sexual health conditions, and botulinum toxin injections, skin boosters and machine-based treatments like lasers for aesthetic conditions.

Step 6: Post-procedure services

After completion of the procedure, the patient is then educated on the use of any medication and/or skincare products recommended by our Doctors and informed of any post-treatment care tips.

Step 7: Payment and booking

The patient will thereafter proceed to make payment for the Services provided, obtain the required medication and/or skincare products from our dispensary unit and arrange for the next appointment for a follow-up consultation and management of outcome of the treatment. For patients claiming under Medisave, they will first pay the fees to the Clinic and thereafter apply to Medisave for reimbursement. The option of payment by Medisave is only available at selected DTAP Clinics, being our Robertson Clinic, Bencoolen Clinic, Somerset Clinic, Katong Clinic and Scotts Clinic. Where further treatment and/or follow-up consultation with our Doctor is required, the patient may also proceed to book a further appointment at the same time.

OUR PROFESSIONAL TEAM

Our professional team comprises our resident Doctors, aestheticians and clinic assistants.

Our Doctors

As at the Latest Practicable Date, we had seven resident Doctors (including our senior management) who participate in the provision of Services to our patients. All of our Doctors are registered as general practitioners with the MOH in accordance with the Medical Registration Act and have, on average, over seven years of experience in the medical industry.

Doctor A graduated from St George's Hospital Medical School, University of London with a Bachelor of Medicine and Bachelor of Surgery in July 2010. She received a Graduate Diploma in Family Medicine from the National University of Singapore in August 2015 and has been practising as a family physician with the SMC since July 2016. She has over seven years of medical practice experience and has joined our Group for approximately five years.

Doctor B graduated from All India Institute of Medical Sciences in New Delhi with a Bachelor of Medicine and Bachelor of Surgery in December 2008. She was admitted as a member of the Royal Colleges of Physicians of the United Kingdom since November 2012. She is a registered practitioner with the SMC since December 2014, has over 10 years of medical practice experience and has joined our Group for approximately one year.

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Doctor C graduated from University of Queensland, Australia with a Bachelor of Medicine and Bachelor of Surgery in December 2008. She has been a registered practitioner with the SMC since January 2016. She has over six years of medical practice experience and has joined our Group for approximately two years.

Doctor D graduated from St George's Hospital Medical School, University of London with a Bachelor of Medicine and Bachelor of Surgery in July 2009. He became a member of the Royal Colleges of Physicians of the United Kingdom in July 2013 and has been a registered practitioner with the SMC since December 2014. He has over eight years of medical practice experience and has joined our Group for approximately three years.

Doctor E graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery in April 2016. He has been a registered practitioner with the SMC since May 2007. He has over 11 years of medical practice experience and has joined our Group for approximately one year.

Doctor F graduated from the Royal College of Surgeons, Ireland with a Bachelor of Medicine in June 2011. He became a member of the Royal Colleges of Physicians of the United Kingdom in November 2015 and has been a registered practitioner with the SMC since November 2016. He has over seven years of medical practice experience and has joined our Group for approximately two years.

For further details of Dr. K. K. Tan, our chief executive officer and chief medical officer, who is also one of our resident Doctors, please refer to the paragraph headed "Directors, Senior Management and Employees — Senior management" of this prospectus.

Save for Doctor B and Doctor D who have different remuneration arrangements, the key terms of the employment contracts with our resident Doctors are, among others, as follows:

- (a) our resident Doctors are subject to probation which is typically for a period of three months from the date of commencement of their respective employment contracts;
- (b) each of our resident Doctors is entitled to a fixed monthly salary and a discretionary bonus in accordance with their respective employment contracts;
- (c) each of our resident Doctors is entitled to our Group's employee benefits such as insurance coverage;
- (d) each of our resident Doctors is entitled to 14 days of paid leave for every 12 months of continuous service as well as 14 days of paid sick leave per calendar year from the date of commencement of their respective employment contracts; and
- (e) upon confirmation of employment, either party may terminate the contract by giving the other party one month's notice or by paying one month's salary in lieu of notice.

In respect of the remuneration arrangement between our Group and Doctor B, Doctor B is entitled to (i) an hourly rate of S\$93.6 for the first 76 hours of the month that Doctor B serviced; (ii) an hourly rate of S\$80 for consecutive hours that Doctor B serviced; and (iii) 70% of the net profit generated by the Clinic that Doctor B serviced on a monthly basis.

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In respect of the remuneration arrangement between our Group and Doctor D, Doctor D is entitled to (i) any bonus or profit sharing (being 60% to Doctor D and 40% to the Group, calculated based on the net profits generated by the Clinics serviced by Doctor D) or otherwise which is made at the sole and absolute discretion of our Group; and (ii) an annual aesthetics credit of S\$1,000 paid out at the beginning of the year.

The resident Doctors of our Group are also subject to confidentiality obligations which are set out in their respective employment contracts.

For FY2016 and FY2017, the revenue contribution by our top resident Doctor, Dr. K.K. Tan, was approximately S\$1,601,000 and S\$2,225,000, respectively, and the revenue contribution by our top five resident Doctors were approximately S\$5,429,000 and S\$6,358,000, respectively.

Doctors' liability

Being registered medical practitioners, our Doctors are required to adhere to the SMC Ethical Code and SMC Ethical Guidelines 2016. Each of our Doctors has confirmed that, during the Track Record Period and up to the Latest Practicable Date, he/she has not been subject to any disciplinary actions, investigations or other similar actions by the SMC or other professional and regulatory bodies in Singapore.

Due to the nature of our business operations, the performance of procedure and/or intake of medication may carry inherent health risks. As a result, our Doctors are inevitably exposed to potential liability arising from complaints, claims and potential litigation brought against them by patients alleging to have suffered adverse reactions from procedures performed and/or medication prescribed. There is also a risk that claim of medical negligence and malpractice may be brought against our Doctors. Since the results of the treatments depend on, among others, the patient's medical and/or skin condition(s), and allergies (if any), there is no guarantee that our prescription and/or treatments may achieve the patient's most desired results which may also be subject to his/her subjective views. For details, please refer to the paragraph headed "Risk Factors — Risks relating to the business of our Group — Our Doctors could become the subject of legal claims, regulatory actions or professional investigations and litigations regarding any medical dispute brought by patients, and we may be liable for the professional misconduct or negligence of our Doctors, which may harm our reputation and business" of this prospectus. Prior to each procedure, our Doctors will explain to our patients the process of the procedure, as well as the potential risks involved in such procedure. If required, our patients are asked to sign a consent form which, among others, requires them to acknowledge their understanding of the proposed procedure as explained by our Doctors, the risks involved in the procedure and their consent to undergo such procedure.

Our resident Doctors, being members of the Medical Protection Society or other professional indemnity provider, maintain professional malpractice liability insurance, which includes indemnity, advice and legal representation in relation to claims, investigations and proceedings arising from or in connection with their professional practices in accordance with all applicable laws and regulations and subject to the terms and conditions of their memberships. During the Track Record Period and up to the Latest Practicable Date, our executive Directors confirmed that the malpractice liability insurance maintained by our resident Doctors are sufficient and adequate.

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Our executive Directors confirmed that no complaints which had a material adverse effect on our business, financials or reputation of our Doctors, had been filed against our Doctors during the Track Record Period and up to the Latest Practicable Date.

Aestheticians

As at the Latest Practicable Date, we had two aestheticians at our SA Clinic who have on average five years of experience in the private healthcare industry.

Our aestheticians form an integral part of our professional team. They are able to independently perform tasks such as, among others, facials as well as prepare our patients for procedures as well as dispensing of medication prescribed by our Doctors and/or skincare products and explaining post-treatment aftercare instructions to our patients. Our aestheticians may also assist our Doctors in certain more complex or invasive medical aesthetics treatments. The tasks performed by our aestheticians do not require them to be registered with the Singapore Nursing Board, nor are they required to hold practising certificates.

Clinic assistants

As at the Latest Practicable Date, we had 12 clinic assistants at our Clinics. Each of our Clinics is staffed by one to two clinic assistants.

The work scope of our clinic assistants includes, among others, performing receptionists' duties, scheduling appointments, processing payments, attending to patients at our Clinics, checking and delivering medicine dosages prescribed by our Doctors, monitoring equipment maintenance, inventory, logistics processing and other administrative duties.

OUR MEDICAL EQUIPMENT

We offer a broad range of procedures utilising various evidence-based treatment devices, which enable our Doctors and aestheticians (where applicable) to provide each of our patients with a comprehensive solution that is tailored to his/her individual needs. As at the Latest Practicable Date, we had nine types of treatment devices at our Clinics for performing various procedures, which are sourced from established international medical device manufacturers, distributors and healthcare companies, all of which are Independent Third Parties, on a fully-purchased basis. For FY2016 and FY2017, our capital expenditure for the purchases of medical equipment and treatment devices were approximately S\$32,000 and S\$220,000, respectively.

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A majority of our treatment devices are used in our minimally invasive procedures which include devices for laser, radiofrequency, IPL and ESWT. The table below summarises the estimated average useful lives of some of our key treatment devices as at the Latest Practicable Date:

Type of treatment devices	Number of devices	Actual average age of device (years)	Actual average remaining useful lives (years)	Aggregate net book value of each type of devices as at 31 December 2017 S\$
Laser	2	1	5	17,666
Radiofrequency	6	1	6	2,558
Intense Pulsed Light	1	2	5	56,000
ESWT	1	3	4	—
Others ⁽²⁾	4	2	6	89,930

Notes:

- (1) The actual length of time that we will use these devices may be different from the estimates due to reasons such as periodic maintenance and replacement of parts.
- (2) Other treatment devices mainly include devices used in facial treatments and skin boosters.

The average useful lives of our treatment devices is approximately seven years. We engage external service providers to perform regular maintenance on our treatment devices. For details, please refer the paragraph headed “Quality Assurance — Procurement — Treatment devices” of this section below.

MARKETING AND BUSINESS DEVELOPMENT

We market our services in compliance with the applicable MOH guidelines, laws and regulations and develop our business through the following:

- (i) **Personal referrals.** Through the experience and reputation of our Doctors, we are able to attract new customers through our past and existing customers’ referrals by “word of mouth”. Through this marketing approach, we will be able to continue to cultivate brand loyalty and goodwill of our Group within the general practice field.
- (ii) **Participation in medical conferences, seminars and workshops, as well as publication in journals.** Our Doctors actively participate in medical conferences, seminars and workshops in Singapore and overseas. These events provide opportunities for our Doctors as, among others, guest speakers or participants, to raise the awareness of our Group’s services.
- (iii) **Maintenance of an online presence.** We use certain online means to attract new patients online, which include, among others, search engine optimisation and the maintenance of our corporate website.

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OUR CUSTOMERS

Due to the nature of our business, a majority of our customers are individual customers from the general public. Our Directors consider that no single customer was material to our business operations during the Track Record Period given that there was no single customer that accounted for more than 5% of our total revenue and our five largest customers accounted for less than 30% of our total revenue for each of FY2016 and FY2017. Our Directors confirmed that our Group had no material dispute with any of our customers during the Track Record Period and up to the Latest Practicable Date.

The table below sets out our revenue contribution by customer types during the Track Record Period:

Types of customer	FY2016		FY2017	
	S\$	%	S\$	%
Individual patients	7,127,991	100.0	9,480,715	95.2
Corporate customers ^(Note)	<u>—</u>	<u>—</u>	<u>476,179</u>	<u>4.8</u>
Total	<u><u>7,127,991</u></u>	<u><u>100.0</u></u>	<u><u>9,956,894</u></u>	<u><u>100.0</u></u>

Note: We generated revenue from our corporate customers for the provision of medical and healthcare related advisory services.

Our customers mainly comprise individual patients who generally settle their medical payments by cash or cash equivalents, such as credit cards or through the Medisave plan. For individual patients, payments include:

- (i) where patients are not under any medical scheme plan, the fees incurred for the treatment received;
- (ii) where patients are under a medical scheme but the treatment received does not fall within the scope of the scheme, the uncovered fees incurred for the treatment received; or
- (iii) where patients are under a medical scheme, such as Medisave, the co-payment amount for the treatment received as required under such scheme.

For patients paying by way of cash or credit card, payment is made at the conclusion of each visit at our Clinics. For patients claiming under Medisave, they will first pay the fees to our Clinics and thereafter apply to Medisave to claim the amount of fees paid. Medisave will then remit the fees to our Clinic, which we will then reimburse the patient. Medisave can be used to pay for general medical care and hospitalisation expenses stipulated by the MOH. The amount which Medisave can be used to pay for is subject to specific withdrawal limits. In relation to the procedures in reimbursing the patients claiming under Medisave, our patient will be required to sign a medical claims authorisation form which authorises our Group to use the patient's Medisave monies to pay the bill. For FY2016 and FY2017, the amount of reimbursement handled by our Group were approximately S\$7,400 and S\$6,900, respectively. Claims by our patients under Medisave are usually settled within seven days from our date of submission of invoice, if approved. Payment through Medisave is accepted at our selected DTAP Clinics, being our Katong Clinic, Bencoolen Clinic, Scotts Clinic, Robertson Clinic and Somerset Clinic.

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The table below sets out our revenue contribution by payment types during the Track Record Period:

Payment types	FY2016		FY2017	
	S\$	%	S\$	%
Credit card	5,377,945	75.5	7,876,994	83.1
Cash and cash equivalents	1,742,684	24.4	1,596,852	16.8
Medisave	<u>7,362</u>	<u>0.1</u>	<u>6,869</u>	<u>0.1</u>
Total	<u><u>7,127,991</u></u>	<u><u>100.0</u></u>	<u><u>9,480,715</u></u>	<u><u>100.0</u></u>

Our Group recorded over 35,000 and 37,000 patient visits at our Clinics for FY2016 and FY2017, respectively, with the average spending per patient visit of approximately S\$202 and S\$252 for the respective years. In particular, for FY2016 and FY2017, we recorded an average spending per patient visit of (i) approximately S\$202 and S\$234 for the primary healthcare services, respectively; and (ii) nil and approximately S\$603 for the basic medical aesthetics services, respectively.

The table below sets out the breakdown of our number of patients by gender during the Track Record Period:

Patients	FY2016		FY2017	
		%		%
Male	9,199	55.8	11,018	54.3
Female	<u>7,283</u>	<u>44.2</u>	<u>9,276</u>	<u>45.7</u>
Total	<u><u>16,482</u></u>	<u><u>100.0</u></u>	<u><u>20,294</u></u>	<u><u>100.0</u></u>

The table below sets out the breakdown of our number of patients by age group during the Track Record Period:

Age group (years)	FY2016		FY2017	
		%		%
Less than 16	868	5.3	2,745	13.5
16 to 20	318	1.9	527	2.6
21 to 30	4,611	28.0	5,882	29.0
31 to 40	5,615	34.1	6,358	31.3
41 to 50	2,809	17.0	3,014	14.9
51 to 60	1,703	10.3	1,207	5.9
Above 60	<u>558</u>	<u>3.4</u>	<u>561</u>	<u>2.8</u>
Total	<u><u>16,482</u></u>	<u><u>100.0</u></u>	<u><u>20,294</u></u>	<u><u>100.0</u></u>

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The table below sets out the breakdown of our number of patients by new patients and repeat patients during the Track Record Period:

	FY2016		FY2017	
		%		%
Patients				
New patients	9,179	55.7	11,187	55.1
Repeat patients	7,303	44.3	9,107	44.9
Total	16,482	100.0	20,294	100.0

Note: Repeat patients are patients who have visited our Clinics for more than once during the Track Record Period, whereas new patients are patients who had only visited our Clinics once during the Track Record Period.

OUR SUPPLIERS

Our major purchases are medications and skincare products and we also engage external services providers for our laboratory and radiology tests in relation to our Medical Investigation Services. Our suppliers primarily include pharmaceutical drug distributors and trading companies engaged by established international pharmaceutical companies and laboratory and radiology testing service providers. Our total cost of purchases and services comprises (i) purchase costs for consumables and medical supplies used including medications and skincare products; and (ii) service fees for the engagement of service providers for laboratory and/or radiology tests, which amounted to approximately S\$2,152,000 and S\$2,748,000 for FY2016 and FY2017, respectively.

Medications which we dispense at our Clinics comprise oral and/or topical medications, over-the-counter skincare products and our “肤” skincare products that are compounded by a third party pharmaceutical company under our instructions. We purchase medications from recognised distributors and trading companies, which are generally engaged by established international pharmaceutical companies to market and arrange delivery of products in the local market. We directly settle payment with these distributors and trading companies and our Directors consider that such arrangements are common among established international pharmaceutical companies.

The following table sets out the breakdown of our total purchases by (i) cost of consumables and medical supplies used; and (ii) medical professional costs during the Track Record Period:

	FY2016		FY2017	
	S\$	%	S\$	%
Cost of consumables and medical supplies used	1,433,516	66.6	1,796,609	65.4
Medical professional costs	718,507	33.4	951,773	34.6
Total Purchases	2,152,023	100.0	2,748,382	100.0

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For FY2016 and FY2017, our total purchases attributable to our five largest suppliers amounted to approximately S\$1,786,000 and S\$2,140,000, respectively, representing approximately 83.0% and 77.9% of our total purchases for the respective years. During the same periods, our total purchases attributable to our largest supplier amounted to approximately S\$862,000 and S\$929,000, respectively, accounting for approximately 40.1% and 33.8% of our total purchases for the respective years.

We have established business relationship with our five largest suppliers during the Track Record Period from two to seven years. The average credit period for the purchases of medications from distributors and trading companies and engagement of services for laboratory and/or radiology tests is 30 days. Settlements with suppliers are mainly in Singapore Dollars by way of cheque or payment by designated credit card. During the Track Record Period, we had not experienced any material shortage or delay in the supply of inventories and consumables.

During the Track Record Period and up to the Latest Practicable Date, we had not entered into any long-term agreements with any of our suppliers.

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Major Suppliers

The table below sets out the breakdown of our five largest suppliers during the Track Record Period and their background information:

FY2016

Rank	Supplier	Business nature	Types of services/ products supplied	Approximate years of relationship with the supplier as at the Latest Practicable Date	Credit terms	Transaction amounts for the year (\$)	Approximate % of total purchases of our Group for the year
1.	Supplier A	A private company that is principally engaged in the sales of medical and pharmaceutical products	Purchases of consumables and medical supplies — Medications	7	Within 7 days	862,136	40.1
2.	Supplier B	A private company that principally provides medical laboratory services	Provision of medical professional services — Laboratory & radiology tests	2	Within 30 days	470,715	21.9
3.	Supplier C	A private company that is principally engaged in the sales of medical and pharmaceutical products	Purchases of consumables and medical supplies — Medications	2	Payment on delivery	219,563	10.2
4.	Supplier D	A private company that is principally engaged in the sales of consumer and healthcare products	Purchases of consumables and medical supplies — Medications	2	Payment on delivery	136,817	6.3
5.	Supplier E	A private company that principally provides medical laboratory services	Provision of medical professional services — Laboratory tests	2	Within 30 days	96,362	4.5
						Total purchases from our five largest suppliers	83.0
						All other suppliers	17.0
						Total purchases	100.0

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FY2017

Rank	Supplier	Business nature	Types of services/ products supplied	Approximate years of relationship with the supplier as at the Latest Practicable Date	Credit terms	Transaction amounts for the year (\$)	Approximate % of total purchases of our Group for the year
1.	Supplier A	A private company that is principally engaged in the sales of medical and pharmaceutical products	Purchases of consumables and medical supplies — Medications	7	Within 7 days	928,814	33.8
2.	Supplier B	A private company that principally provides medical laboratory services	Provision of medical professional services — Laboratory & radiology tests	2	Within 30 days	570,362	20.8
3.	Supplier D	A private company that is principally engaged in the sales of consumer and healthcare products	Purchases of consumables and medical supplies — Medications	2	Payment on delivery	300,845	10.9
4.	Supplier C	A private company that is principally engaged in the sales of medical and pharmaceutical products	Purchases of consumables and medical supplies — Medications	2	Payment on delivery	211,298	7.7
5.	Supplier F	A private company that principally provides medical laboratory services	Provision of medical professional services — Radiology tests	2	Within 30 days	129,132	4.7
Total purchases from our five largest suppliers						2,140,451	77.9
All other suppliers						607,391	22.1
Total purchases						<u>2,748,382</u>	<u>100.0</u>

To the best knowledge of our Directors, none of our Directors or their respective close associates or any Shareholders (who or which to the best knowledge of our Directors, own more than 5% of the issued Shares as at the Latest Practicable Date) had any interest in any of our five largest suppliers during the Track Record Period.

Procurement

Our Doctors are primarily responsible for keeping abreast of the latest medication, skincare products, technologies and techniques based on medical journals by recognised or leading individuals. Upon identifying new and suitable treatment devices, medication or skincare products, our Doctors will consider the feasibility of the product or device to ensure that they are appropriate for our Group's general medical practice as well as our focus in providing a comprehensive solution for sexual health and infectious diseases. The new product or device also has to be reliable and capable of delivering

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desired outcomes and results for our patients. The approval of our Doctors must be obtained before we procure a new treatment device, medication or product. Our Doctors will evaluate and assess the suitability of a new treatment device for our Clinics by considering medical journals and reports, their clinical knowledge and experience to ensure that they are safe and capable of producing the desired results for our patients. We also maintain a list of our suppliers and service providers and regularly review such list to ensure that we have a constant and stable supply of medications, skincare products and/or services.

When deciding whether to procure a new treatment device, we take into account factors such as (i) whether the particular device is evidence-based i.e. whether the effectiveness or technology of the device is supported by clinical trials published by peer-review medical journals as well as international established guidelines by recognised authorities in the field, to ensure that they are reliable and are capable of delivering desired outcomes and results for our patients, (ii) whether there are similar devices on the market; (iii) whether it is complementary to our existing treatment offerings; and (iv) if the outcome of the use of the device is better than existing devices and/or reduces complications or risks of the treatment or procedure.

In addition, we enter into arrangements with a pharmaceutical company which is an Independent Third Party for the manufacturing of our “肤” skincare products. For further details, please refer to the paragraph headed “Our business model, Services, products and procedures — Our products” in this section above.

Our Doctors hold monthly meetings to discuss whether to purchase new medications and/or skincare products and collectively decide on the products to purchase and quarterly meetings to discuss the performance of the suppliers that our Group engages. As such, our Directors consider that we have adequate safeguards in place such that none of our Group or any of our Doctors and staff receive kickbacks from our suppliers, in particular, pharmaceutical companies.

During the Track Record Period and up to the Latest Practicable Date, we neither encountered any quality issues on our purchases nor received any defective products that would have had a material impact on our business, financial condition or results of operations.

Inventory management

Our inventory mainly comprise consumables and medical supplies, which amounted to approximately S\$577,000 and S\$400,000 as at 31 December 2016 and 31 December 2017, respectively. We also have policies and procedures in place for the safe storage of our inventories and regularly monitor the level of inventory at our Clinics in order to minimise any waste on inventory and avoid obsolete inventory.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant write-offs of our inventory.

SETTLEMENT AND CASH MANAGEMENT

We have implemented a check and balance system to ensure that our sales receipts are accurately received and recorded. Our staff is expected to check our daily sales records against all credit card slips and actual cash receipts and rectify any discrepancies noted, on a daily basis. Each invoice that is issued

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to our customers is checked prior to dispatch. Actual cash receipts for the day are collected by an appointed staff personnel on a weekly basis which will thereafter be deposited to the bank. Upon receiving the monthly bank statements, bank reconciliation will be conducted to ensure the accuracy of the proceeds received. Any reconciliation reports will be reviewed and approved by our accounting department.

During the Track Record Period and up to the Latest Practicable Date, we did not encounter any issues in connection with our sales receipt control and management policy which would have had material impact on our business, financial condition or results of operations.

QUALITY ASSURANCE

We strive to provide quality and specialty care for a wide variety of general medical services with a focus to providing an all-rounded solution for sexual health and infectious diseases. To this end, we have adopted stringent quality assurance and control measures that cover, among others, the following aspects:

Recruitment and training of professional staff

In selecting new doctors, aestheticians and clinic assistants for our Clinics, we assess, among others, their academic and professional qualifications, years of relevant hands-on experience as well as their character, integrity and level of interest. In respect of the recruitment of doctors, we generally take into consideration the new doctor's practising experience and expertise and his interest in the area of healthcare that our Group practises. In respect of aestheticians, we generally prefer candidates who have relevant hands-on experience in the medical aesthetics field. All our professional staff will undergo on-the-job assessments by our Doctors to ensure and maintain the quality and standard of our services to patients.

We require our newly recruited doctors and aestheticians to undergo an internal orientation programme prior to their carrying out their respective roles in the Clinics independently. Our aestheticians are also given on-the-job training from time to time.

Our orientation programme for our newly recruited doctors will include shadowing of our existing Doctors whereby they will familiarise themselves with the medical devices, explanation of procedure, protocol processes, provision of aftercare instructions to patients for each prescription as well as management of complications arising from procedures performed on patients. The newly recruited doctors will also observe how our existing Doctors use certain equipment or the manner in which a certain procedure is performed. They will also perform the procedures under the close supervision of our existing Doctors. Upon completion of the orientation program and their probation period, such newly recruited doctors are confirmed as our resident Doctors.

Procurement

Treatment devices

We place great emphasis on ensuring that treatment devices to be introduced for use in our Clinics are reliable and capable of delivering desired results for our patients. None of our treatment devices are refurbished and we constantly ensure that the treatment devices are maintained and

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serviced in accordance with the recommendations stipulated by the distributor or manufacturer of the device. For further details of the factors we take into account when deciding whether to procure a new treatment device, please refer to the paragraph headed “Our suppliers — Procurement” in this section above.

Medication and skincare products

We select and source medication and skincare products carefully based on factors such as the suppliers’ background, credentials and reputation, product quality and cost. The approval of our Doctors must be obtained before we adopt any new over-the-counter skin care product for sale.

In addition to our procurement procedures discussed above, we also implement the following quality control procedures for our “肤” skincare products:

- before selecting the constitutive formulas of our “肤” skincare products, our Doctors will review medical journals, reports, commentaries and the ingredient list to ensure that its contents and composition are safe for users;
- we generally place small order sizes of our “肤” skincare products to avoid excess inventory and ensure the quality preservation;
- before accepting the product delivery, our staff would perform sample checks on the packaging to ensure that it is not physically damaged or that the product is past its expiry date;
- our sales and operations staff would inspect whether the private labels applied to containers are clear, unambiguous and in our agreed format and product specification;
- proper recording of the delivery date or manufacturing date of products, and periodic monitoring of stock level on our inventory management system are performed to ensure inventories have not expired; and
- all our “肤” skincare products are stored at our premises in accordance with the recommended storage conditions.

Standard operation procedures and clear division of labour

We implement standard operation procedures at our Clinics and a clear division of labour to improve operational and administrative efficiency and enhance the quality of our Services. Our frontline staff mainly comprise our Doctors, aestheticians and clinic assistants. Our Doctors are mainly responsible for performing procedures and deciding the proper treatment of our patients while our clinic assistants are mainly responsible for patient registration, payment, appointment bookings, checking and delivering medical dosages prescribed by our Doctors and general administration work. Such internal structure and well-defined responsibilities are established for the purpose of segregating the powers of operations and customer service to achieve check and balance. Our aestheticians generally conduct non-medical aesthetics procedures such as facials. Our aestheticians also occasionally assist our Doctors in certain medical aesthetics procedures.

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Customer feedback

Due to the service nature of our Group's business, we consider customer feedback a valuable tool for improving our Services. We take customer feedback seriously and complaints from customers will be handled by one of our Doctors or a member of senior management of our Group in a timely and appropriate manner. Feedback from our customers is often provided to our Doctors during consultation, by e-mail or social media. Upon receipt of unfavourable feedback, our senior management will investigate and perform an assessment of the matter and will endeavour to clarify any misunderstanding and alleviate any concerns of the customers through consultation and provide the relevant feedbacks to the relevant Doctor. Where required and/or applicable, our senior management will take steps to manage the patient's expectations of a particular procedure or medication. For example, where a patient has experienced side-effects or developed an allergy to a particular oral and/or topical drug, procedure and/or skincare product, or where the skincare product was of unsatisfactory quality due to the fault of our suppliers, re-treatment and explanation of our Doctor's management plan and procedure performed may be offered to the patient.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not receive any complaint or unfavourable feedback which had a material impact on our business and operations.

RESEARCH AND DEVELOPMENT

We do not engage in any proprietary medical research and development. However, in order to keep ourselves abreast of the latest market trends as well as technological developments in the field, our Doctors attend and participate in medical conferences, seminars and workshops in Singapore and overseas from time to time.

LICENCES, PERMITS AND CERTIFICATIONS

The Private Hospitals and Medical Clinics Act requires a licence to be obtained before any premises or conveyance is used as a medical clinic. During the Track Record Period and up to the Latest Practicable Date, all of our Clinics held valid licences to operate medical clinics at the respective locations as specified in the respective licences issued by Director of Medical Services under the Private Hospitals and Medical Clinics Act. An application for any amendment to such licences, such as a change of address in the event of the relocation of premises, can be made in accordance with the PHMC Regulations. Our Directors confirm that such licences remained valid and were in full force and effect as at the Latest Practicable Date.

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The table below sets out the list of the relevant licences we obtained for the operation of our Clinics as at the Latest Practicable Date:

Clinic	Licence/Permit	Licence holder	Validity period	Issuing authority
Bencoolen Clinic	Licence to operate a Medical Clinic (Licence No. 14M0063/02/162)	SHCL	25 March 2018 to 24 March 2023	MOH
Katong Clinic	Licence to operate a Medical Clinic (Licence No. 16M0190/01/162)	RHL	27 June 2016 to 26 June 2018 <i>(Note)</i>	MOH
Novena Clinic	Licence to operate a Medical Clinic (Licence No. 16M0145/01/162)	RHL	17 May 2018 to 16 May 2023	MOH
Robertson Clinic	Licence to operate a Medical Clinic (Licence No. 16C0146/02/172)	RHL	8 August 2017 to 7 August 2019	MOH
Scotts Clinic	Licence to operate a Medical Clinic (Licence No. 15M0102/02/172)	RHL	17 April 2017 to 16 April 2019	MOH
Somerset Clinic	Licence to operate a Medical Clinic (Licence No. 15M0301/02/172)	RHL	4 September 2017 to 3 September 2019	MOH
SA Clinic	Licence to operate a Medical Clinic (Licence No. 17M0137/01/172)	RHL	16 May 2017 to 15 May 2019	MOH

Note: We have submitted the renewal application for the relevant license for the Katong Clinic in April 2018 and the approval of such application was pending as at the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, each of our Doctors (i) was a registered medical practitioner with the SMC; and (ii) had obtained the necessary qualifications required of them for their medical practice. Our Group has also obtained eight licences in respect of the use of certain treatment devices, including our laser equipment, at our Clinics, two of which were held

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in the individual capacity of two of our resident Doctors for the operation of non-ionising radiation irradiating apparatus. Renewal applications for our licences will be submitted to the relevant authorities within the prescribed statutory time period or the relevant regulatory authority's recommended renewal time period, which is typically approximately two to three months prior to the expiry of any of our licences. Our Directors confirm that there are no circumstances that would result in our Group or any of our Doctors being unable to obtain renewals for any of our licences.

As at the Latest Practicable Date, our Directors confirm that none of our Group's licences have been suspended or revoked in the past.

REGULATORY COMPLIANCE AND LEGAL PROCEEDINGS

Regulatory compliance

Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, (i) we had not been involved in any incidents of material non-compliance with the applicable laws and regulations in Singapore, and (ii) none of the members of our Group had been subject to any proceedings brought under, or received any written complaints or warnings in relation to, any of the laws or regulations applicable to our Group's business as summarised in the section headed "Regulatory Overview" of this prospectus.

Being registered medical practitioners, our Doctors are required to adhere to the SMC Ethical Code and SMC Ethical Guidelines 2016. Each of our Doctors has confirmed that, during the Track Record Period and up to the Latest Practicable Date, he/she had not been subject to any disciplinary actions, investigations or other similar actions by the SMC or other professional and regulatory bodies in Singapore.

Legal proceedings

To the best knowledge of our Directors, during the Track Record Period and up to the Latest Practicable Date, none of the members of our Group was engaged in any litigation, arbitration or claim of material importance, and our Directors were not aware of any pending or threatened litigation, arbitration or claim of material importance against our Group which, in the opinion of our Directors, would have a material adverse effect on our financial condition or results of operations.

INSURANCE

Insurance policies

We maintain insurance coverage for our product liability and public liability as well as a workman injury compensation policy for our employees. The insurance policies taken by our Group are common policies taken by businesses in the industry and are generally not high-risk insurance policies. As such, our Group's insurance coverage incurred low costs during the Track Record Period. In addition, our resident Doctors, as members of the Medical Protection Society or other professional indemnity providers, maintain professional malpractice liability coverage, which includes indemnity, advice and legal representation in relation to claims, investigations and proceedings arising from or in connection

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with their professional practices. As our Doctors maintain their own professional insurance indemnity pursuant to their membership with the Medical Protection Society or other professional indemnity provider, our Group does not maintain professional indemnity coverage. Under their membership with the Medical Protection Society or other professional indemnity provider, where a claim, investigation or proceeding is initiated against our Doctors, indemnity may be granted in respect of all losses (whether incidental or otherwise), damages, cost, charges, and expenses in connection with such claim, investigation or proceeding. The grant of such indemnity is entirely at the discretion of the council of the Medical Protection Society or such other professional indemnity provider. As such, there is no assurance that such insurance coverage will adequately protect us from the risks involved in our business operations. For further details, please refer to the paragraphs headed “Risks relating to our business — Our insurance coverage and indemnities may not cover all our damages, losses and risks arising from our course of operations” and “Risks relating to our business — Our Doctors could become the subject of legal claims, regulatory actions or professional investigations and litigations regarding any medical dispute brought by patients, and we may be liable for the professional misconduct or negligence of our Doctors, which may harm our reputation and business” under the section headed “Risk Factor” of this prospectus.

For FY2016 and FY2017, our total insurance costs amounted to approximately S\$400 and S\$4,000, respectively. Our Directors believe that our insurance coverage is sufficient, adequate and in line with the industry norm. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustments to our insurance coverage.

HEALTH, WORK SAFETY, SOCIAL AND ENVIRONMENTAL MATTERS

In line with Singapore regulatory requirements, our Group strives to create and ensure that a safe working environment is provided to our employees. We also have implemented certain procedures and guidelines in respect of the operation of treatment devices and the disposal of medical waste. We have entered into a service agreement with a company duly licensed under the Singapore Environmental Public Health (Toxic Industrial Waste) Regulations as a toxic industrial waste collector for the collection and disposal of medical waste at each of our Clinics and dispose of it in any authorised incineration plants approved under the laws of Singapore. In addition, each of our Clinics has a designated biological waste bin for the disposal of medical waste such as used syringes and needles, which will be periodically collected by the licensed service provider. For further details of the health and safety guidelines that our Group is subject to, please refer to the section headed “Regulatory Overview” of this prospectus.

During the Track Record Period and up to the Latest Practicable Date, none of our employees was involved in any material workplace accident or suffered any material injury in the course of his/her employment, and we were not subject to any disciplinary action with respect to occupational safety.

We did not incur any material cost of compliance with applicable environmental protection rules and regulations during the Track Record Period and up to the Latest Practicable Date and our Directors do not expect to incur any significant compliance costs in the future. As at the Latest Practicable Date, our Group had not come across any material non-compliance issues in respect of any applicable laws and regulations on environmental protection.

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EMPLOYEES

As at the Latest Practicable Date, we had 30 employees in Singapore, all of which were employed on full-time basis. The following table shows a breakdown of our employees by function as at the Latest Practicable Date:

Function	Number of employees
Executive Directors	2
Doctors ⁽¹⁾	8
Aestheticians	2
Clinic assistants	12
Administrative staff	2
Finance and accounting	<u>4</u>
Total	<u><u>30</u></u>

Note:

(1) Include resident Doctors and doctor(s) on their probation period.

We assess and review the performance of our staff annually and determine the salary adjustment, promotion and/or bonus to be awarded to our staff. 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.

For FY2016 and FY2017, the turnover rate of our resident Doctors during the Track Record Period was approximately 12.5% and 37.5%, respectively. As at 31 December 2016 and 2017, we had eight and eight resident Doctors, respectively. The number of our resident Doctors providing Services remained stable and we are able to recruit replacements in a timely manner.

During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material dispute with our employees or disruption to our operations due to any labour dispute and we had not experienced any difficulty in the recruitment and retention of employees.

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PROPERTIES

As at the Latest Practicable Date, we did not own any properties in Singapore and have entered into ten lease agreements for our Clinics and head office in Singapore. The following table sets forth certain details of our leased and occupied properties as at the Latest Practicable Date:

Clinic	Address	Usage	Approximate gross floor area (<i>sq.ft.</i>)	Approximate monthly rental (exclusive of service charges) (<i>S\$</i>)	Term
Robertson Clinic (including expansion unit)	#02-06 and #02-07 Robertson Walk, 11 Unity Street, Singapore 237995	Clinic	473	5,000	1 July 2017 to 30 June 2020
			398	4,200	16 October 2017 to 15 October 2020
Bencoolen Clinic	180 Bencoolen Street, #02- 20 The Bencoolen, Singapore 189646	Clinic	1,290	7,500	15 March 2018 to 14 March 2020
Scotts Clinic	9 Scotts Road, #06-06 Scotts Medical Centre, Pacific Plaza, Singapore 228210	Clinic	539	6,300	1 May 2018 to 30 April 2021
Novena Clinic	10 Sinaran Drive, #08-31 Novena Medical Centre, Singapore 307506	Clinic	452	3,600	1 September 2017 to 31 August 2020
Somerset Clinic	#10-08 Orchard Building, 1 Grange Road Singapore, 239693	Clinic	554	4,700	1 September 2017 to 31 August 2019
Katong Clinic	1st Floor, 184 East Coast Road, Singapore 428890	Clinic	728	4,500	1 July 2016 to 30 September 2018






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Clinic	Address	Usage	Approximate gross floor area (<i>sq.ft.</i>)	Approximate monthly rental (exclusive of service charges) (S\$)	Term
SA Clinic	9 Scotts Road, #07-07 Scotts Medical Centre, Pacific Plaza, Singapore 228210	Clinic	915	11,900 (from 1 May 2017 to 30 April 2018) 12,100 (from 1 May 2018 to 30 April 2020)	1 May 2017 to 30 April 2020
Tong Eng Building (including expansion unit)	101 Cecil Street, #09-11 and #17-12, Singapore 069533	Office use	463 1,227	2,400 5,600	15 July 2016 to 14 July 2018 1 February 2018 to 31 January 2020

Each of the abovementioned properties is leased from an Independent Third Party.

For FY2016 and FY2017, our operating lease rentals in respect of our Clinics and head office amounted to approximately S\$372,000 and S\$556,000, respectively, representing approximately 5.2% and 5.6% of our revenue for the respective years. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing our lease agreements or finding new premises of our business operations.

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, our Group had (i) registered two trademarks, being “” and  in Singapore; and (ii) applied for the registration of one trademark, being “” in Singapore and two trademarks in Malaysia being “” and “”. Please refer to the paragraph headed “Statutory and General Information — Further information about the business of our Group — 2. Intellectual property” in Appendix IV to this prospectus for details of our material intellectual property rights.

During the Track Record Period and up to the Latest Practicable Date, there were no claims, whether actual, pending or threatened, made against our Group for the infringement of intellectual property rights of any third parties and we were not aware of any infringement of our intellectual property rights. We believe that we have taken all reasonable measures to protect our intellectual property rights and deter any such infringement.

COMPETITION

Due to the regulatory restrictions on advertising or promotion of services by doctors, we believe the success of service providers in the industry depends on their reputation, track record and word-of-mouth passed by satisfied customers. According to the CIC Report, there are 2,008 primary healthcare service providers in Singapore in 2017, and the private primary healthcare industry in Singapore is competitive and fragmented, with the top five players only accounting for approximately 12.5% of the market share in terms of revenue in 2017. In particular, we are one of the established private general practice clinics in Singapore in terms of revenue in 2017. We believe that the key factors contributing to our continued competitiveness include, among others, the strategic locations of our Clinics, our comprehensive range of services to treat a variety of medical conditions, team of experienced and dedicated Doctors and being one of the approved anonymous HIV-testing centres with the MOH in Singapore.

For details of the competitive landscape of the industry in which our Group operates, please refer to the paragraph headed “Industry Overview — Competitive landscape of the private GP clinic industry in Singapore” of this prospectus.

RISK MANAGEMENT AND INTERNAL CONTROL

In the course of conducting our business, we are exposed to various types of risks, which are further elaborated in the section headed “Risk Factors” of this prospectus for further details. To ensure effective risk management, we have implemented the following procedures and policies:

Board and audit committee

Our Board oversees and manages the overall risks associated with our business. We have established an audit committee to review and supervise the financial reporting process and internal control system of our Group. The audit committee consists of three members namely Mr. Leung Ho San Jason, Mr. Soh Sai Kiang and Mr. Tan Chee Ken. For the qualifications and experience of the members of the audit committee, please refer to the section headed “Directors, Senior Management and Employees” of this prospectus for further details. We have also prepared written terms of reference in compliance with the GEM Listing Rules and the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules.

Internal control

Our Group has established internal control systems covering corporate governance, financial reporting, revenue, expenditure management, human resources, treasury and general computer controls. In preparation for the Listing, we engaged an independent internal control consultant (the “**Internal Control Consultant**”) in November 2017 to conduct a comprehensive review of our internal control mechanisms, to identify any deficiencies in our internal control system and to make recommendations on enhanced internal control measures to be established by us to prevent future violations and ensure on-going compliance with applicable laws and regulations. During the initial review in December 2017 (the “**First Review**”), the internal control consultant provided recommendations on the improvement of our internal control systems.

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Set out below is a summary of the major findings identified by and recommendations of the Internal Control Consultant and the relevant remedial measures implemented by us:

Major findings	Recommendations and relevant remedial measures
<ul style="list-style-type: none">• Our Group fails to set up any internal audit department to perform on-going monitoring of our operating activities	We updated our internal control manual in December 2017. Our Group will establish an internal audit department or engage an independent internal control consultant upon Listing to perform the on-going monitoring of our internal control system and ensure proper compliance of the established controls and review internal control system annually to ensure that the potential risk areas in operations could be found and remedial action can be performed.
<ul style="list-style-type: none">• Our Group fails to maintain stocktake report or other documentation signed by staff other than procurement staff to verify the quantities	We updated our stocktake policies in December 2017. Staff from finance department will prepare and sign the stocktake report in order to prevent potential inventory risks and problems.

We have adopted substantially all of the recommendations made by the internal control consultant and have enhanced our internal control system in accordance with the findings of such review. Our Directors believe that the current internal control system is appropriate for our business operations. Our Board will regularly review the administration and the adequacy of our internal control system and develop and revise our internal control system to cater for our expansion.

The Internal Control Consultant performed a follow-up review in January 2018 to review the status of the management actions taken by our Group to address the recommendations of the First Review (the “**Follow-up Review**”). The Internal Control Consultant raised no further recommendations in the Follow-up Review. The First Review and the Follow-up Review were conducted based on the information provided by our Company and no assurance or opinion on internal controls was expressed by the Internal Control Consultant. Our Directors confirm, and the Sole Sponsor concurs, that the internal control measures implemented by our Group are sufficient and could effectively ensure a proper internal control system of our Group. Our Board will regularly review the administration and the adequacy of our internal control system and develop and revise our internal control system to cater for our expansion.

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In order to ensure future compliance with applicable laws, regulations and related policies, we have adopted an internal control policy and the following measures:

- (i) our Directors have attended trainings conducted by our Hong Kong legal advisers on the ongoing obligations, duties and responsibilities of directors of publicly listed companies under the Companies Ordinance, the SFO and the GEM Listing Rules and our Directors are fully aware of their duties and responsibilities as directors of a listed company in Hong Kong;
- (ii) our Group has appointed Titan Financial Services Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules to ensure that, among other things, we are properly guided and advised as to compliance with the GEM Listing Rules and all other applicable laws, rules, codes and guidelines;
- (iii) our Group has established an audit committee with written terms of reference in accordance with Appendix 15 to the GEM Listing Rules to monitor ongoing corporate governance and to review the internal control system and procedures for compliance with the requirements of the GEM Listing Rules and other applicable laws, rules and regulations; and
- (iv) our Group will from time to time, appoint external legal advisers, where applicable, to advise on compliance with and provide us with updates on the changes in the GEM Listing Rules and the applicable laws, regulations and rules from time to time to see if any change is required to be made with our operations and/or internal control policy.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately after completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), our Controlling Shareholders will be directly or indirectly interested in 75% of the issued share capital of our Company.

As at the Latest Practicable Date, Dr. Alan Tan is the director and one of the shareholders of Mere Consulting Pte. Ltd. (formerly known as Republic Clinics Pte. Ltd.) (“**Mere Consulting**”), a private company limited by shares incorporated in Singapore owned as to 81.0% by Dr. Alan Tan and 19.0% by an Independent Third Party, respectively, which was established by Dr. Alan Tan together with such Independent Third Party in July 2010. In April 2016, the clinical operations of Mere Consulting, namely our Robertson Clinic and Novena Clinic, were transferred to RHL at a consideration of approximately S\$396,400 which was determined based on the net asset value of Robertson Clinic and Novena Clinic. Mere Consulting ceased to engage in the business of clinical operations in Singapore since then and was no longer engaged in the provision of marketing consultancy services in the healthcare industry in Singapore since October 2016 and is currently an inactive company.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed in this section and the section headed “History, Reorganisation and Group Structure” of this prospectus, our Group did not have any business dealings with the companies associated with or controlled by our Controlling Shareholders and there was no overlapping of business between our Group and our Controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following grounds, our Directors believe that our Group is capable of carrying on our business independent of and without undue reliance on our Controlling Shareholders and their respective close associates after the Listing:

Management independence

Although Dr. Alan Tan is one of our Controlling Shareholders and also holds directorship in our Company, the day-to-day management and operation of the business of our Group will be the responsibility of our executive Directors and senior management of our Company. Our Board has five Directors comprising two executive Directors and three independent non-executive Directors, hence there will be a sufficiently robust and independent voice within our Board to protect the interests of our independent Shareholders and they are independent of our Controlling Shareholders and are in a position to fully discharge their duties to our Shareholders as a whole upon Listing.

Each of our Directors is aware of his fiduciary duties as a Director which require, among other things, that he acts for the benefit of and in the best interests of our Company and does not allow any conflict between his duties as a Director and his personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) will abstain

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

from voting at the relevant board meetings of our Company in respect of such transactions and will not be counted in the quorum. In addition, our Company has an independent senior management team to carry out the business decisions of our Group independently.

Operational independence

Our Group has established our own organisational structure made up of individual departments, each with specific areas of responsibilities. Historically, our Group's certain business activities were carried out under Mere Consulting and our Group has assumed all these clinical operations businesses independently upon the transfer of the clinical operations of Mere Consulting, namely our Robertson Clinic and Novena Clinic, to RHL in April 2016 and Mere Consulting ceased to engage in the business of clinical operations in Singapore. Since October 2016, Mere Consulting ceased to provide the marketing consultancy services in the healthcare industry in Singapore and is currently an inactive company. We did not share any operational resources, such as office premises, sales and marketing and general administration resources, and facilities and equipment with our Controlling Shareholders and their close associates during the Track Record Period. We have also established a set of internal controls to facilitate the effective operation of our business. Our Group also has its own capabilities and personnel to perform all essential administrative functions, including financial and accounting management, human resources and information technology.

Our suppliers and customers are all independent from our Controlling Shareholders. We do not rely on our Controlling Shareholders or their close associates and have our independent access to our suppliers for the provision of services and products.

Financial independence

We have our own accounting and finance department and independent financial system and make financial decisions according to our own business needs. We also have our own treasury function and independent access to third party financing. As at 31 December 2017, we recorded an amount due to Dr. Alan Tan, one of our executive Directors and Controlling Shareholders, of approximately S\$561,000, which will be fully settled before the Listing by repayment in cash. For further details, please refer to the paragraph headed "Financial Information — Net current assets — Amount due to a director" of this prospectus. Other than the abovementioned amount due to Dr. Alan Tan, there was no outstanding amount due to our Controlling Shareholders or their close associates from us and there was no security or guarantee provided for our benefit by our Controlling Shareholders or any of their close associates.

RULE 11.04 OF THE GEM LISTING RULES

Each of our Controlling Shareholders, our Directors and their respective close associates does not have any interest in a business (apart from our Group's business) which competes and is likely to compete, directly or indirectly, with our Group's business and would require disclosure under Rule 11.04 of the GEM Listing Rules.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

NON-COMPETITION UNDERTAKING

Our Controlling Shareholders (each a “**Covenantor**” and collectively, the “**Covenantors**”) entered into the Deed of Non-competition in favour of our Company, under which each of the Covenantors, among others, has irrevocably and unconditionally, jointly and severally, warrants and undertakes to our Company (for ourselves and as trustee for each of its subsidiaries) that any time during the Effective Period (as defined below):

- (a) he/it will not, and will procure any Covenantor and his/its close associates (each a “**Controlled Person**” and collectively, the “**Controlled Persons**”) and any company directly or indirectly controlled by the Covenantor (which for the purpose of the Deed of Non-Competition, shall not include any member of our Group) (the “**Controlled Company**”) not to, except through any member of our Group, directly or indirectly (whether on its own account or with each other or in conjunction with or on behalf of any person or company, or as principal or agent, through any body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise), carry on, engage in, invest or be interested or otherwise involved in (in each case whether as a shareholder, director, partner, agent or otherwise and whether for profit, reward or otherwise) any business that is similar to or in competition with or is likely to be in competition with any business currently and from time to time engaged by our Group in Singapore and any other country or jurisdiction in which our Group carries on business from time to time (“**Restricted Business**”);
- (b) if any of the Covenantors is offered or becomes aware of any new project or business opportunity (“**New Business Opportunity**”), whether directly or indirectly, he/it (i) shall promptly notify our Company of such New Business Opportunity in writing, providing all the information and document available to such Covenantors or his/its close associates in respect of the New Business Opportunity and all the assistance as may be reasonably required by our Company to make an informed assessment of such New Business Opportunity; and (ii) shall not, and shall procure that the Controlled Persons or Controlled Company shall not, invest or participate in any such New Business Opportunity unless such New Business Opportunity shall have been declined by our Company and the principal terms of which he/it and/or his/its close associates invest or participate in are no more favourable than those made available to our Company.

The restrictions which each of the Covenantors has agreed to undertake pursuant to the Deed of Non-competition will not apply to such Covenantors in the circumstances where the holding of or interests in shares or other securities by any of the Covenantors and/or his/its close associates in any company which conducts or is engaged in any Restricted Business, provided that, in the case of such shares, they are listed on a recognised stock exchange as specified under the SFO and either:

- (a) the relevant Restricted Business (and assets relating thereto) accounts for less than 10% of the relevant combined turnover or combined assets of the company in question, as shown in the latest audited accounts of the company in question; or

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (b) the total number of the shares held by any of the Covenantors and his/its close associates or in which they are together interested does not amount to more than 5% of the issued shares of that class of the company in question, provided that any of the Covenantors and his/its close associates, whether acting singly or jointly, are not entitled to appoint a majority of the directors of that company and that at all times there is a holder of such shares holding (together, where appropriate, with its close associates) a larger percentage of the shares in question than the Covenantors and his/its close associates together hold.

The Deed of Non-competition will take effect from the date on which dealings in the Shares first commence on GEM and will cease to have any effect upon the earliest of the date on which (i) such Covenantor, being a Controlling Shareholder, individually or collectively with any other Covenantor(s) ceases to be interested, directly or indirectly, in 30% (or such percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer as defined thereunder) or more of the issued Shares, or otherwise ceased to be regarded as a Controlling Shareholder of our Company; or (ii) the Shares cease to be listed and traded on GEM (except for temporary suspension of the Shares due to any reason) (the “**Effective Period**”).

CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following measures to strengthen its corporate governance practice and to safeguard the interests of the Shareholders:

- (a) the Articles provide that a Director shall absent himself/herself from participating in Board meetings (nor shall he/she be counted in the quorum) and voting on any resolution of the Board approving any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested unless a majority of the independent non-executive Directors expressly requested him/her to attend;
- (b) our independent non-executive Directors will review and will disclose decisions with basis, on an annual basis, the compliance with the Deed of Non-competition by our Controlling Shareholders;
- (c) our Controlling Shareholders undertake to provide all information requested by our Company which is necessary for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-competition;
- (d) our Company will disclose decisions with basis on matters reviewed by the independent non-executive Directors relating to compliance and enforcement of the Deed of Non-competition of the Controlling Shareholders in the annual reports of our Company or otherwise by way of announcements published by our Company;
- (e) our Controlling Shareholders will make an annual declaration on compliance with the Deed of Non-competition in the annual report of our Company;
- (f) our Company has appointed Titan Financial Services Limited as the compliance adviser, which upon enquiry of our Company, will provide advice and guidance to our Company in respect of compliance with the GEM Listing Rules;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (g) our independent non-executive Directors will be responsible for deciding whether or not to allow our Controlling Shareholders and/or their respective close associates to involve or participate in a Restricted Business and if so, any condition to be imposed; and
- (h) our independent non-executive Directors may appoint independent financial adviser and other professional advisers as they consider appropriate to advise them on any matter relating to the Deed of Non-competition or connected transaction(s) at the cost of our Company.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Our Board is responsible and has general power for the management and conduct of our business. Our Board consists of two executive Directors and three independent non-executive Directors. The following table sets out certain information regarding the members of the Board:

Name	Age	Position	Time of joining our Group	Date of appointment as a Director	Main roles and responsibilities	Relationship with other Directors and senior management
Dr. Tan Cher Sen Alan (陳致暹)	42	Executive Director and chairman of our Board	August 2010	3 January 2018	Responsible for overall strategic planning, management and business development of our Group	N/A
Mr. Toh Han Boon (卓漢文)	36	Executive Director and chief financial officer	May 2017	25 January 2018	Responsible for supervision of operations and overall financial management of our Group	N/A
Mr. Leung Ho San Jason (梁浩山)	33	Independent non-executive Director	May 2018	18 May 2018	Providing independent judgement on issues of strategy, policy, accountability and standard of conduct	N/A
Mr. Soh Sai Kiang	49	Independent non-executive Director	May 2018	18 May 2018	Providing independent judgement on issues of strategy, policy, accountability and standard of conduct	N/A
Mr. Tan Chee Ken (陳志勤)	51	Independent non-executive Director	May 2018	18 May 2018	Providing independent judgement on issues of strategy, policy, accountability and standard of conduct	N/A

DIRECTORS

Executive Directors

Dr. Tan Cher Sen Alan (陳致暹), aged 42, is our executive Director and the chairman of our Board. He has been the director of each of BVI Co 1, RHH SG, BCL, BMAL, MML, RHL and SHCL since its incorporation and was appointed as a Director on 3 January 2018 and re-designated as our executive Director on 25 January 2018. Dr. Alan Tan is primarily responsible for the overall strategic planning, management and business development of our Group.

Dr. Alan Tan graduated from National University of Singapore in July 2001 with a Bachelor of Medicine degree and a Bachelor of Surgery degree. He further obtained a degree of Master of Business Administration (Information Technology Management) from University of Leicester, United Kingdom in January 2009. He became a full registration member of the SMC and the General Medical Council in the United Kingdom in May 2002 and November 2003, respectively. He is currently holding the practising certificate granted by the SMC.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Dr. Alan Tan has over 16 years of experience in the healthcare and medical industry and has extensive experience in marketing and management in the healthcare industry. From 2001 to 2002, he worked as a house officer and medical officer in Singapore Healthcare Services, Ang Mo Kio Community Hospital, KK Women's and Children's Hospital, National University Hospital and Alexandra Hospital where he was principally responsible for medical care of in patients and out patients. From 2002 to 2006, Dr. Alan Tan held various management and administrative positions in Singhealth Cluster, Singapore General Hospital and National Heart Centre, where he contributed to research ethics, doctors training programme, staffing, policy development and other general operational aspects of the hospital. From 2006 to 2007, Dr. Alan Tan worked as Regional Medical Advisor, Asia-Pacific region in Schering AG (now known as Bayer Schering Pharma) where he was involved in the development, launch and marketing of various medical products as a medical expert for gynaecology and andrology. From 2008 to 2010, Dr. Alan Tan worked as the Regional Head of Medical Affairs and Oncology in Invida Pharmaceutical Holdings Pte. Ltd. where he was primarily responsible for leading the medical department in day-to-day activities and overseeing the marketing and regional business development for major oncological medicines. Based on his knowledge and skills in the medical profession, he founded our Group in 2010. In March 2017, he was appointed as a non-executive director of Concord Healthcare Singapore Pte. Ltd., which is a member of the group of Concord Medical Services Holdings Limited (a company listed on the National Association of Securities Dealers Automated Quotation with stock code: CCM). Since May 2017, Dr. Alan Tan was an indirect sole shareholder and one of the directors of the KL Company up to 15 November 2017 and 17 October 2017, respectively. As at the Latest Practicable Date, save for the CMSA which our Group has entered into with the KL Company, Dr. Alan Tan had neither equity interest nor hold any directorship in the KL Company. Please refer to the paragraph headed "Business — Other services" of this prospectus for further details of the CMSA.

Mr. Toh Han Boon (卓漢文), aged 36, is our chief financial officer and an executive Director of our Group. He joined our Group in May 2017 and was appointed as an executive Director on 25 January 2018. Mr. Toh is primarily responsible for supervision of operations and overall financial management of our Group.

Mr. Toh graduated from Nanyang Technological University with a Bachelor of Accountancy degree (with honours) in June 2006 and was admitted as a member of the Institute of Singapore Chartered Accountants in September 2009. He was also admitted as a member of the Singapore Institute of Directors in September 2017.

Mr. Toh has over 11 years of experience in finance, accounting and management. Prior to joining our Group, he worked in Ernst & Young, LLP (currently known as EY) from July 2006 to April 2010 with his last position as senior associate in the transaction advisory services, primarily involved in providing transaction advisory services. From 2011 to 2016, Mr. Toh worked as the financial controller of Smoov Pte. Ltd., where he was primarily responsible for overseeing the company's financial planning, budget management and daily operations of the financial team.

Independent non-executive Directors

Mr. Leung Ho San Jason (梁浩山), aged 33, was appointed as our independent non-executive Director on 18 May 2018. Mr. Leung is also the chairman of the audit committee and a member of each of the nomination committee and remuneration committee and is responsible for providing independent judgement on issues of strategy, policy, accountability and standard of conduct to our Group.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Leung obtained a Bachelor of Business degree majoring in banking and finance from Queensland University of Technology in Australia in August 2008. He was admitted as a member of the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) since January 2013 and is currently holding a practising certificate issued by HKICPA.

Mr. Leung has over nine years of experience in auditing and taxation. Since June 2008, Mr. Leung has been working with Philip Leung & Co. Limited, Certified Public Accountants, responsible for the provision of auditing, taxation and secretarial services covering manufacturing, trading, securities and futures trading clientele, and has been a practicing director since April 2014.

Mr. Leung was a nominee director of Gotham Financial Solutions Limited, a company incorporated under the laws of Hong Kong, of which the principal business was property investment (“**Gotham Financial**”). Gotham Financial is under compulsory winding up pursuant to a Winding-up Order granted by the High Court of Hong Kong on 26 October 2016. Mr. Leung confirms that he was at all material time acting solely upon the instructions of a client as a nominee director and there was no fraudulent act, dishonesty, misconduct or misfeasance on his part leading to the winding-up of the company and he is not aware of any actual or potential claim that has been or will be made against him in relation to Gotham Financial. The duty of Mr. Leung was to attend the winding up proceedings under the instruction of the client.

Mr. Soh Sai Kiang, aged 49, was appointed as our independent non-executive Director on 18 May 2018. Mr. Soh is also the chairman of the nomination committee and a member of each of the audit committee and remuneration committee and is responsible for providing independent judgement on issues of strategy, policy, accountability and standard of conduct to our Group.

Mr. Soh obtained a Bachelor of Arts degree majoring in economics and political science from National University of Singapore in June 1993 and has over 24 years of experience in the banking and finance industry. From June 1993 to December 1996, Mr. Soh worked with United Overseas Bank as a banking officer and was primarily responsible for asset management, marketing and operations of unit trust, and from January 1997 to June 1999, he worked with Wee Investments Pte. Ltd. as an investment officer and was primarily responsible for bond trading, equity trading, property research and proxy for board representation. Mr. Soh then joined Lum Chang Securities Pte. Ltd. from June 1999 to July 2001 and his last position was the head of internet trading and was primarily responsible for the establishment and operation of the Internet platform for Internet trading. Mr. Soh has been working with UOB Kay Hian Pte. Ltd. since August 2001 and is currently a director of capital markets group, responsible for structuring companies for listing on the Singapore Stock Exchange.

Mr. Soh was the founder of Artivision Technologies Limited (a company listed on the Singapore Stock Exchange, stock code: 5NK) and was the chairman of the board before his resignation in December 2016. Since June 2015, Mr. Soh has been acting as the executive chairman of Asidokona Mining Resources Pte. Ltd.. Since August 2012, Mr. Soh has been acting as an independent director of Sin Heng Heavy Machinery Limited (a company listed on the Singapore Stock Exchange, stock code: BKA).

Mr. Tan Chee Ken (陳志勤), aged 51, was appointed as our independent non-executive Director on 18 May 2018. Mr. Tan is also the chairman of the remuneration committee and a member of each of the audit committee and nomination committee and is responsible for providing independent judgement on issues of strategy, policy, accountability and standard of conduct of our Group.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Tan obtained a Bachelor of Engineering degree from National University of Singapore in July 1991. Mr. Tan has over 17 years of experience in the information technology industry. He started his career under the scholarship of Hewlett Packard awarded to him in June 1990. From November 1997 to June 1999, he worked with Singapore Telecommunications Limited and his last position was a director of the value added services business, where he was primarily responsible for team management. Mr. Tan then worked with Cisco System (USA) Pte. Ltd. as a director of enterprise operations from July 1999 to January 2002, where he was primarily responsible for management of sales and technology. In 2001, Mr. Tan founded Aculearn Pte. Ltd., a company principally engaged in providing online interactive media platform.

Save as disclosed above, each of our Directors (i) did not hold other positions in our Company or other members of our Group as at the Latest Practicable Date; (ii) had no other relationship with any of our Directors, senior management or substantial Shareholders or Controlling Shareholders as at the Latest Practicable Date; and (iii) did not hold any other directorships in public listed companies in the three years prior to the Latest Practicable Date. As at the Latest Practicable Date, save as disclosed in the section headed “Substantial Shareholders” of this prospectus and in the paragraph headed “Statutory and General Information — Further information about Directors, management and staff” in Appendix IV to this prospectus, each of our Directors did not have any interest in the Shares within the meaning of Part XV of the SFO.

None of our Directors have any interests in any business apart from the business of our Group which competes or is likely to compete, either directly or indirectly, with business of our Group. Please refer to Appendix IV to this prospectus for further information about our Directors, including details of the interest of our Directors in the Shares and underlying shares of our Company (within the meaning of Part XV of the SFO) and particular of the service contract and remuneration.

Save as disclosed in this prospectus, each of our Directors has confirmed that there are no other matters relating to his appointment as a Director that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules.

SENIOR MANAGEMENT

The following table sets out certain information regarding the senior management of our Group:

Name	Age	Position	Time of joining our Group	Date of appointment as senior management	Roles and responsibilities	Relationship with other Directors and senior management
Dr. Tan Kok Kuan	42	Chief executive officer and chief medical officer	September 2010	September 2010	Responsible for daily operations, management and medical affairs of the Group	N/A

Dr. Tan Kok Kuan, aged 42, joined our Group in September 2010 as a chief medical officer and was designated as the chief executive officer of our Group on 25 January 2018. He is responsible for daily operations, management and medical affairs of our Group.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Dr. Tan graduated from National University of Singapore in July 2001 with a Bachelor of Medicine degree and Bachelor of Surgery. He became a full registration member of the SMC in May 2002. He was also admitted as a member of the Academy for Men's Health (Singapore) in July 2014.

Dr. Tan has over 16 years of experience in medical practice, specialising in clinical dermatology and andrology. From January 2002, he worked with Singapore Health Services Pte Ltd. as a medical officer and served in various hospitals including Singapore General Hospital, Singapore National Heart Center and Singapore National Eye Center, where he was primarily responsible for providing medical consultations and treatment for inpatients and outpatients. During the outbreak of Severe Acute Respiratory Syndrome (“SARS”) in Singapore in 2003, he worked as a doctor in the SARS medical task force and was primarily responsible for providing medical care to inpatients and outpatients in the hospitals. In 2005, Dr. Tan joined Thomson Medical Center as a physician in charge of the family clinic and was primarily responsible for providing medical consultations and treatments for outpatients and inpatients. In September 2010, Dr. Tan commenced working with our Group as a chief medical officer and is currently practising at the Novena Clinic.

COMPANY SECRETARY

Mr. Kwok Siu Man (郭兆文), aged 59, was appointed as the company secretary of our Company on 25 January 2018, and is responsible for the corporate secretarial matters of our Company. He is an executive director and the head of corporate secretarial of Boardroom Corporate Services (HK) Limited and a director of Boardroom Share Registrars (HK) Limited.

Prior to joining Boardroom group in September 2013, Mr. Kwok had about 30 years of legal, corporate secretarial and management experience. He oversaw primarily the company secretarial, corporate governance, regulatory compliance and legal (including trademark and copyright) matters while performing his company secretary's role for his previous employers overseas and in Hong Kong (including Great Eagle Holdings Limited (stock code: 41), a former Hang Seng Index Constituent stock company, Sing Tao News Corporation Limited (stock code: 1105), K. Wah International Holdings Limited (stock code: 173) and Lai Sun Development Company Limited (stock code: 488)). He was responsible for overseeing the business development and operations when working as the managing director of a leading financial printer in Hong Kong with international affiliation.

Mr. Kwok obtained a Professional Diploma in Company Secretaryship and Administration and a Bachelor of Arts degree in Accountancy from Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic) in November 1983 and November 1994, respectively. Mr. Kwok completed a course for the post-graduate diploma in laws at the Manchester Metropolitan University in the United Kingdom (the “UK”) and passed the Common Professional Examinations in England and Wales in July 1998. Mr. Kwok was admitted as a fellow member of The Institute of Chartered Secretaries and Administrators in the UK, The Hong Kong Institute of Chartered Secretaries (the “HKICS”) and The Institute of Financial Accountants in England in October 1990, August 1994 and July 1996, respectively. He has also been a fellow member of The Association of Hong Kong Accountants, The Hong Kong Institute of Directors and the Institute of Public Accountants in Australia since June 2014, July 2014 and April 2015, respectively, and a member of the Hong Kong Securities and Investment Institute since April 1999. Mr. Kwok was a council member of HKICS and the chief examiner of the “*Hong Kong Company Secretarial Practice*” module of its international qualifying examinations.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Kwok served as an independent non-executive director of Grand Ocean Advanced Resources Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 65), from February 2015 to February 2016, and has been serving as an independent non-executive director of Tak Lee Machinery Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8142), since June 2017. Mr. Kwok is also the company secretary or a joint company secretary of the following companies listed on the Stock Exchange:

Name and stock code	Main Board or GEM	Position	Period of service
Far East Hotels and Entertainment Limited (stock code: 37)	Main Board	Company secretary	Since September 2013
ELL Environmental Holdings Limited (stock code: 1395)	Main Board	Company secretary	Since March 2014
Fountain Set (Holdings) Limited (stock code: 420)	Main Board	Joint company secretary	Since November 2015
China New Town Development Company Limited (stock code: 1278)	Main Board	Company secretary	Since August 2016
Tsui Wah Holdings Limited (stock code: 1314)	Main Board	Company secretary	Since September 2016
SouthGobi Resources Ltd. (Note 2) (Hong Kong stock code: 1878) (Toronto stock code: SGQ)	Main Board	Hong Kong company secretary	Since October 2016
Yorkshine Holdings Limited (Note 1) (Hong Kong stock code: 1048) (Singapore stock code: MR8)	Main Board	Joint company secretary	Since November 2016
S&P International Holding Limited (stock code: 1695)	Main Board	Joint company secretary	From March 2017 to November 2017
BGMC International Limited (stock code: 1693)	Main Board	Company secretary Company secretary	Since November 2017 Since July 2017
Xinghua Port Holdings Ltd. (stock code: 1990)	Main Board	Joint company secretary	Since July 2017
Kakiko Group Limited (stock code: 2225)	Main Board	Company secretary	Since September 2017
Prosper One International Holdings Company Limited (stock code: 1470)	Main Board	Company secretary	Since September 2017
China Machinery Engineering Corporation (stock code: 1829)	Main Board	Joint company secretary	Since February 2018
Oriental University City Holdings (H.K.) Limited (stock code: 8067)	GEM	Company secretary	Since September 2013
China Binary Sale Technology Limited (stock code: 8255)	GEM	Company secretary	Since November 2013

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Name and stock code	Main Board or GEM	Position	Period of service
GreaterChina Professional Services Limited (stock code: 8193)	GEM	Company secretary	Since July 2014
Chong Sing Holdings FinTech Group Limited (stock code: 8207)	GEM	Company secretary	Since July 2014
Anacle Systems Limited (stock code: 8353)	GEM	Joint company secretary	Since November 2016
Asia Pioneer Entertainment Holdings Limited (stock code: 8400)	GEM	Company secretary	Since March 2017
Furniweb Holdings Limited (stock code: 8480)	GEM	Company secretary	Since March 2017
EDICO Holdings Limited (stock code: 8450)	GEM	Joint company secretary	Since June 2017
MS Concept Limited (stock code: 8447)	GEM	Company secretary	Since December 2017

Notes:

1. The shares of the company are dual-listed on the Stock Exchange and the Singapore Exchange.
2. The shares of the company are dual-listed on the Stock Exchange and the Toronto Stock Exchange.

COMPLIANCE OFFICER

Mr. Toh Han Boon (卓漢文) serves as the compliance officer of our Group for the purpose of the GEM Listing Rules. Please refer to the paragraph headed “Directors” in this section above for his biography.

EMPLOYEES

For details of the employees of our Group, please refer to the paragraph headed “Business — Employees” of this prospectus.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with our Articles of Association and the GEM Listing Rules, we have formed three board committees namely, the audit committee, the nomination committee and the remuneration committee.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Audit Committee

Our Company established an audit committee on 18 May 2018 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and paragraphs C3.3 and C3.7 of the Corporate Governance Code (the “CG Code”). The audit committee comprises three independent non-executive Directors, including Mr. Leung Ho San Jason, Mr. Soh Sai Kiang and Mr. Tan Chee Ken. Mr. Leung Ho San Jason was appointed to serve as the chairman of the audit committee. The primary duties of our audit committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the risk management and internal control systems of our Company.

Remuneration Committee

Our Company established a remuneration committee on 18 May 2018 with written terms of reference in compliance with Rules 5.34 to 5.36 of the GEM Listing Rules and paragraph B.1.2 of the CG Code. The remuneration committee comprises three independent non-executive Directors, including Mr. Leung Ho San Jason, Mr. Soh Sai Kiang and Mr. Tan Chee Ken. Mr. Tan Chee Ken was appointed as chairman of the remuneration committee. The primary functions of our remuneration committee are to make recommendations to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of our Group, review performance-based remuneration and ensure none of our Directors determine their own remuneration.

Nomination Committee

Our Company established a nomination committee on 18 May 2018 with written terms of reference in compliance with paragraph A.5.2 of the CG Code. The nomination committee comprises three independent non-executive Director, including Mr. Leung Ho San Jason, Mr. Soh Sai Kiang and Mr. Tan Chee Ken. Mr. Soh Sai Kiang was appointed as the chairman of the nomination committee. The primary functions of our nomination committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement our Company’s corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of our independent non-executive Directors; and make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of our chairman and the chief executive officer.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION POLICY

Our Group's principal policies concerning the remuneration of Directors or staff of high calibre are determined based on the relevant Director's or staff's duties, responsibilities, experience and skills. Our Directors and senior management receive compensation in the form of salaries, benefits and/or discretionary bonuses relating to the performance of our Group. Our Company also reimburses them for expenses which are necessarily and reasonably incurred for providing services to our Group or executing their functions in relation to our operations. Our Company regularly reviews and determines the remuneration and compensation packages of our Directors and senior management. Our Company provides discretionary bonuses to our senior management and key employees as incentive.

We have conditionally adopted the Share Option Scheme, the purpose of which is to motivate the relevant participants to optimise their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain ongoing relationships with such participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group. The principal terms of the Share Option Scheme are summarised under the paragraph headed "Statutory and General Information — Share Option Scheme" in Appendix IV to this prospectus.

After Listing, our remuneration committee will review and determine the remuneration and compensation packages of our Directors and senior management with reference to the salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

The aggregate amounts of remuneration (comprising fees, salaries, other allowances and benefits, discretionary bonuses and contribution to pension schemes) of our Directors for the two years ended 31 December 2017 were approximately S\$42,000 and S\$132,000, respectively. Under the arrangement currently in force, the aggregate amount of Directors' fee and other emoluments payable to our Directors (excluding any discretionary bonuses) for the year ending 31 December 2018 is estimated to be approximately S\$212,000.

During the Track Record Period, no remuneration was paid by our Company to, or received by, our Directors as an inducement to join or upon joining our Company or as compensation for loss of office during the Track Record Period. Furthermore, none of our Directors had waived any remuneration during the Track Record Period.

CORPORATE GOVERNANCE

Our Company will comply with the CG Code as set out in Appendix 15 of the GEM Listing Rules.

Our Directors will review our corporate governance policies and compliance with the CG Code each financial year and comply with the "comply or explain" principle in our corporate governance report which will be included in our annual reports upon the Listing.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, we have appointed Titan Financial Services Limited as our compliance adviser who will have access to all relevant records and information relating to our Company that it may reasonably require to properly perform its duties. Pursuant to Rule 6A.23 of the GEM Listing Rules, our Company must consult with and, if necessary, seek advice from the compliance adviser on a timely basis in the following circumstances:

- (i) before the publication of any regulatory announcement, circular, or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) where we propose to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this prospectus; and
- (iv) where the Stock Exchange makes an inquiry to our Company in accordance with Rule 17.11 of the GEM Listing Rules.

The term of appointment shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 18.03 of the GEM Listing Rules in respect of our financial results for the second full financial year commencing after the Listing Date and such appointment maybe subject to extension by mutual agreement.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

Immediately following completion of the Share Offer and the Capitalisation Issue (without taking into account of the Shares which may be allotted and issued pursuant to the exercise of options that may be granted under the Share Option Scheme), the following persons/entities will have an interest or a short position in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any member of our Group:

Name	Capacity/Nature of interest	Number of Shares held ^(Note 1)	Percentage of shareholding in our Company
BVI Co 2	Beneficial owner	390,000,000 (L)	75%
Dr. Alan Tan	Interested in controlled corporation <i>(Note 2)</i>	390,000,000 (L)	75%

Notes:

- (1) The Letter “L” denotes the person’s long position in the relevant Shares.
- (2) The entire issued shares of BVI Co 2 is legally and beneficially owned by Dr. Alan Tan. Accordingly, he is deemed to be interested in all the Shares held by BVI Co 2 under the SFO.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the Share Offer and the Capitalisation Issue (without taking into account the Shares which may be allotted and issued pursuant to the exercise of options that may be granted under the Share Option Scheme), have an interest or short position in the Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, be directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Company or any of its subsidiaries.

SUBSTANTIAL SHAREHOLDERS

UNDERTAKINGS

Each of the Controlling Shareholders has given certain undertakings in respect of the Shares held by them to our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Stock Exchange, details of which are set out under the paragraphs headed “Undertakings to the Stock Exchange” and “Undertakings pursuant to the Public Offer Underwriting Agreement” under the section headed “Underwriting” of this prospectus. Each of the Controlling Shareholders has also given undertakings in respect of the Shares to the Company and the Stock Exchange as required by Rules 13.16A(1) and 13.19 of the GEM Listing Rules.

SHARE CAPITAL

SHARE CAPITAL

The tables as shown below assume the Share Offer and the Capitalisation Issue have become unconditional and the issue of Shares pursuant thereto is made as described herein. It does not take into account any Shares which may be allotted and issued upon the exercise of the options which may be granted under the Share Option Scheme.

The authorised and issued share capital of our Company before and following the completion of the Capitalisation Issue and Share Offer is as follows:

	Nominal Value <i>HK\$</i>
Authorised share capital:	
<u>10,000,000,000</u> Shares	<u>100,000,000</u>
Shares in issue or to be issued, fully paid or credited as fully paid:	
100 Shares in issue as at the Latest Practicable Date at HK\$0.01 each	1
389,999,900 Shares to be issued pursuant to Capitalisation Issue	3,899,999
<u>130,000,000</u> New Shares to be issued pursuant to the Share Offer	<u>1,300,000</u>
<u>520,000,000</u> Total	<u>5,200,000</u>

ASSUMPTIONS

The above table assumes that the Share Offer becomes unconditional and the issue of Shares pursuant to the Share Offer and the Capitalisation Issue are made. It takes no account of any Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of the Listing and at all times thereafter, our Company must maintain the “minimum prescribed percentage” of 25% of the issued share capital of our Company in the hands of the public (as defined in the GEM Listing Rules).

RANKING

The Shares issued under the Share Offer will be ordinary shares in the share capital of our Company and will rank *pari passu* in all respects with all Shares in issue or to be issued as mentioned in this prospectus and, in particular, will rank in full for all dividends or other distributions declared, made or paid on our Shares in respect of a record date which falls after the date of this prospectus save for the entitlement under the Capitalisation Issue.

SHARE CAPITAL

CIRCUMSTANCES WHERE MEETING OF THE COMPANY ARE REQUIRED

The circumstances under which general meeting and class meeting are required are provided in the Articles, details of which is set out in paragraph headed “2. Articles of Association — (e) Meetings of members — (iv) Notices of meetings and business to be conducted” in Appendix III to this prospectus.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme. The principal terms of the Share Option Scheme are summarised in the paragraph headed “Statutory and General Information — Share Option Scheme” in Appendix IV to this prospectus.

GENERAL MANDATE TO ISSUE SHARES

Conditional on the conditions as stated in the paragraph headed “Structure and Conditions of the Share Offer — Conditions of the Share Offer” of this prospectus being fulfilled, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares and to make or grant offers, agreements or options which might require such Shares to be allotted and issued or dealt with subject to the requirement that the aggregate number of Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued (otherwise than pursuant to a rights issue, or scrip dividend scheme or similar arrangements, or a specific authority granted by the Shareholders) shall not exceed:

- (a) 20% of the aggregate number of Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme); and
- (b) the aggregate number of Shares which may be repurchased by our Company pursuant to the authority granted to our Directors as referred to in the paragraph headed “General mandate to repurchase Shares” in this section below.

This mandate does not cover Shares to be allotted, issued, or dealt with under a rights issue or upon the exercise of any options which may be granted under the Share Option Scheme. This general mandate to issue Shares will remain in effect until:

- (a) the conclusion of our Company’s next annual general meeting;
- (b) the date by which our Company’s next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Articles; or
- (c) it is varied or revoked by an ordinary resolution of the Shareholders in general meeting,

whichever is the earliest.

For further details of this general mandate, please refer to the paragraph headed “Statutory and General Information — Further Information about Our Company and Its Subsidiaries — 3. Resolutions in writing of the sole Shareholder passed on 18 May 2018” in Appendix IV to this prospectus.

SHARE CAPITAL

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the conditions set out in the section headed “Structure and Conditions of the Share Offer” of this prospectus being fulfilled, our Directors have been granted a general mandate to exercise all the powers of our Company to purchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue (not including Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme).

This mandate only relates to repurchases made on GEM, or on any other stock exchange on which the Shares are listed and which is recognised by the SFC and the Stock Exchange for this purpose, and such repurchases are made in accordance with all applicable laws and the requirements of the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in the paragraph headed “Statutory and General Information — Further information about our Company and its subsidiaries — 6. Repurchase by our Company of its own securities” in Appendix IV to this prospectus.

The general mandates to repurchase Shares will remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of our Company;
- (b) the date by which the next annual general meeting of our Company is required the Articles or any other applicable laws of the Cayman Islands to be held; or
- (c) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

For further details of this general mandate, please refer to the paragraph headed “Statutory and General Information — Further Information about Our Company and its Subsidiaries — 3. Resolutions in writing of the sole Shareholder passed on 18 May 2018” in Appendix IV to this prospectus.

FINANCIAL INFORMATION

You should read the following discussion and analysis of our results of operations and financial position in conjunction with our financial information as of and for the Track Record Period, including the notes thereto, as set out in the Accountant's Report set out in Appendix I to this prospectus. Our financial information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"). You should read the entire Accountant's Report and not merely rely on the information contained in this section.

The following discussion contains forward-looking statements concerning events that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors our Directors believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and projects depends on a number of risks and uncertainties over which our Group does not have control. For further information, you should refer to the section headed "Risk Factors" of this prospectus.

OVERVIEW

We are a primary healthcare services provider operating a network of general practice clinics under the brand "Dr. Tan & Partners" in Singapore since 2010, providing treatment solutions for common medical conditions, with a focus on sexual health and infectious diseases. To expand our services, we have, in May 2017, started the operations of a medical aesthetic clinic under the brand "S Aesthetics" which focuses on providing treatment solutions for common skin conditions and basic medical aesthetics services. Our Clinics are conveniently and strategically located in Singapore. As at the Latest Practicable Date, we operate (i) six DTAP Clinics which provide primary healthcare services under the brand "Dr. Tan & Partners"; and (ii) one SA Clinic which provides basic medical aesthetic services under the brand "S Aesthetics".

Services that we provide to our patients include (i) Consultation Services; (ii) Medical Investigation Services; and (iii) Treatment Services. We also provided medical and healthcare related advisory services to corporate customers. For details, please refer to paragraph headed "Business — Our business model, Services, products and procedures — Other services" of this prospectus.

For FY2016 and FY2017, our Group generated revenue of (i) approximately S\$867,000 and S\$1,079,000 from Consultation Services, respectively, representing approximately 12.2% and 10.8% of our total revenue for the respective years; (ii) approximately S\$2,347,000 and S\$2,942,000 from Medical Investigation Services, respectively, representing approximately 32.9% and 29.6% of our total revenue for the respective years; (iii) approximately S\$3,914,000 and S\$5,460,000 from Treatment Services respectively, representing approximately 54.9% and 54.8% of our total revenue for the respective years; and (iv) nil and approximately S\$476,000 from other services, respectively, representing nil and approximately 4.8% of our total revenue for the respective years. For the corresponding years, our Group recorded profit and total comprehensive income of approximately S\$1,975,000 and S\$2,008,000, respectively.

FINANCIAL INFORMATION

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Law on 3 January 2018 and became the holding company of our Group upon completion of the Reorganisation. For further details, please refer to the section headed “History, Reorganisation and Group Structure” of this prospectus.

The financial information of our Group has been prepared as if the recognised Group structure has been existence, on combined basis, throughout the Track Record Period. For further details, please refer to note 1 to the Accountant’s Report as set out in the Appendix I to this prospectus.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant accounting policies

The financial information of our Group has been prepared in accordance with the accounting policies which conform with IFRSs. The significant accounting policies adopted by our Group are set forth in details in note 2 to the Accountant’s Report set out in Appendix I to this prospectus. The preparation of the financial information involves subjective assumptions and estimates, as well as complex judgements relating to accounting items. The determination of these items requires management judgements based on information and financial data that may change in future periods and subject to inherent uncertainties. The estimates and the associated assumptions are based on historical data and our experience and factors that we believe to be relevant and reasonable under the circumstances. The following summarises the critical accounting policies and estimates applied in the preparation of our Group’s combined financial statements:

Revenue recognition

Revenue from Consultation Services, Medical Investigation Services and Treatment Services are recognised when services are provided.

Revenue from other services are recognised when services are provided.

Government grants

Grants from the government are recognised as receivables at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the combined statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

FINANCIAL INFORMATION

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the combined statements of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at each balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised based on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined statement of financial position. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

Critical accounting estimates and judgements

The management of our Group is of the opinion that there is no area involving higher degree of judgement or complexity or where estimates and assumptions used is significant to the historical financial information of the Group for FY2016 and FY2017.

FINANCIAL INFORMATION

FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL POSITION

Regulatory conditions

Our business operations are located in Singapore and thus subject to various laws, rules, regulations and policies in Singapore. Any changes to the applicable laws and regulations or compliance standards may impose possible restrictions on our operation and we may fail to adopt to such changes promptly and effectively in the future. We may incur additional compliance costs as laws and regulations evolve in the future. Compliance with applicable laws and regulations may adversely affect our competitive position and results of operations.

Costs of operations

Our costs of operations refer to the costs of consumables and medical supplies used, medical professional costs, employee benefits expenses, depreciation of plant and equipment and other operating expenses (excluding the Listing expenses) (the “**Total Operation Costs**”).

We obtain our consumables and medical supplies from pharmaceutical drug distributors and trading companies engaged by established international pharmaceutical companies. Consumables and medical supplies dispensed by our Clinics includes medication and skincare products. For FY2016 and FY2017, our costs of consumables and medical supplies used were approximately S\$1,202,000 and S\$1,958,000 for the respective years, accounting for approximately 24.1% and 26.9% of our Total Operation Costs, respectively.

We also provided Medical Investigation Services, including the provision of laboratory and/or radiology tests, to our patients by referring our patients to external laboratory services providers. Our medical professional costs is largely dependent on our service providers’ quotations. For FY2016 and FY2017, our medical professional costs were approximately S\$720,000 and S\$955,000 for the respective years, accounting for approximately 14.5% and 13.1% of our Total Operation Costs, respectively.

In respect of employee benefits expenses, it is our approach to offer competitive wages and other staff benefits to recruit and retain quality doctors and supporting staff. For FY2016 and FY2017, our employee benefits expenses, which include salaries, bonuses and other employee benefits, was approximately S\$1,866,000 and S\$2,798,000 for the respective years, accounting for approximately 37.5% and 38.5% of our Total Operation Costs, respectively.

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The following sensitivity analysis illustrates the impact of hypothetical fluctuations in our Group's costs of consumables and medical supplies used, medical professional costs and employee benefits expenses on our profit before tax during the Track Record Period, assuming all other variables affecting our profit before tax remained constant:

	Hypothetical fluctuations in costs of consumables and medical supplies used	
	+/- 2.5%	+/- 5.0%
	S\$	S\$
Increase/Decrease in profit before tax		
FY2016	30,045	60,090
FY2017	48,944	97,888

	Hypothetical fluctuations in medical professional costs	
	+/- 2.5%	+/- 5.0%
	S\$	S\$
Increase/Decrease in profit before tax		
FY2016	18,003	36,006
FY2017	23,874	47,748

	Hypothetical fluctuations in employee benefits expenses	
	+/- 2.5%	+/- 5.0%
	S\$	S\$
Increase/Decrease in profit before tax		
FY2016	46,662	93,324
FY2017	69,941	139,882

Competition

We face intense competition from other private general practice clinics in Singapore. According to the CIC Report, there were over 2,000 private general practice clinics providing primary care services in Singapore in 2017. Our ability to compete with our competitors depends on numerous factors, such as reputation, range of services provided and patient satisfaction as well as other factors. For further details, please refer to the paragraph headed "Business — Our competitive strengths" of this prospectus. Should any of these competitors offer better or wider range of services, possesses more advanced medical devices, or more accessible locations, we may not be able to attract our patients and hence, our financial performance and results of operations may be adversely affected.

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Ability to retain our existing Doctors and to identify and recruit additional qualified staff

We are highly dependent on our Doctors and our professional team to provide services to our patients. Our success will be dependent on our ability to continue to attract and retain high quality personnel, with extensive experience in the primary healthcare industry and a good understanding of our patients' requirements to ensure the growth and sustainability of our Group.

The stability of our provision of services and our revenue depends largely on our ability to retain our front-line staff, in particular, our Doctors. In the event that our Doctors cease to be involved in the operations of our Group, and we are unable to find suitable replacements at comparable remuneration in a timely manner, we may experience a decrease in revenue and/or increase in staff costs, which in turn may have an adverse impact on our results of operation.

Changes in technology to medical equipment

We need to continually keep pace with and respond to new medical technology, equipment and devices in relation to the range of services available at our Clinics. Our Doctors also constantly refer to published medical journals, peer-review articles, guidelines and research material by internationally recognised authorities in order to ensure that our Clinics are equipped with a range of evidence-based treatment devices. There is no guarantee that we can be adequately financed to acquire such new technologies or at a timely manner or at all. In such case, our patients may be attracted by and diverted to our competitors who may offer more advanced medical equipment and thus our business and results of operations may be materially and adversely affected.

Ability to maintain an established industry reputation

We believe that an established brand and reputation as a reliable primary healthcare services provider, particularly in the treatment of conditions such as sexual health and infectious diseases, is significant to our Group's success. Given that medical treatments entail inherent risks, patients and potential patients would prefer a services provider who they believe to be able to perform the treatments safely and effectively.

In addition, with our intention to enhance patient satisfaction through enhancing our variety and quality of services to meet the specific needs of our patients, we are able to retain our existing patients and broaden our patient base through referrals and word-of-mouth. For each of FY2016 and FY2017, the number of repeat patient visits was over 7,000 and 9,000, respectively.

FINANCIAL INFORMATION

RESULTS OF OPERATIONS

The following is a summary of the combined statements of comprehensive income of our Group during the Track Record Period, derived from the Accountant's Report set out in Appendix I to this prospectus:

	FY2016	FY2017
	S\$	S\$
Revenue	7,127,991	9,956,894
Other income	125,355	101,927
Consumables and medical supplies used	(1,201,807)	(1,957,741)
Medical professional costs	(720,136)	(954,973)
Employee benefits expenses	(1,866,486)	(2,797,631)
Depreciation of plant and equipment	(144,220)	(263,611)
Other operating expenses	<u>(1,047,889)</u>	<u>(2,036,864)</u>
Profit before income tax	2,272,808	2,048,001
Income tax expense	<u>(297,442)</u>	<u>(40,500)</u>
Profit and total comprehensive income for the year and attributable to owners of our Company	 <u><u>1,975,366</u></u>	 <u><u>2,007,501</u></u>

PRINCIPAL COMPONENTS OF COMBINED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

Our revenue is principally generated from the provision of (i) Consultation Services; (ii) Medical Investigation Services; and (iii) Treatment Services, to our individual patients. Our overall revenue amounted to approximately S\$7,128,000 and S\$9,957,000 for FY2016 and FY2017, respectively with approximately 54.9% and 54.8% derived from the provision of Treatment Services.

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Set out below is the revenue breakdown by service types during the Track Record Period:

	FY2016		FY2017	
	S\$	%	S\$	%
Consultation Services	866,787	12.2	1,078,735	10.8
Medical Investigation Services	2,347,434	32.9	2,941,806	29.6
Treatment Services	3,913,770	54.9	5,460,174	54.8
Sub-total	7,127,991	100.0	9,480,715	95.2
Other services (<i>Note</i>)	—	—	476,179	4.8
Total Revenue	7,127,991	100.0	9,956,894	100.0

Note: Other services mainly include revenue generated from the provision of medical and healthcare related advisory services to corporate customers.

Consultation Services

Our revenue generated from Consultation Services amounted to approximately S\$867,000 and S\$1,079,000 for FY2016 and FY2017, respectively, representing approximately 12.2% and 10.8% of our total revenue for the respective years.

Our first-time patients are required to attend medical consultations with our Doctors prior to receiving any treatment, where our Doctors perform an examination and/or assess and diagnose the patients' medical and/or skin condition with reference to their medical history and background, in order to make a diagnosis on our patients based on their specific conditions, needs and concerns, and recommend appropriate Medical Investigation Services and/or Treatment Services to our patients. Follow-up medical consultations may also be provided where appropriate so as to keep track of our patients' conditions if needed.

During the Track Record Period, the consultation fees charged (exclusive of applicable goods and services tax) generally ranged from S\$20 to S\$60 per visit for individual patients and S\$12 to S\$18 per visit for patients who are employees of our corporate customer for which we are the appointed corporate healthcare partner. Generally, consultation fees are charged based on the length of consultation involved and the complexity of the patient's medical conditions.

During the Track Record Period, our average revenue from Consultation Services (per visit) was approximately S\$29 and S\$35 for FY2016 and FY2017, respectively.

Medical Investigation Services

Our revenue generated from Medical Investigation Services amounted to approximately S\$2,347,000 and S\$2,942,000 for FY2016 and FY2017, respectively, representing approximately 32.9% and 29.6% of our total revenue for the respective years.

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Our Clinics provide Medical Investigation Services to our patients, which includes the conduct of laboratory and/or radiology tests for general health, sexual health and infectious diseases. Our Medical Investigation Services are provided subsequent to the Consultation Services provided by our Doctors.

Set out below is the revenue breakdown by types of Medical Investigation Services during the Track Record Period:

	FY2016		FY2017	
	S\$	%	S\$	%
Laboratory tests	2,167,713	92.3	2,679,600	91.1
Radiology tests	<u>179,721</u>	<u>7.7</u>	<u>262,206</u>	<u>8.9</u>
Total	<u><u>2,347,434</u></u>	<u><u>100.0</u></u>	<u><u>2,941,806</u></u>	<u><u>100.0</u></u>

Occasionally, based on the patient's conditions, our Doctors may recommend our patients to perform Medical Investigation Services. For FY2016 and FY2017, approximately 92.3% and 91.1% of our revenue from Medical Investigation Services were derived from the provision of laboratory tests for the respective years.

During the Track Record Period, our average revenue from Medical Investigation Services (per visit) was approximately S\$233 and S\$231 for FY2016 and FY2017, respectively. For further details, please refer to the paragraph headed "Business — Our business model, Services, products and procedures — Our Services — (b) Medical Investigation Services" of this prospectus.

Treatment Services

During the Track Record Period, we principally derived our revenue from the provision of Treatment Services, which includes prescription of medication and/or skincare products, facial treatments to our patients or recommend procedures to our patients to be performed or a combination of both. Revenue from the Treatment Services amounted to approximately S\$3,914,000 and S\$5,460,000 for FY2016 and FY2017, respectively, representing approximately 54.9% and 54.8% of our total revenue for the respective years.

Set out below is the revenue breakdown by types of Treatment Services during the Track Record Period:

	FY2016		FY2017	
	S\$	%	S\$	%
Prescription of medications and skincare products	2,679,697	68.5	3,326,786	60.9
Procedures	1,234,073	31.5	2,107,510	38.6
Facial treatments	<u>—</u>	<u>—</u>	<u>25,878</u>	<u>0.5</u>
Total	<u><u>3,913,770</u></u>	<u><u>100.0</u></u>	<u><u>5,460,174</u></u>	<u><u>100.0</u></u>

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Based on the patient's conditions and/or the results of the radiology and/or laboratory tests of our patients, our Doctors may recommend treatment and/or management plans for our patients, which may include, the prescription of medication and/or skincare products, procedures, or a combination of both to our patients. For FY2016 and FY2017, approximately 68.5% and 61.4% of our revenue from the Treatment Services were derived from the prescription of medication for the respective years.

During the Track Record Period, our average revenue from Treatment Services (per visit) was approximately S\$151 and S\$205, respectively.

Other services

Our revenue from other services primarily represents the revenue generated from the provision of medical and healthcare related advisory services to corporate customers. For further details, please refer to the paragraph headed "Business — Our business model, Services, products and procedures — Other services" of this prospectus.

Our revenue generated from other services amounted to nil and approximately S\$476,000 for FY2016 and FY2017, respectively, representing nil and approximately 4.8% of our total revenue for the respective years.

Other income

Other income mainly comprised government grants during the Track Record Period, and other miscellaneous income. Government grants represent primarily government subsidies in the form of cash payout from Inland Revenue Authority of Singapore under the Productivity and Innovation Credit Scheme.

We recorded other income of approximately S\$125,000 and S\$102,000 for FY2016 and FY2017, respectively.

Costs of consumables and medical supplies

Our costs of consumables and medical supplies mainly represent costs of medication and/or skincare products purchased and/or medical consumables used in performing the medical procedures during the treatment process at our Clinics.

Our costs of consumables and medical supplies used amounted to approximately S\$1,202,000 and S\$1,958,000 for FY2016 and FY2017, respectively, representing approximately 24.1% and 26.9% of our Total Operation Costs for the respective years.

Following the Consultation Services and/or the Medical Investigation Services, our Doctors may prescribe medications and/or skincare products as part of treatment and/or management plans for our patients, depending on our patients' specific conditions. In some cases, refill of medication and/or skincare products is available for previously consulted patients.

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Medical professional costs

Medical professional costs mainly refer to the service fees charged by external service providers for laboratory and/or radiology tests.

Medical professional costs were approximately S\$720,000 and S\$955,000 for FY2016 and FY2017, respectively, representing approximately 14.5% and 13.1% of our Total Operation Costs for the respective years. We conduct certain laboratory tests at our Clinics such as HIV rapid testing. For all other laboratory tests, we send the samples collected from our patients to third party laboratories for analysis. We also refer patients to external service providers for radiology tests.

Employee benefits expenses

Employee benefits expenses relate to directors' remuneration, salaries for other professional staff such as doctors, aestheticians, and clinic assistants working at the Clinics and other staff, CPF contributions and bonuses.

Other employee benefits expenses were approximately S\$1,866,000 and S\$2,798,000 for FY2016 and FY2017, respectively, representing approximately 37.5% and 38.5% of our Total Operation Costs for the respective years.

Depreciation of plant and equipment

Depreciation of plant and equipment represent depreciation of (i) medical equipment; (ii) computer and office equipment; and (iii) leasehold improvements. We recorded depreciation expenses of approximately S\$144,000 and S\$264,000 for FY2016 and FY2017, respectively, representing approximately 2.9% and 3.7% of our Total Operation Costs for the respective years.

Other operating expenses

Our other operating expenses during the Track Record Period primarily comprised operating lease rentals in respect of the office and clinics, credit card and bank charges, marketing expenses, legal and professional fees, auditor's remuneration and Listing expenses.

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The table below sets forth a breakdown of our other operating expenses during the Track Record Period:

	FY2016		FY2017	
	S\$	%	S\$	%
Operating lease rentals in respect of the office and clinics	371,524	35.4	555,648	27.3
Credit card and bank charges	164,055	15.7	191,773	9.4
Marketing expenses	84,568	8.1	119,153	5.8
Legal and professional fees	7,733	0.7	84,845	4.2
Auditor's remuneration	57,500	5.5	62,500	3.1
Office and general supplies	70,230	6.7	48,127	2.4
Listing expenses	—	—	743,000	36.5
Others ^(Note)	<u>292,279</u>	<u>27.9</u>	<u>231,818</u>	<u>11.3</u>
Total	<u><u>1,047,889</u></u>	<u><u>100.0</u></u>	<u><u>2,036,864</u></u>	<u><u>100.0</u></u>

Note: Others include insurance, maintenance of equipment/premises, travelling expenses, etc.

For FY2016 and FY2017, our other operating expenses were approximately S\$1,048,000 and S\$2,037,000, respectively. Excluding the Listing expenses, our other operating expenses were approximately S\$1,048,000 and S\$1,294,000, representing approximately 21.0% and 17.8% of our Total Operation Costs for FY2016 and FY2017, respectively.

Income tax expense

Since our business operations are based in Singapore, our Group is liable to pay corporate income tax in accordance with the tax laws and regulations of Singapore.

	FY2016	FY2017
	S\$	S\$
Current income tax	267,299	66,000
Deferred income tax	<u>30,143</u>	<u>(25,500)</u>
Total	<u><u>297,442</u></u>	<u><u>40,500</u></u>

Singapore CIT is calculated at 17% of the estimated assessable profit. The entities operating in Singapore with assessable profit are eligible for CIT rebate of 50%, capped at S\$25,000 and S\$10,000 for the years of assessment of 2017 and 2018 respectively. In addition, all the Singapore incorporated companies, can claim partial tax exemptions under which the companies can enjoy 75% tax exemption on the first S\$10,000 of normal chargeable income and a further 50% tax exemption on the next S\$290,000 of normal chargeable income. The Singapore companies which meet the qualifying condition as start-up companies can enjoy 100% tax exemption on the first S\$100,000 of normal chargeable income and a further 50% tax exemption on the next S\$200,000 of normal chargeable income at the relevant year of assessment. For a company to be qualified as a start-up company under Singapore's tax

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exemption scheme, it must be incorporated in Singapore, must be a tax resident in Singapore for a respective year of assessment (“YA”), and must not have more than 20 shareholders throughout the basis period for that YA where either all of the shareholders are individuals “beneficially and directly” holding the shares in their own names or at least one shareholder is an individual “beneficially and directly” holding at least 10% of the issued ordinary shares of the company. The tax exemption for a new start-up company is available for the company’s first three consecutive YAs. The first YA relating to the basis period during which the company is incorporated. The subsidiaries of our Group are qualified for tax exemption for start-up companies during the Track Record Period. However, upon Listing, our Group will cease to qualify as start-up companies under Singapore’s tax exemption scheme for the year ending 31 December 2018 but will still be able to claim the aforementioned partial tax exemptions.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

FY2016 compared with FY2017

Revenue

Our revenue increased by approximately S\$2,829,000 or 39.7%, from approximately S\$7,128,000 for FY2016 to approximately S\$9,957,000 for FY2017, details of which are set out below:

Consultation Services

Our revenue from Consultation Services increased by approximately S\$212,000 or 24.5%, from approximately S\$867,000 for FY2016 to approximately S\$1,079,000 for FY2017. Such increase was primarily attributable to (i) the increase in the average revenue from Consultation Services (per visit) from approximately S\$29 in FY2016 to approximately S\$35 in FY2017; and (ii) the contribution from our Katong Clinic which opened in June 2016 with full year’s operation in FY2017.

Medical Investigation Services

Our revenue from Medical Investigation Services increased by approximately S\$595,000 or 25.4%, from approximately S\$2,347,000 for FY2016 to approximately S\$2,942,000 for FY2017. Such increase was primarily attributable to the contribution from our Katong Clinic which opened in June 2016 with full year’s operation in FY2017.

Treatment Services

Our revenue from Treatment Services increased by approximately S\$1,546,000 or 39.5%, from approximately S\$3,914,000 for FY2016 to approximately S\$5,460,000 for FY2017. Such increase was primarily attributable to (i) the increase in the average revenue from Treatment Services (per visit) from approximately S\$151 for FY2016 to approximately S\$205 for FY2017; (ii) the new opening of our SA Clinic in May 2017 which led to increase in revenue of prescription of medication and procedures; and (iii) the increase in marketing expenses which our Directors believe that has led to the increase in patient visits to our Clinics for Treatment Services.

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Other services

Our revenue from other services increased from nil for FY2016 to approximately S\$476,000 for FY2017. Such revenue was derived from the provision of medical and healthcare related advisory services to corporate customers. For details, please refer to the paragraph headed “Business — Our business model, Services, products and procedures — Our Services — Other services” of this prospectus.

Other income

Our other income decreased from approximately S\$125,000 for FY2016 to approximately S\$102,000 for FY2017. Such decrease was mainly due to the decrease in income from government grants resulted from the change in form of payout of government subsidies from cash to tax incentives.

Consumables and medical supplies used

Our costs of consumables and medical supplies used increased by approximately S\$756,000 or 62.9%, from approximately S\$1,202,000 for FY2016 to approximately S\$1,958,000 for FY2017. Such increase was principally in line with the increase in revenue from Treatment Services, details of which please refer to the paragraph headed “Year to Year Comparison of Results of Operations — FY2016 compared with FY2017 — Revenue — Treatment Services” of this section above.

Medical professional costs

Our medical professional costs increased by approximately S\$235,000 or 32.6%, from approximately S\$720,000 for FY2016 to approximately S\$955,000 for FY2017. Such increase was principally in line with the increase in revenue from Medical Investigation Services, details of which please refer to the paragraph headed “Year to Year Comparison of Results of Operations — FY2016 compared with FY2017 — Revenue — Medical Investigation Services” of this section above.

Employee benefits expenses

Our employee benefits expenses increased by approximately S\$932,000 or 49.9%, from approximately S\$1,866,000 for FY2016 to approximately S\$2,798,000 for FY2017. Such increase was primarily attributable to the recruitment of new doctors, aestheticians and clinic assistants due to the opening of (i) our Katong Clinic in June 2016 with full year’s employee benefits expense recognised in FY2017; and (ii) our SA Clinic in May 2017.

Depreciation of plant and equipment

Our depreciation of plant and equipment increased by approximately S\$120,000 or 83.3%, from approximately S\$144,000 for FY2016 to approximately S\$264,000 for FY2017. Such increase was primarily attributable to the additions of medical equipment, leasehold improvement and computer and office equipment due to the opening of (i) our Katong Clinic in June 2016 with full year’s depreciation expenses recognised in FY2017; and (ii) our SA Clinic in May 2017.

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Other operating expenses

Our other operating expenses increased by approximately S\$989,000 or 94.4%, from approximately S\$1,048,000 for FY2016 to approximately S\$2,037,000 for FY2017. Such increase was principally attributable to (i) the recognition of Listing expenses of approximately S\$743,000 for FY2017; (ii) the increase in operating lease rentals in respect of office and clinics of approximately S\$184,000 primarily due to the opening of (a) our Katong Clinic in June 2016 with full year's operating lease expenses recognised in FY2017; and (b) our SA Clinic in May 2017; (iii) the increase in marketing expenses of approximately S\$35,000 due to the promotion of the opening of our new SA Clinic; and (iv) the increase in legal and professional fees of approximately S\$77,000 in relation to (a) the entering of clinic management service agreement with the KL Company; (b) the application of trademarks of our Group; and (c) the license applications in setting up the new Clinics including our SA Clinic, BM Medical Clinic and Penjuru Clinic.

Income tax expenses

Income tax expenses decreased by approximately S\$256,000 or 86.2%, from approximately S\$297,000 for FY2016 to approximately S\$41,000 for FY2017. Such decrease was primarily attributable to the increase in tax incentives relating to Productivity and Innovation Credit Scheme (“PIC”) from Inland Revenue Authority of Singapore of approximately S\$276,000 which was mainly due to the change in form from cash payout in FY2016 to tax deductions in FY2017 received by our Group, which partially net off by the increase in expenses not deductible for tax purposes of approximately S\$61,000 which was principally due to (i) the recognition of non-deductible and non-recurring Listing expenses; and (ii) the non-deductible depreciation of PIC qualify assets.

Profit and total comprehensive income for the year attributable to the owners of our Company

As a result of the foregoing, our profit and total comprehensive income for the year attributable to the owners of the Company increased by approximately S\$33,000 or 1.7%, from approximately S\$1,975,000 for FY2016 to approximately S\$2,008,000 for FY2017.

Our net profit margin decreased from approximately 27.7% for FY2016 to approximately 20.2% for FY2017. Such decrease was mainly due to the recognition of Listing expenses of approximately S\$743,000 during the FY2017. Excluding the Listing expenses, our net profit margin was approximately 27.6% for FY2017.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of liquidity is cash generated from our operations. Following the completion of the Share Offer, our Group expects its capital expenditure and working capital to be funded principally through internal resources and the net proceeds from the Share Offer. Our Directors believe that, in the long term, our Group's operations will be funded by internal resources and, if necessary, additional equity financing or bank borrowings.

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Set out below is a summary of our cash flow statements for the years indicated:

	FY2016	FY2017
	S\$	S\$
Operating cash flows before movements in working capital	2,417,423	2,312,412
Net cash generated from operating activities	1,900,968	2,955,835
Net cash used in investing activities	(349,814)	(576,902)
Net cash used in financing activities	<u>(574,568)</u>	<u>(2,449,405)</u>
Increase/(decrease) in cash and cash equivalents	976,586	(70,472)
Cash and cash equivalents at beginning of the year	<u>1,087,657</u>	<u>2,064,243</u>
Cash and cash equivalents at end of the year	<u><u>2,064,243</u></u>	<u><u>1,993,771</u></u>

Cash flows from operating activities

Net cash generated from operating activities principally consisted of profit before tax adjusted for non-cash items such as depreciation of plant and equipment and loss on disposal of plant and equipment. We derive our cash inflow from operations mainly from revenue. Our cash outflows used in operations are mainly for the payment of the costs of medications, skincare products and treatment consumables, the payment of medical professional costs to external service providers for the laboratory and radiology tests as well as payment of employee benefits expenses, rental expenses and other working capital needs.

For FY2016, our net cash generated from operating activities was approximately S\$1,901,000 which is based on our profit before tax of approximately S\$2,273,000 mainly adjusted for approximately S\$144,000 from depreciation of plant and equipment. The difference between the operating cash flows before changes in working capital and net cash flow generated from operating activities was mainly attributable to the combined effect of (i) the increase in inventories of approximately S\$281,000; (ii) the decrease in trade and other receivables, deposits and prepayments of approximately S\$56,000; (iii) the decrease in trade and other payables and accruals of approximately S\$289,000; and (iv) the payment of income tax of approximately S\$3,000.

For FY2017, our net cash generated from operating activities was approximately S\$2,956,000 which is based on our profit before tax of approximately S\$2,048,000 mainly adjusted for approximately S\$264,000 from depreciation of plant and equipment. The difference between the operating cash flows before changes in working capital and net cash flow generated from operating activities was mainly attributable to the combined effects of (i) the decrease in inventories of approximately S\$177,000; (ii) the increase in trade and other receivables, deposits and prepayments of approximately S\$496,000; (iii) the increase in trade and other payables and accruals of approximately S\$1,066,000; and (iv) the payment of income tax of approximately S\$104,000.

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Cash flows from investing activities

Our cash used in investing activities refer to the purchase of plant and equipment for operation purposes and our cash generated from investing activities refers to the proceeds from disposal of plant and equipment.

For FY2016, our cash used in investing activities was approximately S\$352,000 which was primarily due to the purchases of plant and equipment.

For FY2017, our cash used in investing activities was approximately S\$577,000 which was solely for the purchases of plant and equipment.

Cash flows from financing activities

Our cash generated from/used in financing activities mainly included issuance of new shares, dividends paid, deemed distribution to shareholder as resulted from the transfer of the clinical operations of Mere Consulting to RHL, amount due to a director and amount due to a related party.

For FY2016, our cash used in financing activities was approximately S\$575,000, mainly due to the combined effect of (i) the increase in the amount due to a director of approximately S\$473,000; (ii) the decrease in the amount due to a related party of approximately S\$459,000; (iii) dividends paid of approximately S\$408,000; and (iv) cash paid for the deemed distribution to shareholder resulted from the transfer of the clinical operations of Mere Consulting in April 2016 to RHL of approximately S\$280,000.

For FY2017, our cash used in financing activities was approximately S\$2,449,000, mainly due to the combined effect of (i) dividends paid of approximately S\$2,203,000; (ii) the decrease in the amount due to a related party of approximately S\$219,000; and (iii) cash paid for the deemed distribution to shareholder resulted from the transfer of the clinical operations of Mere Consulting to RHL in April 2016 of approximately S\$116,000.

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NET CURRENT ASSETS

The following table sets out the breakdown of our Group's current assets and liabilities as at the dates indicated:

	As at 31 December		As at 30 April
	2016	2017	2018
	S\$	S\$	S\$
			(unaudited)
Current assets			
Trade receivables	15,392	78,038	14,593
Deposits, prepayments and other receivables	145,429	527,340	170,289
Inventories	577,485	400,448	464,969
Cash and cash equivalents	<u>2,064,243</u>	<u>1,993,771</u>	<u>2,220,917</u>
	<u>2,802,549</u>	<u>2,999,597</u>	<u>2,870,768</u>
Current liabilities			
Trade payables	153,411	126,047	139,975
Accruals and other payables	183,086	1,276,174	898,405
Amount due to a related party	335,809	—	—
Amount due to a director	481,994	561,394	278,492
Current income tax liabilities	<u>197,404</u>	<u>159,631</u>	<u>147,790</u>
	<u>1,351,704</u>	<u>2,123,246</u>	<u>1,464,662</u>
Net current assets	<u><u>1,450,845</u></u>	<u><u>876,351</u></u>	<u><u>1,406,106</u></u>

Our net current assets decreased by approximately S\$575,000 from approximately S\$1,451,000 as at 31 December 2016 to approximately S\$876,000 as at 31 December 2017. Such decrease was mainly due to (i) the increase in accruals and other payables of approximately S\$1,093,000; (ii) the decrease in inventories of approximately S\$177,000; and (iii) the decrease in cash and cash equivalents of approximately S\$70,000, which was partially net off by (i) the increase in deposits, prepayments and other receivables of approximately S\$382,000; and (ii) the decrease in amount due to a related party of approximately S\$336,000.

Our net current assets increased by approximately S\$530,000 from approximately S\$876,000 as at 31 December 2017 to approximately S\$1,406,000 as at 30 April 2018. Such increase was mainly due to (i) the decrease in accruals and other payables of approximately S\$378,000; (ii) the decrease in amount due to a director of approximately S\$283,000; and (iii) the increase in cash and cash equivalents of approximately S\$227,000, which was partially net off by the decrease in deposits, prepayments and other receivables of approximately S\$357,000.

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Trade receivables

Our individual patients make payments to our Group by cash or credit cards. For credit card payments, the banks will normally settle the amounts a few day after the transaction date. Thus our trade receivables mainly comprised receivables from our corporate customers. Our trade receivables increased by approximately S\$63,000 from approximately S\$15,000 as at 31 December 2016 to approximately S\$78,000 as at 31 December 2017. Such increase was mainly due to the increase in revenue during the year.

The following table sets out the ageing analysis of the trade receivables, based on the invoice date, as at the dates indicated:

	As at 31 December	
	2016	2017
	S\$	S\$
<i>Not due</i>		
0 to 30 days	15,158	63,459
<i>Past due but not impaired</i>		
31 to 60 days	42	4,955
61 to 90 days	16	4,506
91 to 120 days	176	3,184
Over 120 days	—	1,934
Total	15,392	78,038

The increase in overdue trade receivables from approximately S\$234 as at 31 December 2016 to approximately S\$14,579 as at 31 December 2017 was mainly due to (i) approximately S\$6,000 which was due to the delay in settlement of our corporate customer of the Penjuru Clinic as a result of its relocation plan; and (ii) approximately S\$4,000 which was due to the delay in settlement of a corporate customer with poor credit status which we subsequently discontinued our business relationship with such corporate customer. Our Group closely monitor the overdue trade receivables regularly and provides for impairment when there are indications that the balances may not be recoverable. As at the Latest Practicable Date, the trade receivables which past due as at 31 December 2017 have been subsequently settled.

We generally offer credit periods of 30 days to our corporate customers. As at 31 December 2016 and 31 December 2017, we had not recognised any allowance for doubtful debts because there had not been any significant change in credit quality.

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The following table sets out the trade receivables turnover days for the years indicated:

	FY2016	FY2017
Trade receivables turnover days (<i>Note</i>)	<u>4</u>	<u>2</u>

Note: Trade receivables turnover days is calculated based on average balance of opening and closing trade receivables balances as at year end divided by total revenue for that year multiplied by the numbers of days during the year.

Our trade receivables turnover days were approximately 4 days and 2 days for FY2016 and FY2017, respectively, primarily due to the low trade receivables balances as at 31 December 2016 and 31 December 2017 resulted from the use of credit card or cash for payment of services fees by our individual patients.

As at the Latest Practicable Date, approximately S\$78,000 or 100.0%, of our trade receivables as at 31 December 2017 have been subsequently settled.

Deposits, prepayments and other receivables

The following table sets out the breakdown of deposits, prepayments and other receivables as at the dates indicated:

	As at 31 December	
	2016	2017
	S\$	S\$
Deposits and other receivables	177,240	312,277
Prepayments	35,807	85,689
Prepayments for Listing expenses	<u>—</u>	<u>248,000</u>
	213,047	645,966
Less non-current portion:		
Deposits	<u>(67,618)</u>	<u>(118,626)</u>
Total	<u>145,429</u>	<u>527,340</u>

Deposits and other receivables mainly represented the deposits for rental for our Clinics and office. Our deposits and other receivables recorded an increase of approximately S\$135,000 from approximately S\$177,000 as at 31 December 2016 to approximately S\$312,000 as at 31 December 2017, mainly due to the opening of our SA Clinic in May 2017.

Prepayments mainly included prepayments for our maintenance of clinic management system and rental of our Clinics, which increased by approximately S\$50,000 from approximately S\$36,000 as at 31 December 2016 to approximately S\$86,000 as at 31 December 2017. Such increase was mainly due to the increase in the prepayment for rental premises of our SA Clinic which opened in May 2017.

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Inventories

Inventories mainly represent consumables and medical supplies. As at 31 December 2016 and 31 December 2017, our inventories were approximately S\$577,000 and S\$400,000, respectively. We also have policies and procedures in place for the safety storage of our inventories and regularly monitor the inventory level at our Clinics in order to minimise any waste on inventory and avoid obsolete inventory. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant write-offs of our inventories.

As at the Latest Practicable Date, approximately S\$315,000 or 78.8%, of our inventories as at 31 December 2017 have been subsequently used.

Trade payables

Our trade payables mainly comprise payables to suppliers of medication, skincare products, other treatment consumables and to service provider for laboratory tests and radiology tests. The following table sets out the ageing analysis of the trade payables, based on the invoice date, as at the dates indicated:

	As at 31 December	
	2016	2017
	S\$	S\$
Up to 30 days	111,621	120,678
31 to 60 days	34,189	3,069
61 to 90 days	289	2,300
Over 91 days	7,312	—
Total	153,411	126,047

The general credit terms from our suppliers for the provision of laboratory tests and radiology tests are seven days to 30 days, whilst the general credit terms for suppliers for medication are either within seven days or payment on delivery. Our trade payables amounted to approximately S\$153,000 and S\$126,000 as at 31 December 2016 and 31 December 2017, respectively. Such decrease were mainly due to the timing differences in making payments to suppliers.

The following table sets out the trade payables turnover days for the years indicated:

	FY2016	FY2017
Trade payables turnover days (<i>Note</i>)	36	18

Note: Trade payables turnover days is calculated based on average of opening and closing trade payables balances as at year end divided by the sum of costs of consumables and medical supplies used and the medical professional costs for that year multiplied by the number of days during the year.

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Our trade payables turnover days for FY2016 and FY2017 were approximately 36 days and 18 days respectively, which either approximate to or within our general credit terms granted by our suppliers. The decrease in the trade payables turnover days was mainly due to the improved timely settlement of the payables to our suppliers during FY2017 in order to maintain better relationships with our major suppliers.

As at the Latest Practicable Date, approximately S\$126,000, or 100.0%, of our trade payables as at 31 December 2017 have been subsequently settled.

Accruals and other payables

The following table sets out the breakdown of accruals and other payables as at the date indicated:

	As at 31 December	
	2016	2017
	S\$	S\$
Accruals for operating expenses	105,350	180,629
Accruals for Listing expenses	—	991,000
Goods and service tax payable	77,736	104,545
Total	183,086	1,276,174

As at 31 December 2016 and 31 December 2017, our accruals and other payables were approximately S\$183,000 and S\$1,276,000, respectively. Such increase was mainly due to (i) the recognition of accruals for Listing expenses; and (ii) the increase in the goods and service tax payable, which was in line with the increase in our revenue.

Amount due to a related party

Amount due to a related party represents the amount payable to Mere Consulting in relation to the transfer of the clinical operations of Robertson Clinic and Novena Clinic from Mere Consulting to RHL in April 2016. We recorded amount due to a related party of approximately S\$336,000 as at 31 December 2016, which was fully settled as at 31 December 2017. For details, please refer to the paragraph headed “History, Reorganisation and Group Structure — History and development of our Group — Business history” and note 1.2 to the Accountant’s Report set out in Appendix I to this prospectus.

Amount due to a director

Amount due to a director represents the amount payable to Dr. Alan Tan, our executive Director, in relation to the advance payment to the suppliers for the purchase of consumables and medical supplies on behalf of our Group. We recorded amount due to a director of approximately S\$482,000 and S\$561,000 as at 31 December 2016 and 31 December 2017, respectively. Such increase was due to the timing difference for our payments to Dr. Alan Tan. Such amount will be fully settled before the Listing.

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CONTRACTUAL COMMITMENTS

Operating lease commitments

During the Track Record Period, our Group leased the Clinics and office premise under operating lease. The leases run for an initial period of one to three years and non-cancellable operating leases contracted for and had obligations under operating lease commitments as follows:

	As at 31 December	
	2016	2017
	S\$	S\$
No later than one year	326,412	547,516
Later than one year and no later than five years	<u>1,779,592</u>	<u>1,232,076</u>
Total	<u><u>2,106,004</u></u>	<u><u>1,779,592</u></u>

Capital commitments

As at 31 December 2016 and 31 December 2017, our Group did not have any material capital commitments.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures principally consisted of expenditures on medical equipment, computer and office equipment. We incurred capital expenditures for the purchase of medical equipment, computer and office equipment and leasehold improvements of approximately S\$144,000 and S\$264,000 for FY2016 and FY2017, respectively. We estimated that our capital expenditure for the purchase of medical equipment, computer and office equipment and leasehold improvement will be approximately S\$1,067,000 for the year ending 31 December 2018.

PROPERTY INTERESTS

Our Directors confirm that, as at the Latest Practicable Date, there were no circumstances that would give rise to disclosure requirement under Chapter 8 of the GEM Listing Rules. As at the Latest Practicable Date, our property interests do not form part of our property activities and no single property interest that forms part of our non-property activities has a carrying amount of 15% or more of our total assets.

INDEBTEDNESS

Contingent liabilities

As at 30 April 2018, for the purpose of this indebtedness statement, our Group did not have any material contingent liabilities or guarantees or any bank overdrafts.

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As at 30 April 2018, apart from intra-group liabilities and normal trade and other payables, we had not been granted any borrowings and did not have any material outstanding mortgage, charges, debentures, other loan capital (issued or agreed to be issued), loans or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, guarantees or other material contingent liabilities. Our Directors confirm that we did not have any plan for material external debt financing as at the Latest Practicable Date.

As at the Latest Practicable Date, our Group had no unutilised banking facilities.

WORKING CAPITAL

Our Directors are of the opinion that, taking into consideration the internal resources presently available to our Group, and the estimated net proceeds of the Share Offer, our Group has sufficient working capital for our present requirements for at least the next 12 months from the date of this prospectus.

KEY FINANCIAL RATIOS

The following table sets out the selected key financial ratios for the years indicated and as at the dates indicated:

	FY2016	FY2017
Profitability ratios		
Net profit margin ⁽¹⁾	27.7%	20.2%
Return on total assets ⁽²⁾	60.5%	52.5%
Return on equity ⁽³⁾	104.9%	118.2%
	As at 31 December	
	2016	2017
Liquidity ratios		
Current ratio ⁽⁴⁾	2.1	1.4
Quick ratio ⁽⁵⁾	1.6	1.2
Capital sufficiency ratios		
Gearing ratio ⁽⁶⁾	43.4%	33.1%
Net debt to equity ratio ⁽⁷⁾	Net cash	Net cash
Interest coverage ⁽⁸⁾	N/A	N/A

Notes:

- (1) Net profit margin equals our net profit for the year divided by revenue for the respective years multiplied by 100%.
- (2) Return on total assets is calculated by profit and total comprehensive income attributable to owners of our Company for the respective years divided by the total assets as at the end of the respective years multiplied by 100%.
- (3) Return on equity is calculated by profit and total comprehensive income attributable to owners of our Company for the respective years divided by the total equity as at the end of the respective year multiplied by 100%.

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- (4) Current ratio is calculated based on total current assets divided by total current liabilities as at the respective year end.
- (5) Quick ratio is calculated as based total current assets less inventories divided by total current liabilities as at respective year end.
- (6) Gearing ratio equals total debt divided by total equity as at the end of the respective year. Total debt includes amount due to a related party and amount due to a director.
- (7) Net debt to equity ratio equals net debt divided by total equity as at the end of the respective year. Net debt includes amount due to a related party and amount due to a director, net of cash and cash equivalents.
- (8) Interest coverage ratio equals profit and total comprehensive income attributable to owners of our Company before finance costs and income tax expenses for the respective years divided by finance costs for the respective year.

Please refer to the paragraph headed “Year to Year Comparison of Results of Operations” of this section above for a discussion of the factors affecting our net profit margin for FY2016 and FY2017.

Return on total assets

Our return on total assets recorded approximately 60.5% and 52.5% for FY2016 and FY2017, respectively. Such decrease was primarily due to the decrease in net profit for FY2017 mainly as a result of the recognition of Listing expenses for FY2017.

Return on equity

Our return on equity recorded approximately 104.9% and 118.2% for FY2016 and FY2017, respectively. Such increase was mainly due to the reduction of equity due to distribution of dividends.

Current ratio and quick ratio

Our current ratio and quick ratio was approximately 2.1 and 1.6 as at 31 December 2016, respectively and approximately 1.4 and 1.2 as at 31 December 2017, respectively. Such decrease was mainly due to the decrease in net current assets as a result of the combined effects of (i) the increase in accruals and other payables of approximately S\$1,093,000; (ii) the decrease in inventories of approximately S\$177,000; and (iii) the decrease in cash and cash equivalents of approximately S\$70,000, which partially net off by (i) the increase in deposits, prepayments and other receivables of approximately S\$382,000; and (ii) the decrease in amount due to a related party of approximately S\$336,000.

Gearing ratio

Our gearing ratio was approximately 43.4% and 33.1% as at 31 December 2016 and 31 December 2017, respectively. Such decrease was mainly due to the decrease in the amount due to a related party of approximately \$336,000, which was partially net off by the increase in amount due to a director of approximately S\$79,000.

Net debt to equity

Our net debt to equity were in net cash position as at 31 December 2016 and 31 December 2017.

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Interest coverage ratio

Our calculation of interest coverage ratio was not applicable during the Track Record Period as our Group did not record any bank borrowing for FY2016 and FY2017.

RELATED PARTY TRANSACTIONS

With respect to the related party transactions set out in note 22 to the Accountant's Report in Appendix I to this prospectus, our Directors confirm that these transactions were conducted on normal commercial terms or such terms that were no less favourable to our Group than those available to independent third parties and were fair and reasonable and in the interest of our Shareholders as a whole. Save for the key management compensation disclosed therein, other related party transactions have been discontinued as at the Latest Practicable Date.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As at the Latest Practicable Date, our Group had not entered into any material off-balance sheet commitments and arrangements.

FINANCIAL INSTRUMENT

Our Group has not entered into any financial instruments for hedging purposes during the Track Record Period and up to the Latest Practicable Date.

DIVIDENDS

For FY2016 and FY2017, our Group declared and paid dividends of approximately S\$408,000 and S\$2,203,000, respectively, and all these dividends had been paid as at the Latest Practicable Date. As at the Latest Practicable Date, no other dividends have been declared and paid by the companies now comprising our Group to their then shareholders.

After completion of the Share Offer, our Shareholders will be entitled to receive interim dividend or final dividend only when declared or approved by our Board. Cash dividends on our shares, if any, will be paid in Singapore Dollars. The payment and the amount of any dividends will be at the discretion of our Directors and will depend upon our future results of operations and earnings, capital requirements and surplus, general financial condition, working capital, contractual restrictions (if any) and other factors which our Directors deem relevant. We do not have any predetermined dividend payout ratio. Dividends declared and paid in the past should not be regarded as an indication of the dividend policy to be adopted by our Company following Listing.

LISTING EXPENSES

Based on the mid-point of the indicate Offer Price of HK\$0.55 per Offer Share, we estimate a total amount of non-recurring Listing expenses, which includes fees to various professional parties, underwriting commission and miscellaneous expenses of approximately HK\$25.0 million (equivalent to approximately S\$4.3 million). The Listing expenses of approximately HK\$9.4 million (equivalent to approximately S\$1.6 million) is expected to be capitalised as equity after the Listing, and the remaining amount of Listing expenses of approximately HK\$15.6 million (equivalent to approximately S\$2.7

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million) have been or are expected to be charged to the combined statements of comprehensive income, of which approximately HK\$4.3 million (equivalent to approximately S\$0.7 million) was charged for FY2017, and approximately HK\$11.3 million (equivalent to approximately S\$1.9 million) will be recognised as expenses during the year ending 31 December 2018. The professional fees and/or other expenses relating to the preparation of Listing subsequent to 31 December 2017 are current estimate for reference only and the actual amount to be recognised is subject to adjustment based on audit and the then changes in variables and assumptions.

Our Directors are of the view that our financial performance for the year ending 31 December 2018 is expected to be adversely affected by the Listing expenses, which are one-off and non-recurring in nature, to be charged to our combined statements of comprehensive income to a material extent.

DISTRIBUTABLE RESERVES

Our Company was incorporated on 3 January 2018 and is an investment holding company. There were no distributable reserves of our Company available for distribution to our Shareholders as at the Latest Practicable Date.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Our Group exposed to a variety of financial risk, including credit risk and liquidity risk. Please refer to note 3 to the Accountant's Report set out in Appendix I to this prospectus for further details of financial risk management.

Credit risk

Our Group is exposed to credit risk in relation to our trade receivables, deposits and other receivables and cash and cash equivalents. Our Group's maximum exposure to credit risk is the carrying amounts of these financial assets. Our Group has a highly diversified client base, without any single client contributing material revenue. Any receivable balances are monitored on an ongoing basis with the result that our Group's exposure to bad debts is not significant. Our primary healthcare services rendered to walk-in patients are on cash terms while services rendered to employees of corporate customers are billed on the monthly basis with 30 days credit terms.

The credit risk on cash and cash equivalents are limited because cash are placed in banks with sound credit ratings.

Liquidity risk

We maintain sufficient cash and cash equivalents as part of our liquidity risk management. Our liquidity risk is further mitigated through the availability of financing through our own cash resources to meet its financial commitments. Thus, our Group does not have any significant liquidity risk.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGE

For details, please refer to the paragraphs headed "Recent developments" and "Material adverse change" under the section headed "Summary" of this prospectus.

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DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Our Directors have confirmed that, as at the Latest Practicable Date, there are no circumstances which, would have given rise to a disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

For details, please refer to the section headed “Unaudited Pro Forma Financial Information” set out in Appendix II to this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

BUSINESS STRATEGIES AND FUTURE PLANS

Our primary business objectives are (i) to enhance our market share in the primary healthcare services industry, in particular in the treatment of sexual health and infectious diseases, with our operations under the brand “Dr. Tan and Partners”; and (ii) to expand our business operations as a medical aesthetics services provider under the brand “S Aesthetics”, by adopting the following business strategies: (a) strategically expanding and strengthening our network of DTAP Clinics; (b) establishing new SA Clinics; (c) upgrading and improving our information technology infrastructure and systems; (d) continuing to attract and retain talent pool of doctors and staff; and (e) setting up a centralised pharmacy. For details in relation to our Group’s business objectives and strategies, please refer to the paragraph headed “Business — Our business strategies” of this prospectus.

Bases and key assumptions

Our Directors have adopted the following principal assumptions in the preparation of the future plans:

- (a) there will be no material changes in the existing political, legal, fiscal, social or economic conditions in Hong Kong and Singapore, or in any other places in which any member of our Group carries on its business or will carry on its business or sales of our products;
- (b) our Group will have sufficient financial resources to meet the planned capital expenditure and business development requirements during the period to which the business objectives relate;
- (c) there will be no material changes in the bases or rates of taxation in Hong Kong and Singapore or in any other places in which any member of our Group operates or will operate;
- (d) there will be no material changes in legislation or regulations whether in Hong Kong and Singapore or elsewhere materially affecting the business carried on by our Group;
- (e) there will be no significant changes in our Group’s business relationship with its existing strategic and business partners;
- (f) there will be no significant changes in our Group’s business relationship with its major customers and suppliers;
- (g) there will be no change in the effectiveness of the licences, permits and qualifications obtained by our Group;
- (h) our Group will be able to continue its operation substantially in the same manner as our Group has been operating during the Track Record Period and our Group will also be able to carry out its development plans without disruptions adversely affecting its operations or business objectives in any way;
- (i) our Group will be able to retain key staff in the management and the main operational departments;

FUTURE PLANS AND USE OF PROCEEDS

- (j) there will be no material changes in the funding required for each of the scheduled achievements as outlined in the paragraph headed “Implementation plans” of this section below;
- (k) our Group will not be materially affected by the risk factors as set out in the section headed “Risk Factors” of this prospectus; and
- (l) the Share Offer will be completed in accordance with and as described in the section headed “Structure and Conditions of the Share Offer” of this prospectus.

IMPLEMENTATION PLANS

The implementation plans of our Group are set forth below for each of the six-month periods until 31 December 2020.

From the Latest Practicable Date to 31 December 2018

Business strategy	Implementation activities	Source of funding
Strategically expanding and strengthening our network of DTAP Clinics	<ul style="list-style-type: none"> ● Explore and identify location in Jurong for the new DTAP Clinic ● Negotiate and enter into tenancy for the new DTAP Clinic in Jurong and carry out renovation on the premises ● Procure fixed assets, furniture, equipment and treatment devices for the new DTAP Clinic in Jurong ● Expected opening of the new DTAP Clinic in Jurong 	To be funded by net proceeds of approximately S\$456,500 (equivalent to approximately HK\$2.6 million)
Establishing new SA Clinics	<ul style="list-style-type: none"> ● Explore and identify location in Jurong for the new SA Clinic ● Negotiate and enter into tenancy for the new SA Clinic in Jurong and carry out renovation on the premises ● Procure fixed assets, furniture, equipment and treatment devices for the new SA Clinic in Jurong ● Expected opening of the new SA Clinic in Jurong 	To be funded by net proceeds of approximately S\$628,500 (equivalent to approximately HK\$3.6 million)

FUTURE PLANS AND USE OF PROCEEDS

Business strategy	Implementation activities	Source of funding
Continuing to attract and retain talent pool of doctors and staff	<ul style="list-style-type: none"> ● Recruitment of two resident doctors with monthly salary of approximately S\$15,000 each and two clinic assistants with monthly salary of approximately S\$2,250 each for the new DTAP Clinic in Jurong ● Recruitment of one resident doctor with monthly salary of approximately S\$20,000 each and three aestheticians with monthly salary of approximately S\$3,000 each for the new SA Clinic in Jurong ● Recruitment of one chief operating officer with monthly salary of approximately S\$10,000 each 	To be funded by net proceeds of approximately S\$250,500 (equivalent to approximately HK\$1.5 million)
Upgrading and improving our information technology infrastructure and systems	<ul style="list-style-type: none"> ● Upgrading existing information technology infrastructure and systems 	To be funded by net proceeds of approximately S\$513,000 (equivalent to approximately HK\$3.0 million)

For the six months ending 30 June 2019

Business strategy	Implementation activities	Source of funding
Continuing to attract and retain talent pool of doctors and staff	<ul style="list-style-type: none"> ● Continued employment of our newly hired staff for our new DTAP Clinic and SA Clinic in Jurong and our chief operating officer 	To be funded by net proceeds of approximately S\$441,000 (equivalent to approximately HK\$2.6 million)

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 31 December 2019

Business strategy	Implementation activities	Source of funding
Strategically expanding and strengthening our network of DTAP Clinics	<ul style="list-style-type: none"> ● Explore and identify location in Tampines for the new DTAP Clinic ● Negotiate and enter into tenancy for the new DTAP Clinic in Tampines and carry out renovation on the premises ● Procure fixed assets, furniture, equipment and treatment devices for the new DTAP Clinic in Tampines ● Expected opening of the new DTAP Clinic in Tampines 	To be funded by net proceeds of approximately S\$456,500 (equivalent to approximately HK\$2.6 million)
Establishing new SA Clinics	<ul style="list-style-type: none"> ● Explore and identify location in Tampines for the new SA Clinic ● Negotiate and enter into tenancy for the new SA Clinic in Tampines and carry out renovation on the premises ● Procure fixed assets, furniture, equipment and treatment devices for the new SA Clinic in Tampines ● Expected opening of the new SA Clinic in Tampines 	To be funded by net proceeds of approximately S\$628,500 (equivalent to approximately HK\$3.6 million)

FUTURE PLANS AND USE OF PROCEEDS

Business strategy	Implementation activities	Source of funding
<p>Continuing to attract and retain talent pool of doctors and staff</p>	<ul style="list-style-type: none"> ● Recruitment of two resident doctors with monthly salary of approximately S\$15,000 each and two clinic assistants with monthly salary of approximately S\$2,250 each for the new DTAP Clinic in Tampines ● Recruitment of one resident doctor with monthly salary of approximately S\$20,000 each and three aestheticians with monthly salary of approximately S\$3,000 each for the new SA Clinic in Tampines ● Continued employment of our newly hired staff for our new DTAP Clinics and SA Clinic and our chief operating officer 	<p>To be funded by net proceeds of approximately S\$631,500 (equivalent to approximately HK\$3.7 million)</p>
<p>Setting up a centralised pharmacy</p>	<ul style="list-style-type: none"> ● Negotiate and enter into tenancy for the centralised pharmacy ● Carry out renovation at the premises for the centralised pharmacy of approximately S\$20,000 ● Procure fixed assets, furniture, equipment for the centralised pharmacy of approximately S\$34,200 ● Commence operations of the centralised pharmacy 	<p>To be funded by net proceeds of approximately S\$90,000 (equivalent to approximately HK\$522,000)</p>

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 30 June 2020

Business strategy	Implementation activities	Source of funding
Strategically expanding and strengthening our network of DTAP Clinics	<ul style="list-style-type: none"> ● Explore and identify locations for the new DTAP Clinics in Toa Payoh and Punggol ● Negotiate and enter into tenancy for the new DTAP Clinics in Toa Payoh and Punggol and carry out renovation on the premises ● Procure fixed assets, furniture, equipment and treatment devices for the new DTAP Clinics in Toa Payoh and Punggol ● Expected opening of the new DTAP Clinics in Toa Payoh and Punggol 	To be funded by net proceeds of approximately S\$913,000 (equivalent to approximately HK\$5.3 million)
Continuing to attract and retain talent pool of doctors and staff	<ul style="list-style-type: none"> ● Recruitment of four resident doctors with monthly salary of approximately S\$15,000 each and four clinic assistants with monthly salary of approximately S\$2,250 each for the new DTAP Clinics in Toa Payoh and Punggol ● Continued employment of our newly hired staff for our DTAP Clinics and SA Clinics and our chief operating officer 	To be funded by net proceeds of approximately S\$1,098,000 (equivalent to approximately HK\$6.4 million)

FUTURE PLANS AND USE OF PROCEEDS

For the six months ending 31 December 2020

Business strategy	Implementation activities	Source of funding
Strategically expanding and strengthening our network of DTAP Clinics	<ul style="list-style-type: none"> ● Explore and identify location in Raffles Place for the new DTAP Clinic ● Negotiate and enter into tenancy for the new DTAP Clinic in Raffles Place and carry out renovation on the premises ● Procure fixed assets, furniture, equipment and treatment devices for the new DTAP Clinic in Raffles Place ● Expected opening of the new DTAP Clinic in Raffles Place 	To be funded by net proceeds of approximately S\$456,500 (equivalent to approximately HK\$2.6 million)
Continuing to attract and retain talent pool of doctors and staff	<ul style="list-style-type: none"> ● Recruitment of two resident doctors with monthly salary of approximately S\$15,000 each and two clinic assistants with monthly salary of approximately S\$2,250 each for the new DTAP Clinic in Raffles Place ● Continued employment of our newly hired staff for our new DTAP Clinics and SA Clinics and our chief operating officer 	To be funded by net proceeds of approximately S\$1,339,500 (equivalent to approximately HK\$7.8 million)

Investors should note that the implementation plans are formulated on the bases and key assumptions referred to in the paragraph headed “Bases and key assumptions” in this section above. These bases and key assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors set out in the section headed “Risk Factors” of this prospectus. Therefore, there is no assurance that our business plans will materialise in accordance with the estimated time frame and that our future plans will be accomplished at all.

FUTURE PLANS AND USE OF PROCEEDS

USE OF PROCEEDS

Our Directors consider that net proceeds from the Share Offer are crucial for financing our Group's business strategies. Our Directors estimate that the net proceeds from the Share Offer (after deducting the underwriting fees and the estimated expenses payable by our Group in connection with the Listing) will be approximately HK\$46.5 million (equivalent to approximately S\$8.0 million) based on the Offer Price of HK\$0.55 per Offer Share (being the mid-point of the indicative Offer Price range between HK\$0.50 per Offer Share and HK\$0.60 per Offer Share). We intend to apply the net proceeds as follows:

	From the Latest Practicable Date to 31 December 2018 (S\$'000)	For the six months ending 30 June 2019 (S\$'000)	For the six months ending 31 December 2019 (S\$'000)	For the six months ending 30 June 2020 (S\$'000)	For the six months ending 31 December 2020 (S\$'000)	Total (S\$'000)	Approximate percentage of total net proceeds %
Strategically expanding and strengthening our network of DTAP Clinics	456.5	—	456.5	913.0	456.5	2,282.5	28.5
Establishing new SA Clinics	628.5	—	628.5	—	—	1,257.0	15.7
Continuing to attract and retain talent pool of doctors and staff	250.5	441.0	631.5	1,098.0	1,339.5	3,760.5	46.9
Upgrading and improving our information technology infrastructure and systems	513.0	—	—	—	—	513.0	6.4
Setting up a centralised pharmacy	—	—	90.0	—	—	90.0	1.1
General working capital	111.9	—	—	—	—	111.9	1.4
Total	<u>1,960.4</u>	<u>441.0</u>	<u>1,806.5</u>	<u>2,011.0</u>	<u>1,796.0</u>	<u>8,014.9</u>	<u>100.0</u>

If the Offer Price is set at HK\$0.60 per Offer Share (being the high-end of the indicative Offer Price range), the net proceeds from the Share Offer will increase by approximately HK\$6.5 million. Under such circumstances our Group will increase the proposed use of the net proceeds on a pro rata basis.

If the Offer Price is set at HK\$0.50 per Offer Share (being the low-end of the indicative Offer Price range), the net proceeds from the Share Offer will decrease by approximately HK\$6.5 million. Under such circumstances, our Group will reduce the proposed use of the net proceeds on a pro rata basis and will finance such shortfall by internal resources, working capital and/or other debt financing, as and when appropriate.

Investors should be aware that any part of the business plans of our Group may or may not proceed according to the timeframe as described above due to various factors such as changes in customers' demand and changes in market conditions.

To the extent that the net proceeds from the Share Offer are not immediately required for the above purposes, our Directors will evaluate carefully the situations and will hold the funds as short-term deposits in authorised banks and/or financial institutions in Singapore until the relevant business plan materialises.

FUTURE PLANS AND USE OF PROCEEDS

Should our Directors decide to re-allocate the intended use of proceeds to other business plans to a material extent and/or there is any material modification to the use of proceeds as described above, our Group will issue an announcement in accordance with the GEM Listing Rules.

REASONS FOR THE LISTING AND THE SHARE OFFER

Commercial rationale for the Listing

Our Directors believe that the Listing will provide an indirect complimentary advertising to raise our Group's brand awareness and publicity and enhance our corporate profile on an international level, promoting our Services in Singapore to new potential local and international customers. Our Directors particularly considered that the Listing will strengthen our customers' and suppliers' confidence in our Group's financial strengths, credibility, corporate governance and internal control which may further enhance our business relationship with them. In particular, most of our drug suppliers are well-known pharmaceutical companies which tend to give preference to companies with a listing status and a sound reputation and transparent financial disclosures. Further, listing in Hong Kong could also enhance our Company's profile in Hong Kong's capital market and benefit our Company by exposing us to a wider range of private and institutional investors, which our Directors consider is crucial for our potential future growth and long-term development.

The Listing will help raise staff confidence and improve our ability to recruit, motivate and retain our employees and key management personnel and will enable us to offer an equity-based incentive programme to our employees that more directly correlates to their performance with our Group's business. We would therefore be in a better position to motivate our employees with any incentive programmes that are closely aligned with the objective of creating value for our Shareholders.

Following the Listing, which is important as we continue to expand our business, we will have access to the capital markets, providing us additional avenues for future fundraising through the issuance of equity and debt securities for business development in the long run. Our Directors are of the view that the costs of debt borrowings remain higher than that of equity financing despite the current low interest rate environment since debt borrowings ultimately will have to be repaid with interests, and the interest rates would fluctuate over a period of time and any future debt borrowings by our Group might be subject to such higher interest rates. Our Directors have also taken into consideration that pursuing debt financing will increase our gearing ratio. Further and in relation to debt borrowings from banks or financial institutions, they normally require the pledge of properties or significant assets which our Group does not have, or personal guarantees by our Directors or Controlling Shareholders as security for such financing. Our Directors consider that our Company, without a listing status, would have difficulties obtaining bank borrowings at more commercially favourable terms without personal guarantees or other collateral to be provided by the Controlling Shareholders. Our Directors consider that the Listing can broaden the funding channels of our Group by enabling us to conduct secondary fund raising in the stock market, if necessary, for our further expansion in the future and provide our Group with enhanced flexibility to achieve a more desirable and optimal capital structure in terms of debt-equity and reduce the financing costs to be incurred by our Group.

FUTURE PLANS AND USE OF PROCEEDS

In summary, the Listing will help strengthen the competitiveness of our Group, offer us more flexibility to finance our operation so as to allow us to respond to business opportunities expeditiously and differentiating us from our competitors, so as to be in a better position to seize business opportunities and secure our market position in the private primary healthcare services industry in Singapore. Therefore, our Directors consider it is commercially justifiable to pursue the Listing.

UNDERWRITING

PUBLIC OFFER UNDERWRITERS

China Industrial Securities International Capital Limited
Sincere Securities Limited

JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS

China Industrial Securities International Capital Limited
Sincere Securities Limited
Titan Financial Services Limited

UNDERWRITING ARRANGEMENT AND EXPENSES

The Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, we are offering 13,000,000 Public Offer Shares (subject to re-allocation) for subscription on the terms and subject to the conditions of this prospectus and the Application Forms at the Offer Price.

Subject to (i) the Stock Exchange granting listing of, and permission to deal in, the Shares (including the additional Shares to be issued pursuant to the Capitalisation Issue and the exercise of options to be granted under the Share Option Scheme); and (ii) certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally agreed to apply or procure applications, on the terms and conditions of this prospectus, the related Application Forms and the Public Offer Underwriting Agreement, for the Public Offer Shares now being offered and which are not taken up under the Public Offer.

The Public Offer Underwriting Agreement is conditional on and subject to the Placing Underwriting Agreement having been executed and becoming unconditional.

Grounds for termination

The Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) shall have the absolute right, upon giving notice in writing to our Company, to terminate the arrangements set out in the Public Offer Underwriting Agreement with immediate effect if any of the following events occur at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (which is expected to be on Friday, 15 June 2018):

- (a) it has come to the notice of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) that:
 - (i) any statement contained in this prospectus, the Application Forms, any supplemental offering materials, press announcement, the formal notice substantially in the agreed form pursuant to the GEM Listing Rules, the road show materials and any other document published or issued by or on behalf of our Company, the Sole Sponsor, the Joint Bookrunners or the Joint Lead Managers for the purpose of or in connection with

UNDERWRITING

the Share Offer (the “**Relevant Documents**”), considered by the Joint Lead Managers in their sole and absolute discretion was, when it was issued, or has become, untrue or incorrect in any material respect or misleading in any respect;

- (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute an omission therefrom considered by the Joint Lead Managers in their sole and absolute discretion to be material in the context of the Share Offer;
 - (iii) any breach of any of the obligations imposed upon any party to the Public Offer Underwriting Agreement (other than any of the Sole Sponsor, the Joint Lead Managers and the Public Offer Underwriters) considered by the Joint Lead Managers in their sole and absolute discretion to be material in the context of the Share Offer;
 - (iv) either (1) there has been a breach of any of the warranties or provisions of the Public Offer Underwriting Agreement by any of our Company, our executive Directors or our Controlling Shareholders (collectively, the “**Warrantors**”) or (2) any matter or event showing or rendering any of the warranties contained in the Public Offer Underwriting Agreement, as applicable, in the sole and absolute discretion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) to be untrue, incorrect or misleading in any material respect when given or repeated;
 - (v) any event, act or omission which gives or is likely to give rise to any liability of a material nature of any of the Warrantors pursuant to the indemnity provisions under the Public Offer Underwriting Agreement; or
- (b) there shall develop, occur, exist, continue to exist or come into effect:
- (i) any event, or series of events beyond the control of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriter), including, without limitation, acts of government, strikes, lock-outs fire, explosion, flooding, civil commotion, war, threat of war, acts of God, acts of terrorism, declaration of a national or international emergency, riots, public disorder, economic sanctions, outbreaks of diseases or epidemics including SARS and avian influenza and such related/mutated forms of interruption or delay in transportation;
 - (ii) any adverse change or development involving a prospective change or development, or any event or series of events currently in existence or otherwise, likely to result in any change or development (whether or not permanent), in local, national, regional, international, financial, economic, legal, political, military, industrial, fiscal, regulatory, currency, market or exchange control conditions or any monetary or trading settlement system or matters and/or disaster (including without limitation any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ National Market, London Stock Exchange or any of the stock exchanges in the PRC, or a material fluctuation in the exchange rate of Hong Kong dollars against any foreign currency, or any interruption in securities settlement or clearance service or procedures in Hong Kong or anywhere in the world);

UNDERWRITING

- (iii) any publicly available new laws, rules, regulations, guidelines, opinions, notices, circulars, orders, judgments, decrees or rulings of any court, government, governmental or regulatory authority or any other public, regulatory, taxing, administrative or governmental, agency or authority, any self-regulatory organisation or any securities exchange authority (including without limitation the Stock Exchange and the SFC), other authority and any court at the national, provincial, municipal or local level of all relevant jurisdictions, including (without limitation) Singapore, Hong Kong, the Cayman Islands and the BVI (as the case may be) (“**Government Authority**”) and all relevant Code of Conduct for Persons Licensed by or Registered with the SFC, the Corporate Finance Adviser Code of Conduct, the Guidelines to sponsors, underwriters and placing agents involved in the listing and placing of GEM stocks, the Joint Statement regarding the price volatility of GEM stocks issued by the SFC and the Stock Exchange on 20 January 2017 and the statement on recent GEM listing applicants issued by the SFC and the Stock Exchange on 13 March 2017, and the GEM Listing Rules (collectively, the “**Relevant Laws**”) or policy or directive or change (whether or not forming part of a series of changes) or development in existing Relevant Laws or policy or directive or in the interpretation or application thereof by any court or Government Authority or other competent authority in Hong Kong or any other jurisdictions where any member of our Group is incorporated or operated;
- (iv) the imposition of economic or other sanctions, in whatever form, directly or indirectly, by, the United States or the European Union (or any member thereof) or any other country or organisation in Hong Kong, Singapore, the PRC, the United States or any other jurisdictions where any member of our Group is incorporated or operated;
- (v) a change or development occurs involving a prospective change in any taxation or exchange control (or the implementation of any exchange control) or foreign investment regulations in Hong Kong, Singapore, the PRC, the United States, or any other jurisdictions where any member of our Group is incorporated or operated;
- (vi) any change or development involving a prospective change, or a materialisation of, any of the risks set forth in the section headed “Risk Factors” of this prospectus;
- (vii) any litigation or claim of material importance of any third party being threatened or instigated against any member of our Group or any of our Directors;
- (viii) an executive Director being charged with an indictable offence or prohibited by operation of law or regulation or otherwise disqualified from taking part in the management of a company;
- (ix) a valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity;

UNDERWRITING

- (x) any loss or damage sustained by any member of our Group (howsoever caused and whether or not the subject of any insurance or claim against any person) which, in the sole and absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters), is or shall have or could be expected to have a material adverse effect;
- (xi) any contravention by any member of our Group or any Director of the GEM Listing Rules or any applicable laws which, in the sole and absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters), is or shall have or could be expected to have a material adverse effect, to the extent applicable;
- (xii) a prohibition on our Company for whatever reason from allotting the Offer Shares pursuant to the terms of the Share Offer;
- (xiii) non-compliance of this prospectus (and/or any other documents used in connection with the subscription and purchase of the Offer Shares) or any aspect of the Share Offer with the GEM Listing Rules or any other applicable laws by any of the Directors or the Warrantors, to the extent applicable;
- (xiv) the issue or requirement to issue by our Company of a supplement or amendment to any of the Relevant Documents;
- (xv) any change in the business, business prospects, financial or trading position, conditions or prospects (financial or otherwise) of our Group taken as a whole;
- (xvi) a petition or an order is presented for the winding-up or liquidation of any member of our Group or any member of our Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of our Group or any analogous matter thereto occurs in respect of any member of our Group;
- (xvii) a disruption in or any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary of Hong Kong and/or the Hong Kong Monetary Authority or other competent authority) or other jurisdictions relevant to any member of our Group;
- (xviii) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or crisis involving or affecting Hong Kong, Singapore, the Cayman Islands, the BVI or any other jurisdiction where the Company is incorporated or operated;
- (xix) any change or development in the conditions of local, national or international equity securities or other financial markets;
- (xx) the imposition of any moratorium, suspension or restriction on trading in shares or securities generally on or by the Stock Exchange or by any of the other exchanges or by such system or by order of any regulatory or governmental authority;

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- (xxi) there is a change in the system under which the value of the HK\$ is linked to that of the US dollar;
- (xxii) any event, act or omission which gives rise to or is likely to give rise to any liability of any of the Warrantors pursuant to the indemnity contained in the Public Offer Underwriting Agreement;
- (xxiii) any material concern by the Joint Lead Managers concerning compliance with Relevant Law(s) with respect to any matters relating to the Share Offer, the Offer Shares, the Listing and/or any other related matters,

which in the sole and absolute opinion of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) (a) is or shall have or could be expected to have a material adverse change, or any development involving a prospective material adverse change, in the financial or operational condition or in the earnings, management, prospects, assets or liabilities of any member of our Group, whether or not arising in the ordinary course of business (the “**Material Adverse Effect**”); or (b) has or shall have or could be expected to have a Material Adverse Effect on the success, marketability or pricing of the Share Offer or the level of interest under the Share Offer; or (c) is or will or may make it inadvisable, inexpedient, impracticable or not commercially viable (i) for the Share Offer to proceed or (ii) for any material part of the Public Offer Underwriting Agreement to be performed or implemented as envisaged or (d) having any compliance related concern in respect of the Share Offer, the Offer Shares, the Listing, and/or any other related matters, with consideration of law(s), the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) shall be entitled (but not bound) by notice in writing to our Company on or prior to such time to terminate the Public Offer Underwriting Agreement.

Placing Underwriting Agreement

In connection with the Placing, it is expected that our Company will enter into the Placing Underwriting Agreement with, among others, the Placing Underwriters on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below.

Under the Placing Underwriting Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to procure subscribers to subscribe for, or failing which they shall subscribe for, 117,000,000 Placing Shares initially being offered pursuant to the Placing. It is expected that the Placing Underwriting Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors shall be reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer will not proceed.

The Placing Underwriting Agreement is conditional on and subject to the Public Offer Underwriting Agreement having been executed, becoming unconditional on or before such time and date in accordance with its terms and not having been terminated. It is expected that pursuant to the Placing Underwriting Agreement, our Company and Controlling Shareholders will make similar undertakings as those given pursuant to the Public Offer Underwriting Agreement as described in the paragraphs headed “Undertakings to the Stock Exchange” and “Undertakings pursuant to the Public Offer Underwriting Agreement” in this section below.

UNDERWRITING

UNDERTAKINGS TO THE STOCK EXCHANGE

Undertakings by our Company

Pursuant to Rule 17.29 of the GEM Listing Rules, our Company has undertaken to the Stock Exchange that save as pursuant to the Share Offer (including the exercise of the options to be granted under the Share Option Scheme), no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued by our Company or form the subject of any agreement to such an issue by our Company within six months from the Listing Date (whether or not such issue of Shares or securities of our Company will be completed within six months from the Listing Date), except in certain circumstances prescribed by Rule 17.29 of the GEM Listing Rules.

Undertakings by our Controlling Shareholders

Pursuant to Rule 13.16A(1) of the GEM Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company that, except for the circumstances permitted pursuant to Rule 13.18 of the GEM Listing Rules, he/it shall not:

- (a) in the period commencing on the date by reference to which disclosure of its/his shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date (the “**First Six-Month Period**”), dispose of, nor enter into any agreement to dispose of or otherwise create any mortgage, charge, pledge, lien, restrictions, options, rights, interests or encumbrances (“**Encumbrances**”) in respect of, any of those Shares in respect of which it/he is shown by this prospectus to be the beneficial owners; and
- (b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above (the “**Second Six-Month Period**”) expires, dispose of, nor enter into any agreement to dispose of, or otherwise create any Encumbrances in respect of, any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such Encumbrances, the Controlling Shareholders would cease to be controlling shareholders (as defined in the GEM Listing Rules) of the Company.

Pursuant to Rule 13.19 of the GEM Listing Rules, each of our Controlling Shareholders has further undertaken to our Company and the Stock Exchange that he/it shall, and shall procure that the relevant registered holder(s) shall:

- (a) in the event that he/it pledges or charges any direct or indirect interest in the Shares under Rule 13.18(1) of the GEM Listing Rules or pursuant to any right or waiver granted by the Stock Exchange pursuant to Rule 13.18(4) of the GEM Listing Rules, at any time during the First Six-Month Period and the Second Six-Month Period from the Listing Date, inform our Company immediately thereafter, disclosing the details specified in Rule 17.43(1) to (4) of the GEM Listing Rules; and
- (b) having pledged or charged any interest in the Shares under (a) above, inform our Company immediately in the event that he/it becomes aware that the pledgee or chargee has disposed of or intends to dispose of such interest and the number of Shares affected.

Our Company shall, upon being informed of any matter under (a) or (b) above, forthwith publish an announcement giving details of the same in accordance with the requirements of Rule 17.43 of the GEM Listing Rules.

UNDERWRITING

UNDERTAKINGS PURSUANT TO THE PUBLIC OFFER UNDERWRITING AGREEMENT

Undertakings by our Company

Our Company has irrevocably undertaken to and covenanted with the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters that we shall not, and each of our Controlling Shareholders and executive Directors has jointly and severally undertaken to the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters to procure our Company shall not, without the prior written consent of the Sole Sponsor and the Joint Lead Managers (which consent shall not be unreasonably withheld or delayed) and unless in compliance with the requirements of the GEM Listing Rules, except for the issue of Shares under the Share Offer, the Capitalisation Issue, the grant of option under the Share Option Scheme or the issue of Shares upon exercise of any option to be granted under the Share Option Scheme:

- (a) during the First Six-Month Period:
 - (i) offer, allot or issue, or agree to offer, allot, issue (conditionally or unconditionally) any Shares or securities convertible into or exchangeable for equity securities of our Company (whether or not of a class already listed); or
 - (ii) grant or agree to grant (conditionally or unconditionally) any options, warrants or other rights carrying the rights to subscribe for or otherwise acquire or convertible or exchangeable into Shares or other securities of our Company (whether or not of a class already listed); or
 - (iii) enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by our Company or any of our affiliates, either directly or indirectly, conditionally or unconditionally, any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or any securities convertible into or exchangeable for such Shares (or any interest in any Shares or any voting or other right attaching to any Shares); or
 - (iv) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or securities convertible into or exchangeable for such Shares; or
 - (v) repurchase any Shares or securities of our Company; or
 - (vi) offer to or agree to do any of the foregoing or announce any intention to do so; or
- (b) during the Second Six-Month Period, do any of the acts set out in paragraph (a) above such that any of our Controlling Shareholders (together with any of his/its associates) either individually or collectively would cease to be a controlling shareholder (within the meaning of the GEM Listing Rules) of our Company; and

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- (c) in the event that our Company does any of the acts set out in paragraphs (a) and (b) above after the expiry of the First Six-Month Period or the Second Six-Month Period, as the case may be, take all steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of our Company or any interest therein.

Undertakings by our Controlling Shareholders

Each of our Controlling Shareholders has irrevocably undertaken to and covenanted with each of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Public Offer Underwriters and our Company that without the prior written consent of each of the Company, the Sole Sponsor, the Joint Bookrunners and the Joint Lead Managers, he/it shall not directly or indirectly and shall procure that none of his/its associates or the companies controlled by him/it or any nominee or trustee holding in trust for him/it shall during the First Six-Month Period:

- (a) sell, transfer or dispose of, offer to sell, contract to sell, transfer or dispose of, nor enter into any agreements to sell, transfer or dispose of or otherwise create any options, warrants, rights, interests or encumbrances (including the creation or entry into of any option, right, warrant to purchase or otherwise transfer or dispose of, or any lending, charge, pledges or encumbrances over, or by entering into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) on any of the Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or any other securities convertible into or exchangeable for or which carry a right to subscribe, purchase or acquire any such shares therein owned by him/it or any of his/its associates or in which he/it or any of his/its associates is, directly or indirectly, interested immediately after the completion of the Capitalisation Issue, the Share Offer and the issuance and allotment of any other Shares or securities of or interest in our Company arising or deriving therefrom as a result of capitalisation issue or scrip dividend or otherwise or enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of the acquisition or ownership of any such Shares or such securities; or
- (b) sell, transfer or dispose of, offer to sell, contract to sell, transfer or dispose of, nor enter into any agreements to sell, transfer or dispose of or otherwise create any options, warrants, rights, interests or encumbrances (including the creation or entry into of any agreement to create any pledge or charge or encumbrances over, or by entering into any transaction which is designed to, or might reasonably be expected to, result in the disposition whether by actual disposition or effective economic disposition due to cash settlement or otherwise) on any shares or interest in any company controlled by him/it or any of his/its associates which is the beneficial owner (directly or indirectly) of any of such securities or any interests therein as referred to in paragraph (a) above (or any other shares or securities of or interest in such company arising or deriving therefrom as a result of capitalisation issue or scrip dividend or otherwise); or
- (c) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (a) and (b) above; or
- (d) announce any intention to enter into or effect any of the transactions referred to in paragraphs (a), (b) or (c) above.

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Each of our Controlling Shareholders has irrevocably undertaken to and covenanted with the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Public Offer Underwriters and our Company that, save with the prior consent of our Company, the Sole Sponsor and the Joint Bookrunners and the Joint Lead Managers, during the Second Six-Month Period, he/it shall not and shall procure that none of his/its associates or the companies controlled by him/it shall or any nominee or trustee holding in trust for him/it shall:

- (a) sell, transfer, dispose of, offer to sell, transfer or disposal of nor enter into any agreement to sell, transfer or dispose of or create any options, warrants, rights, interests or Encumbrances (including the creation or entry into of any agreement to create any pledge or charge or Encumbrances over, or by entering into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise)) on any shares in any company controlled by him/it or any of their associates which is the beneficial owner (directly or indirectly) of such Shares or any interests therein as aforesaid if, immediately following such disposal or creation of rights, our Controlling Shareholders (together with his/its associates) would, directly or indirectly, cease to be a controlling shareholder (within the meaning of the GEM Listing Rules) of our Company or cease to hold, directly or indirectly, a controlling interest of over 30%, or such lower amount as may from time to time be specified in the Takeovers Codes as being the level for triggering a mandatory general offer, in our Company;
- (b) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraph (a) above announce any intention to enter into or effect any of the transactions referred to in paragraph (a) above.

In the event of a disposal by him/it of any of the Shares or securities or any interest therein during the Second Six-Month Period, he/it will take all reasonable steps to ensure that such a disposal will not create a disorderly or false market for the Shares or other securities of our Company.

TOTAL COMMISSION, FEE AND EXPENSES

In connection with the Share Offer, the Underwriters will receive an underwriting commission of 6.0% of the aggregate Offer Price payable for the Offer Shares according to the arrangement of the Underwriting Agreements, out of which they will pay any sub-underwriting commissions.

In connection with the Listing and the Share Offer, the total expenses to be borne by our Company (assuming the Offer Price of HK\$0.55 per Offer Share (being the mid-point of the stated range of the Offer Price)) including underwriting commission, brokerage, the Stock Exchange trading fee, the SFC transaction levy, the sole sponsorship fee, the Listing expenses and other professional fees, printing and other expenses are approximately HK\$25.0 million (equivalent to approximately S\$4.3 million) and are payable by our Company.

UNDERWRITING

SOLE SPONSOR'S AND UNDERWRITERS' INTEREST IN OUR COMPANY

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 6A.07 of the GEM Listing Rules.

Following the completion of the Share Offer, the Underwriters and their respective affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Underwriting Agreements.

Save for (i) their interests and obligations under the Underwriting Agreements; (ii) the sole sponsorship fee payable to the Sole Sponsor in connection with the Listing; (iii) the fee payable to Titan Financial for acting as our compliance adviser; and (iv) the obligations of Titan Financial under the Underwriting Agreements as one of the Joint Bookrunners and the Joint Lead Managers, none of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Underwriters nor any of their directors, employees and associates is interested, beneficially or otherwise, in any shares in any member of our Group or has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any shares in any member of our Group.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE SHARE OFFER

The Share Offer comprises the Placing and the Public Offer. A total of initially 130,000,000 Offer Shares will be made available under the Share Offer, of which 117,000,000 Placing Shares (subject to re-allocation), representing 90% of the Offer Shares, will initially be conditionally placed with selected professional, institutional and other investors under the Placing. The remaining 13,000,000 Public Offer Shares (subject to re-allocation), representing 10% of the Offer Shares, will initially be offered to members of the public in Hong Kong under the Public Offer. The Public Offer is open to all members of the public in Hong Kong as well as to institutional and professional investors. The Public Offer Underwriters have agreed to underwrite the Public Offer Shares under the terms of the Public Offer Underwriting Agreement. The Placing Underwriters will underwrite the Placing Shares pursuant to the terms of the Placing Underwriting Agreement. Further details of the underwriting are set out in the section headed “Underwriting” of this prospectus. Investors may apply for Offer Shares under the Public Offer or indicate an interest for Offer Shares under the Placing, but may not do both.

The Placing

Our Company is expected to offer initially 117,000,000 Shares (subject to re-allocation) at the Offer Price under the Placing. The number of Placing Shares expected to be initially available for application under the Placing represents 90% of the total number of Offer Shares being initially offered under the Share Offer, and approximately 22.5% of our Company’s enlarged issued share capital immediately after completion of the Share Offer and the Capitalisation Issue. The Placing is expected to be fully underwritten by the Placing Underwriters (subject to satisfaction or waiver of the other conditions provided in the Placing Underwriting Agreement).

It is expected that the Placing Underwriters or selling agents nominated by them, on behalf of our Company, will conditionally place the Placing Shares at the Offer Price with selected professional, institutional and other investors. Professional and institutional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Allocation of the Placing Shares will be based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to acquire further Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and its shareholders as a whole. Investors to whom Placing Shares are offered will be required to undertake not to apply for Shares under the Public Offer.

The Public Offer

Our Company is initially offering 13,000,000 Public Offer Shares for subscription (subject to re-allocation) by members of the public in Hong Kong under the Public Offer, representing 10% of the total number of Offer Shares offered under the Share Offer, and approximately 2.5% of our Company’s enlarged issued share capital immediately after completion of the Share Offer and the Capitalisation Issue. The Public Offer is fully underwritten by the Public Offer Underwriters (subject to satisfaction or waiver of the other conditions provided in the Public Offer Underwriting Agreement). Applicants for the

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Public Offer Shares are required on application to pay the Offer Price of HK\$0.60 per Offer Share plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.0027% SFC transaction levy on each Offer Share.

The Public Offer is open to all members of the public in Hong Kong as well as to institutional and professional investor. An applicant for Shares under the Public Offer will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it has not applied for nor taken up any Shares under the Placing nor otherwise participated in the Placing. Applicants should note that if such undertaking and/or confirmation given by an applicant is breached and/or is untrue (as the case may be), such applicant's application under the Public Offer is liable to be rejected. Multiple applications or suspected multiple applications and any application made for more than 100% of the Shares initially comprised in the Public Offer (i.e. 13,000,000 Public Offer Shares) are liable to be rejected.

Allocation of the Public Offer Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. When there is over-subscription under the Public Offer, allocation of the Public Offer Shares may involve balloting, which would mean that some applicants may be allotted more Public Offer Shares than others who have applied for the same number of the Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

RE-ALLOCATION OF THE OFFER SHARES BETWEEN PLACING AND PUBLIC OFFER

The allocation of the Offer Shares between the Placing and the Public Offer is subject to re-allocation on the following basis:

- (a) Where the Placing Shares are fully subscribed or oversubscribed:
 - (i) if the Public Offer Shares are undersubscribed, the Joint Lead Managers may, at their absolute discretion, reallocate all or any of the unsubscribed Public Offer Shares from the Public Offer to the Placing;
 - (ii) if the Public Offer Shares are fully subscribed or oversubscribed and the number of Shares validly applied for under the Public Offer represents less than 15 times the number of Shares initially available for subscription under the Public Offer, then up to 13,000,000 Shares may be reallocated to the Public Offer from the Placing, so that the total number of Shares available for subscription under the Public Offer will be increased to 26,000,000 Shares, representing 20% of the total number of Offer Shares initially available for subscription under the Share Offer;
 - (iii) if the number of Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the number of Shares initially available for subscription under the Public Offer, then Shares will be re-allocated to the Public Offer from the Placing, so that the total number of Shares available for subscription under the Public Offer will be increased to 39,000,000 Offer Shares, representing 30% of the number of the Offer Shares initially available for subscription under the Share Offer;

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

- (iv) if the number of Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the number of Shares initially available for subscription under the Public Offer, then Shares will be re-allocated to the Public Offer from the Placing, so that the number of Shares available for subscription under the Public Offer will be increased to 52,000,000 Offer Shares, representing 40% of the number of the Offer Shares initially available for subscription under the Share Offer; and
 - (v) if the number of Shares validly applied for under the Public Offer represents 100 times or more the number of Shares initially available for subscription under the Public Offer, then Shares will be reallocated to the Public Offer from the Placing, so that the number of Shares available for subscription under the Public Offer will be increased to 65,000,000 Offer Shares, representing 50% of the number of the Offer Shares initially available for subscription under the Share Offer.
- (b) In the event that the Placing Shares are undersubscribed under the Placing:
- (i) if the Public Offer Shares are undersubscribed, the Share Offer shall not proceed unless fully underwritten by the Underwriters pursuant to the Underwriting Agreements; and
 - (ii) if the Public Offer Shares are fully subscribed or oversubscribed irrespective of the number of times the number of Shares initially available for subscription under the Public Offer, then up to 13,000,000 Offer Shares may be reallocated to the Public Offer from the Placing, so that the total number of the Shares available for subscription under the Public Offer will be increased to 26,000,000 Offer Shares, representing 20% of the number of the Offer Shares initially available for subscription under the Share Offer.

In all cases, the number of Offer Shares allocated to the Placing will be correspondingly reduced.

In the event of reallocation of Offer Shares between the Placing and the Public Offer in the circumstances where (i) the Placing Shares are fully subscribed or oversubscribed and the Public Offer Shares are oversubscribed by less than 15 times as per paragraph (a)(ii) above, or (ii) the Placing Shares are undersubscribed and the Public Offer Shares are fully subscribed or oversubscribed as per paragraph (b)(ii) above, the final Offer Price shall be fixed at the low-end of the indicative Offer Price range (i.e. HK\$0.50 per Offer Share) stated in this prospectus.

In addition, the Joint Lead Managers may reallocate Offer Shares from the Placing to the Public Offer to satisfy valid applications under the Public Offer. In accordance with Guidance Letter HKEx-GL91-18 issued by the Stock Exchange, if such reallocation is done other than pursuant to Practice Note 6 of the GEM Listing Rules, the maximum total number of Offer Shares that may be reallocated to the Public Offer following such reallocation shall be not more than double the initial allocation to the Public Offer (i.e. 26,000,000 Offer Shares).

Details of any re-allocation of Offer Shares between the Public Offer and the Placing will be disclosed in the results announcement of the Share Offer, which is expected to be published on Thursday, 14 June 2018.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

OFFER PRICE

The Offer Price will be fixed by the Price Determination Agreement on the Price Determination Date, which is expected to be on or around Thursday, 7 June 2018, and, in any event, not later than Tuesday, 12 June 2018. If our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) are unable to reach an agreement on the Offer Price by Tuesday, 12 June 2018, the Share Offer will not become unconditional and will not proceed. The Joint Lead Managers (for themselves and on behalf of the Underwriters) may, with the consent of our Company, reduce the indicative Offer Price range and/or the number of Offer Shares stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. In such a case, our Company will, as soon as practicable following the decision to make such reduction, cause to be published on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at republichealthcare.asia, an announcement of such change on or before the Price Determination Date and will issue a supplemental prospectus updating investors of the change in the indicative Offer Price; extend the period under which the Public Offer was open for acceptance to allow potential investors sufficient time to consider their subscriptions or reconsider their submitted subscriptions; and give potential investors who had applied for the Shares the right to withdraw their applications under the Public Offer. In such event, details of the arrangement will be announced by our Company as soon as practicable. Prospective investors of the Offer Shares should be aware that the Offer Price to be determined on the Price Determination Date may be, but is currently not expected to be, lower than the indicative Offer Price range stated in this prospectus.

The Offer Price will not be more than HK\$0.60 per Offer Share and is expected to be not less than HK\$0.50 per Offer Share. The Offer Price will fall within the indicative Offer Price range as stated in this prospectus, unless otherwise announced.

If for any reason the Price Determination Date is changed, our Company will as soon as practicable cause to be published on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at republichealthcare.asia a notice of the change and if applicable the revised date. The net proceeds from the Share Offer based on the Offer Price of HK\$0.55 per Offer Share (being the mid-point of the stated range of the Offer Price) are estimated to be approximately HK\$46.5 million (equivalent to approximately S\$8.0 million), after deduction of the underwriting commission and other expenses relating to the Share Offer and the Listing payable by our Company.

ANNOUNCEMENT OF OFFER PRICE AND BASIS OF ALLOCATIONS

Announcement of the final Offer Price, together with the level of indications of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares is expected to be published on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at republichealthcare.asia on Thursday, 14 June 2018.

PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK\$0.60 per Offer Share and is expected to be not less than HK\$0.50 per Offer Share. Applicants under the Public Offer should pay, on application, the maximum Offer Price of HK\$0.60 per Offer Share plus 1% brokerage, 0.005% Stock Exchange trading fee and 0.0027% SFC transaction levy, amounting to a total of HK\$3,030.23 per board lot of 5,000 Offer Shares. If the Offer Price, as finally determined in the manner described above, is lower than the maximum

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Offer Price of HK\$0.60 per Offer Share, appropriate refund payments (including the related brokerage, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants, without interest.

Further details are set out in the section headed “How to Apply for Public Offer Shares” of this prospectus.

CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for Offer Shares will be conditional upon, among others:

- (i) the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on GEM and such grant and permission not subsequently being revoked prior to the Listing Date;
- (ii) the Price Determination Agreement between our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) being entered into on or about the Price Determination Date, and, in any event, not later than Tuesday, 12 June 2018, and such agreement not having been subsequently terminated; and
- (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including the waiver of any condition(s) by the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Underwriting Agreements not being terminated in accordance with the terms of that agreement or otherwise).

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If such conditions have not been fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Share Offer will be published by our Company on the website of the Stock Exchange at www.hkexnews.hk and our Company’s website at republichealthcare.asia on the next Business Day following such lapse.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Application has been made to the Stock Exchange for the listing of and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus. Subject to the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on GEM and the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements as such arrangements will affect their rights and interests.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

DEALINGS AND SETTLEMENT

Assuming that the Share Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on Friday, 15 June 2018, dealings in the Shares on GEM are expected to commence at 9:00 a.m. on Friday, 15 June 2018. Shares will be traded in board lots of 5,000 Shares each. The stock code of the Shares is 8357.

HOW TO APPLY FOR PUBLIC OFFER SHARES

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares. To apply for Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Joint Bookrunners and the Joint Lead Managers, and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY FOR THE PUBLIC OFFER SHARES

You can apply for Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, our Company the Joint Bookrunners and the Joint Lead Managers may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four for the Public Offer Shares.

Unless permitted by the GEM Listing Rules, you cannot apply for any Public Offer Shares if you are:

- an existing beneficial owner of Shares and/or any of our subsidiaries;
- a Director or chief executive officer of our Company and/or any of our subsidiaries;
- an associate (as defined in the GEM Listing Rules) of any of the above;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- a core connected person of our Company or will become a core connected person of our Company immediately upon completion of the Share Offer; and
- have been allocated or have applied for or indicated an interest in any Placing Shares under the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which Application Channel to Use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 1 June 2018 to 12:00 noon on Wednesday, 6 June 2018 from:

- (i) any of the following offices of the Joint Bookrunners and the Joint Lead Managers:

China Industrial Securities International Capital Limited at 7/F, Three Exchange Square, 8 Connaught Place, Central, Hong Kong; or

Sincere Securities Limited at 9/F, COSCO Tower, 183 Queen's Road Central, Sheung Wan, Hong Kong; or

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

HOW TO APPLY FOR PUBLIC OFFER SHARES

(ii) any of the following branches of DBS Bank (Hong Kong) Limited:

District	Branch Name	Address
Hong Kong Island	Head Office	G/F, The Center 99 Queen's Road Central Central, Hong Kong
	United Centre Branch	Shops 1015–1018 on 1/F & Shops 2032–2034 on 2/F United Centre 95 Queensway, Admiralty
Kowloon	Nathan Road — SME Banking Centre	2/F, Wofoo Commercial Building 574–576 Nathan Road Mongkok, Kowloon
New Territories	Tuen Mun Town Plaza — SME Banking Centre	Shop 23, G/F Tuen Mun Town Plaza (II) 3 Tuen Lung Street, Tuen Mun

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 1 June 2018 until 12:00 noon on Wednesday, 6 June 2018 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Ting Hong Nominees Limited — Republic Healthcare Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

Friday, 1 June 2018 — 9:00 a.m. to 5:00 p.m.
Saturday, 2 June 2018 — 9:00 a.m. to 1:00 p.m.
Monday, 4 June 2018 — 9:00 a.m. to 5:00 p.m.
Tuesday, 5 June 2018 — 9:00 a.m. to 5:00 p.m.
Wednesday, 6 June 2018 — 9:00 a.m. to 12:00 noon

The application lists will be opened from 11:45 a.m. to 12:00 noon on Wednesday, 6 June 2018, the last application day or such later time as described in the paragraph headed "9. Effect of bad weather on the opening of the application lists" in this section.

HOW TO APPLY FOR PUBLIC OFFER SHARES

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form, among other things, (and if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person of whom you act:

- (i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Joint Bookrunners and the Joint Lead Managers (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Companies Ordinance, the Companies (WUMP) Ordinance and the Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Share Offer in this prospectus;
- (vi) agree that none of our Company, the Joint Bookrunners, the Sole Sponsor, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing nor participated in the Placing;
- (viii) agree to disclose to our Company, our Hong Kong Branch Share Registrar, receiving bank, the Joint Bookrunners, the Sole Sponsor, the Joint Lead Managers, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Joint Bookrunners, the Sole Sponsor, the Joint Lead Managers, and the Underwriters nor any of their respective

HOW TO APPLY FOR PUBLIC OFFER SHARES

officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that our Company, our Directors, the Joint Bookrunners and the Joint Lead Managers will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Additional Instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling +852 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited

Customer Service Center

1/F, One & Two Exchange Square,

8 Connaught Place,

Central,

Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Joint Bookrunners, the Joint Lead Managers and our Hong Kong Branch Share Registrar.

Giving electronic application instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (ii) HKSCC Nominees will do the following things on your behalf:
- agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Public Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Placing Shares under the Placing;
 - (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
 - confirm that you understand that our Company, our Directors, the Joint Bookrunners and the Joint Lead Managers will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
 - authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
 - confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
 - confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
 - agree that none of our Company, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, the Sole Sponsor, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
 - agree to disclose your personal data to our Company, our Hong Kong Branch Share Registrar, receiving bank, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, and/or their respective advisers and agents;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under section 40 of the Companies (WUMP) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Public Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Law, the Companies (WUMP) Ordinance, the Companies Ordinance and the Memorandum and Articles of Association of our Company; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the laws of Hong Kong.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 5,000 Public Offer Shares. Instructions for more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Friday, 1 June 2018	—	9:00 a.m. to 8:30 p.m.	<i>(note)</i>
Saturday, 2 June 2018	—	8:00 a.m. to 1:00 p.m.	<i>(note)</i>
Monday, 4 June 2018	—	8:00 a.m. to 8:30 p.m.	<i>(note)</i>
Tuesday, 5 June 2018	—	8:00 a.m. to 8:30 p.m.	<i>(note)</i>
Wednesday, 6 June 2018	—	8:00 a.m.	<i>(note)</i> to 12:00 noon

Note: These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, 1 June 2018 until 12:00 noon on Wednesday, 6 June 2018 (24 hours daily, except on the last application day).

HOW TO APPLY FOR PUBLIC OFFER SHARES

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, 6 June 2018, the last application day or such later time as described in the paragraph headed “9. Effect of bad weather on the opening of the application lists” in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (WUMP) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under section 40 of the Companies (WUMP) Ordinance (as applied by section 342E of the Companies (WUMP) Ordinance).

Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by our Company, the Hong Kong Branch Share Registrar, the receiving bank, the Joint Bookrunners, the Joint Lead Managers, the Sole Sponsor and the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

6. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Joint Bookrunners, the Joint Lead Managers, the Sole Sponsor and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC’s Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Wednesday, 6 June 2018.

HOW TO APPLY FOR PUBLIC OFFER SHARES

7. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form (whether individually or jointly) or by giving **electronic application instructions** to HKSCC, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company, then the application will be treated as being for your benefit.

“**Unlisted company**” means a company with no equity securities listed on the Stock Exchange.

“**Statutory control**” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

8. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for the Public Offer Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form in respect of a minimum of 5,000 Public Offer Shares. Each application or electronic application instruction in respect of more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form.

HOW TO APPLY FOR PUBLIC OFFER SHARES

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, please refer to the paragraph headed “Structure and Conditions of the Share Offer — Offer price” of this prospectus.

9. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, 6 June 2018.

Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Wednesday, 6 June 2018 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable” of this prospectus, an announcement will be made in such event.

10. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares on Thursday, 14 June 2018 on our Company’s website at **republichealthcare.asia** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company’s website at **republichealthcare.asia** and the Stock Exchange’s website at **www.hkexnews.hk** by no later than 8:00 a.m. on Thursday, 14 June 2018;
- from the designated results of allocations website at **www.ewhiteform.com.hk/results** with a “search by ID” function on a 24-hour basis from 9:00 a.m. on Thursday, 14 June 2018 to 12:00 midnight on Wednesday, 20 June 2018;
- by telephone enquiry line by calling (852) 2153 1688 between 9:00 a.m. and 6:00 p.m. from Thursday, 14 June 2018 to Wednesday, 20 June 2018 on a Business Day;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- in the special allocation results booklets which will be available for inspection during opening hours from Thursday, 14 June 2018 to Tuesday, 19 June 2018 at the designated receiving bank branches and sub-branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed “Structure and Conditions of the Share Offer” of this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

11. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED PUBLIC OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (WUMP) Ordinance (as applied by section 342E of the Companies (WUMP) Ordinance) gives a public notice under that section which excludes or limits that person’s responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

HOW TO APPLY FOR PUBLIC OFFER SHARES

(ii) If our Company or our agents exercise their discretion to reject your application:

Our Company, the Joint Bookrunners, the Joint Lead Managers, and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Public Offer Shares is void:

The allotment of Public Offer Shares will be void if the Listing Division of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Division of the Stock Exchange notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Bookrunners and the Joint Lead Managers believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 100% of the Public Offer Shares initially offered under the Public Offer.

12. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$0.60 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Public Offer are not fulfilled in accordance with the paragraph headed "Structure and Conditions of the Share Offer — Conditions of the Share Offer" of this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Any refund of your application monies will be made on Thursday, 14 June 2018.

13. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest).

Part of the Hong Kong identity card number/passport number, provided by you or the first named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on despatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Thursday, 14 June 2018. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

Share certificates will only become valid at 8:00 a.m. on Friday, 15 June 2018 provided that the Share Offer has become unconditional and the right of termination described in the section headed “Underwriting” of this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Hong Kong Branch Share Registrar at 2103B, 21st Floor, 148 Electric Road, North Point, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Thursday, 14 June 2018 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Thursday, 14 June 2018, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above for collection of refund cheque(s). If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Thursday, 14 June 2018, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Thursday, 14 June 2018, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS investor participant)*

For Public Offer Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS participant.

HOW TO APPLY FOR PUBLIC OFFER SHARES

- *If you are applying as a CCASS investor participant*

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 14 June 2018 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply via Electronic Application Instructions to HKSCC

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Thursday, 14 June 2018, or, on any other date determined by HKSCC or HKSCC Nominees.
- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer in the manner specified in the paragraph headed "10. Publication of results" in this section above on Thursday, 14 June 2018.

You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 14 June 2018 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in

HOW TO APPLY FOR PUBLIC OFFER SHARES

effect from time to time) on Thursday, 14 June 2018. Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Thursday, 14 June 2018.

14. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the GEM Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.



羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF REPUBLIC HEALTHCARE LIMITED AND TITAN FINANCIAL SERVICES LIMITED

Introduction

We report on the historical financial information of Republic Healthcare Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-29, which comprises the combined balance sheets as at 31 December 2016 and 2017, and the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the years then ended (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-29 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 1 June 2018 (the "Prospectus") in connection with the proposed share offer of the Company on GEM of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, Accountant's Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

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This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the combined financial position of the Group as at 31 December 2016 and 2017 and of its combined financial performance and its combined cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 21 to the Historical Financial Information which states that no dividend has been paid by Republic Healthcare Limited in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong

1 June 2018

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("Underlying Financial Statements").

The Historical Financial Information is presented in Singapore dollar ("S\$") unless otherwise stated.

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	<i>Note</i>	Year ended 31 December	
		2016	2017
Revenue	5	7,127,991	9,956,894
Other income	6	125,355	101,927
Consumables and medical supplies used		(1,201,807)	(1,957,741)
Medical professional costs		(720,136)	(954,973)
Employee benefits expenses	7	(1,866,486)	(2,797,631)
Depreciation of plant and equipment	11	(144,220)	(263,611)
Other operating expenses	8	<u>(1,047,889)</u>	<u>(2,036,864)</u>
Profit before income tax		2,272,808	2,048,001
Income tax expense	9	<u>(297,442)</u>	<u>(40,500)</u>
Profit and total comprehensive income for the year and attributable to owners of the Company		<u><u>1,975,366</u></u>	<u><u>2,007,501</u></u>
Earnings per share attributable to owners of the Company for the year (expressed in S\$ per share)			
Basic and diluted	10	<u><u>N/A</u></u>	<u><u>N/A</u></u>

COMBINED BALANCE SHEETS

		As at 31 December	
	Note	2016	2017
ASSETS			
Non-current assets			
Plant and equipment	11	395,586	708,077
Deposits	14	<u>67,618</u>	<u>118,626</u>
		<u>463,204</u>	<u>826,703</u>
Current assets			
Trade receivables	13	15,392	78,038
Deposits, prepayment and other receivables	14	145,429	527,340
Inventories	16	577,485	400,448
Cash and cash equivalents	15	<u>2,064,243</u>	<u>1,993,771</u>
		<u>2,802,549</u>	<u>2,999,597</u>
Total assets		<u>3,265,753</u>	<u>3,826,300</u>
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS			
OF THE COMPANY			
Combined capital	20	410,000	420,000
Retained earnings	20	<u>1,473,906</u>	<u>1,278,411</u>
Total equity		<u>1,883,906</u>	<u>1,698,411</u>
LIABILITIES			
Non-current liability			
Deferred tax liabilities	19	<u>30,143</u>	<u>4,643</u>
Current liabilities			
Trade payables	17	153,411	126,047
Accruals and other payables	18	183,086	1,276,174
Amount due to a related party	22(a)	335,809	—
Amount due to a director	22(a)	481,994	561,394
Current income tax liabilities		<u>197,404</u>	<u>159,631</u>
		<u>1,351,704</u>	<u>2,123,246</u>
Total liabilities		<u>1,381,847</u>	<u>2,127,889</u>
Total equity and liabilities		<u>3,265,753</u>	<u>3,826,300</u>

COMBINED STATEMENTS OF CHANGES IN EQUITY

	<i>Note</i>	<u>Attributable to owners of the Company</u>		
		Combined capital	Retained earnings	Total
At 1 January 2016		310,000	303,325	613,325
Profit and total comprehensive income for the year		—	1,975,366	1,975,366
<i>Transactions with shareholder</i>				
— Issuance of new shares	20	100,000	—	100,000
— Deemed distribution	1.2	—	(396,400)	(396,400)
— Dividends	21	—	(408,385)	(408,385)
At 31 December 2016		<u>410,000</u>	<u>1,473,906</u>	<u>1,883,906</u>
At 1 January 2017		410,000	1,473,906	1,883,906
Profit and total comprehensive income for the year		—	2,007,501	2,007,501
<i>Transactions with shareholder</i>				
— Issuance of new shares	20	10,000	—	10,000
— Dividends	21	—	(2,202,996)	(2,202,996)
At 31 December 2017		<u>420,000</u>	<u>1,278,411</u>	<u>1,698,411</u>

COMBINED STATEMENTS OF CASH FLOWS

		Year ended 31 December	
	Notes	2016	2017
Cash flows from operating activities			
Profit before income tax		2,272,808	2,048,001
Adjustments for:			
Depreciation of plant and equipment	11	144,220	263,611
Loss on disposal of plant and equipment		395	800
Changes in working capital:			
— Inventories		(280,944)	177,037
— Trade and other receivables, deposits and prepayments		56,161	(495,565)
— Trade and other payables and accruals		<u>(288,813)</u>	<u>1,065,724</u>
Net cash generated from operations		1,903,827	3,059,608
Income tax paid		<u>(2,859)</u>	<u>(103,773)</u>
Net cash generated from operating activities		<u>1,900,968</u>	<u>2,955,835</u>
Cash flows from investing activities			
Purchases of plant and equipment	11	(352,219)	(576,902)
Proceeds from disposal of plant and equipment		<u>2,405</u>	<u>—</u>
Net cash used in investing activities		<u>(349,814)</u>	<u>(576,902)</u>
Cash flows from financing activities			
Issuance of new shares	20	100,000	10,000
Dividends paid	21	(408,385)	(2,202,996)
Deemed distribution	1.2	(280,000)	(116,400)
Amount due to a director		473,210	79,400
Amount due to a related party		<u>(459,393)</u>	<u>(219,409)</u>
Net cash used in financing activities		<u>(574,568)</u>	<u>(2,449,405)</u>
Increase/(decrease) in cash and cash equivalents		976,586	(70,472)
Cash and cash equivalents at beginning of the year		<u>1,087,657</u>	<u>2,064,243</u>
Cash and cash equivalents at end of the year	15	<u>2,064,243</u>	<u>1,993,771</u>

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 General information, reorganisation and basis of presentation

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 clinic business in Singapore and provision of management advisory services (the "**Listing Business**").

1.2 Reorganisation

Prior to the incorporation of the Company and the completion of the reorganisation (the "Reorganisation") as described below, the Listing Business was carried out by Brunel Clinics Pte. Ltd., BM Aesthetics Pte. Ltd., Medway Medical Pte. Ltd., Mere Consulting Pte. Ltd. (formerly known as Republic Clinics Pte. Ltd.), Republic Healthcare Pte. Ltd. and Straits Health Corp Pte. Ltd. (the "**Operating Companies**"). Mr. Tan Cher Sen Alan (the "**Controlling Shareholder**" or "**Dr. Tan**") is the controlling party of the Operating Companies.

On 1 April 2016, Dr. Tan transferred the clinic business in Mere Consulting Pte. Ltd. to Republic Healthcare Pte. Ltd. for a consideration of S\$396,400. The combined balance sheets include all assets and liabilities of Mere Consulting Pte. Ltd. that are directly related and clearly identified to the Listing Business and the combined statements of comprehensive income include all revenue, related costs, expense and charges of Mere Consulting Pte. Ltd. that are directly generated or incurred by the Listing Business. This transaction shall be treated as deemed distribution to the shareholder.

In preparation for the listing of the shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the "**Listing**"), the Group underwent the Reorganisation which principally involved the following steps:

- (i) On 3 January 2018, the Company was incorporated in the Cayman Islands as an exempted company with limited liability with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares. Upon its incorporation, one nil-paid initial Share (the "Subscriber Share") was allotted and issued to Cher Sen Holdings Limited, a company incorporated in the British Virgin Islands ("BVI") with limited liability and wholly-owned by Dr. Tan.
- (ii) On 4 January 2018, Republic Healthcare Holdings Limited was incorporated in the BVI with limited liability. One share of Republic Healthcare Holdings Limited was allotted and issued to the Company for cash and at par. As a result, Republic Healthcare Holdings Limited became a wholly-owned subsidiary of the Company.
- (iii) On 4 February 2017, Republic Healthcare Holdings Pte. Ltd. was incorporated in Singapore with limited liability and wholly-owned by Dr. Tan. Pursuant to a sale and purchase agreement dated 18 May 2018, Dr. Tan transferred the entire share capital of Republic Healthcare Holdings Pte. Ltd. to Republic Healthcare Holdings Limited for a consideration based on the par value of the entire shares of Republic Healthcare Holdings Pte. Ltd.. As a result, Republic Healthcare Holdings Pte. Ltd. became a wholly-owned subsidiary of Republic Healthcare Holdings Limited.
- (iv) On 18 May 2018, Dr. Tan transferred the entire share capital of Brunel Clinics Pte. Ltd. to Republic Healthcare Holdings Pte. Ltd. in consideration of allotting and issuing 20 shares to Cher Sen Holdings Limited, credited as fully paid.
- (v) On 18 May 2018, Dr. Tan transferred the entire share capital of BM Aesthetics Pte. Ltd. to Republic Healthcare Holdings Pte. Ltd. in consideration of allotting and issuing 20 shares to Cher Sen Holdings Limited, credited as fully paid.

- (vi) On 18 May 2018, Dr. Tan transferred the entire share capital of Medway Medical Pte. Ltd. to Republic Healthcare Holdings Pte. Ltd. in consideration of allotting and issuing 20 shares to Cher Sen Holdings Limited, credited as fully paid.
- (vii) On 18 May 2018, Dr. Tan transferred the entire share capital of Republic Healthcare Pte. Ltd. to Republic Healthcare Holdings Pte. Ltd. in consideration of allotting and issuing 20 shares to Cher Sen Holdings Limited, credited as fully paid.
- (viii) On 18 May 2018, Dr. Tan transferred the entire share capital of Straits Health Corp Pte. Ltd. to Republic Healthcare Holdings Pte. Ltd. in consideration of allotting and issuing 19 shares to Cher Sen Holdings Limited, credited as fully paid and crediting the one nil-paid share held by Cher Sen Holdings Limited as fully paid.

1.3 Basis of presentation

Upon completion of the Reorganisation and as at the date of this report, the Company had direct or indirect interests in the following subsidiaries:

Name	Place and date of incorporation	Principal activities	Type of legal status	Issued and paid up/ registered capital	Effective interest held			Note
					As at 31 December 2016	As at 31 December 2017	As at the date of this report	
Directly held								
Republic Healthcare Holdings Limited	BVI, 4 January 2018	Investment holding	Limited liability company	US\$1	N/A	N/A	100%	(b)
Indirectly held								
Brunel Clinics Pte. Ltd.	Singapore, 7 July 2015	Provision of medical and surgical advisory services	Limited liability company	S\$100,000	100%	100%	100%	(c)
BM Aesthetics Pte. Ltd.	Singapore, 21 October 2016	Provision of medical aesthetic services	Limited liability company	S\$10,000	100%	100%	100%	(b)
Medway Medical Pte. Ltd.	Singapore, 2 February 2015	Provision of medical and surgical advisory services	Limited liability company	S\$200,000	100%	100%	100%	(c)
Straits Health Corp Pte. Ltd.	Singapore, 1 January 2014	Provision of medical and surgical advisory services	Limited liability company	S\$10,000	100%	100%	100%	(c)
Republic Healthcare Holdings Pte. Ltd.	Singapore, 4 February 2017	Investment holding	Limited liability company	S\$1,000	N/A	100%	100%	(b)
Republic Healthcare Pte. Ltd.	Singapore, 5 February 2016	Provision of medical and surgical advisory services	Limited liability company	S\$100,000	100%	100%	100%	(c)

Notes:

- (a) All companies comprising the Group have adopted 31 December as their financial year end date.
- (b) No audited financial statements were issued for this subsidiary as it is not required to issue audited financial statements under the statutory requirements of its place of incorporation.
- (c) The statutory financial statements for the year ended 31 December 2016 were audited by KPMG LLP, Singapore.

Immediately prior to and after the Reorganisation, the Listing Business has been held by and conducted through the Operating Companies which are ultimately controlled by the Controlling Shareholder. Pursuant to the Reorganisation, the Listing Business is transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and does not meet the definition of a business. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business. Accordingly, the Historical Financial Information of the companies now comprising the Group is presented using the carrying values of the Listing Business for all periods presented as if the current group structure has been in existence throughout the Track Record Period.

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

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with all applicable International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (the “IASB”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The Historical Financial Information has been prepared under the historical cost convention.

The preparation of the Historical Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

The following new standards and amendments to existing standards have been issued but are not yet effective and have not been early adopted by the Group.

		Effective for annual periods beginning on or after	Note
IAS 28 and IFRS 10	Sale or contribution of assets between an investor and its associate or joint venture	To be determined	
IAS 28 (Amendment)	Measuring an associate or joint venture at fair value	1 January 2018	
IAS 40 (Amendment)	Transfer of investment property	1 January 2018	
IFRIC 22	Foreign currency transactions and advance considerations	1 January 2018	
IFRS 2 (Amendment)	Share-based payment classification and measurement	1 January 2018	
IFRS 4 (Amendment)	Applying IFRS 9 financial instruments with IFRS 4 insurance contracts	1 January 2018	
IFRS 9	Financial instruments	1 January 2018	(i)
IFRS 15	Revenue from contracts with customers	1 January 2018	(ii)
IFRS 15 (Amendment)	Clarifications to IFRS 15 (amendments)	1 January 2018	(ii)
IFRS 1 (Amendment)	Deletion of short-term exemptions for first-time adopters	1 January 2019	
IFRS 16	Leases	1 January 2019	(iii)
IFRIC 23	Uncertainty over income tax treatments issued	1 January 2019	
IFRS 17	Insurance contracts	1 January 2021	
Annual improvements 2014–2015 cycle	Improvements on IFRS 1 and IAS 28	1 January 2018	

Management is in the process of assessing the impact of these standards, amendments and interpretations to existing IFRS and set out below are the expected impact on the Group's financial performance and position:

(i) *IFRS 9 "Financial instruments"*

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 introduces a new model for the recognition of impairment losses — the expected credit losses ("ECL") model, which constitutes a change from the incurred loss model in IAS 39. IFRS 9 contains a "three stage" approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost, a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL where the simplified approach is adopted. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 *Financial Instruments: Recognition and Measurement* and have not been changed.

The Group will apply IFRS 9 from 1 January 2018, with the practical expedients permitted under the standard, and accordingly will not restate comparative periods in the year of initial application. Based on the historical experience, the Group did not encounter any default cases. Thus, the implementation of IFRS 9 is not expected to result in any significant impact on the amounts reported in respect of the Group's financial performance and position.

(ii) *IFRS 15 "Revenue from contracts with customers"*

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 *Revenue* and IAS 11 *Construction Contracts* and the related Interpretations on revenue recognition. It also includes guidance on when to capitalise costs of obtaining or fulfilling a contract not otherwise addressed in other standards, and includes expanded disclosure requirements.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates.

The Group is currently evaluating the impact of adopting IFRS 15 on the Group's financial statements. The Group plans to adopt the new standard using modified retrospective approach which means that the cumulative impact of the adoption will be recognised in the opening retained profits at 1 January 2018 and comparative information for 2017 will not be restated. Based on the preliminary assessment, the new standard may result in more disclosure, however, the new standard will unlikely have any material impact on the amounts reported made in the Group's financial statements.

(iii) *IFRS 16 “Leases”*

IFRS 16 “Leases” addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The Group is a lessee of various properties which are currently classified as operating leases. The Group’s current accounting policy for such leases is set out in Note 2.18 with the Group’s future operating lease commitments, which are not reflected in the combined balance sheets, set out in Note 23. IFRS 16 provides new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the balance sheet. Instead, almost all leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in the Group’s combined balance sheets. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The Group’s future aggregate minimum lease payments under non-cancellable lease as at 31 December 2017 amounted to S\$1,779,592. The new standard will result in an increase in assets and financial liabilities in the combined balance sheets. As for the financial performance impact in the combined statements of comprehensive income, the operating lease expenses will decrease, while depreciation and amortisation and the interest expense will increase. The new standard is not expected to apply until the financial year beginning 1 January 2019.

Based on the preliminary assessment, the application of IFRS 16 will unlikely have material impact on the net financial position and performance of the Group comparing to IAS 17 currently adopted by the Group. Nevertheless, the application of new requirements may results changes in presentation and disclosure as indicated above.

2.2 *Subsidiaries*

2.2.1 *Consolidation*

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations — Acquisition Method

The Group applies the acquisition method to account for business combinations not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation are measured at either fair value or the present ownership interests’ proportionate share in the recognised amounts of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interests recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the combined statements of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who make strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the Historical Financial Information of the Group are measured 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 ("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 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 currency as the presentation currency.

2.5 Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is 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 (Note 2.6).

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.

2.6 Impairment of non-financial assets

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. An impairment loss is recognized in the combined statements of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the combined statements of comprehensive income.

2.7 Financial assets

(a) Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade receivables", "deposits and other receivables" and "cash and cash equivalents" in the combined balance sheets (Notes 2.10 and 2.11).

(b) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method, less provision for impairment. Loans and receivables are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all risk and rewards of ownership.

2.8 *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the combined balance sheets when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.9 *Impairment of financial assets carried at amortised cost*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “**loss event**”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the combined statements of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the combined statements of comprehensive income.

2.10 *Trade and other receivables*

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See Note 2.7 for further information about the Group's accounting for loan and receivables and Note 2.9 for a description of the Group's impairment policies.

2.11 *Cash and cash equivalents*

In the combined statements of cash flows, cash and cash equivalents include bank deposits with banks and cash on hand.

2.12 *Share capital*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the combined statements of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at each balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised based on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined balance sheets. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Employee benefits

Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

2.16 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.17 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

2.18 Leases

Operating lease — as a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the combined statements of comprehensive income on a straight-line basis over the period of the lease.

2.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Historical Financial Information in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2.20 Revenue recognition

Medical services relate to consultation services, medical investigation services and treatment services.

Revenues from medical services are recognised when the services are provided.

Revenue from other services, which include management advisory services, are recognised when services are provided.

2.21 Government grants

Grants from the government are recognised as receivables at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the combined statements of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

3 Financial risk and capital risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, credit risk, cash flow and fair value interest rate risk and liquidity risk. The Group's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance.

(i) Foreign exchange risk

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

(ii) Credit risk

The Group is exposed to credit risk in relation to its trade receivables, deposits and other receivables and cash and cash equivalents. The Group's maximum exposure to credit risk is the carrying amounts of these financial assets. The Group, being a provider of clinic and aesthetics treatment services to patients, has a highly diversified client base, without any single client contributing material revenue. Any receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Medical related services rendered to walk in patients are on cash terms while medical related services rendered to employees of corporate customers are billed on the monthly basis with 30 days credit terms.

The credit risk on cash and cash equivalents are limited because cash is placed in banks with sound credit ratings.

(iii) Cash flow and fair value interest rate risk

The Group has no significant interest bearing assets or liabilities and thus its income and operating cash flows are substantially independent of changes in market interest rates.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents. The Group's liquidity risk is further mitigated through the availability of financing through our own cash resources to meet its financial commitments. In the opinion of the directors, the Group does not have any significant liquidity risk.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities based on contractual undiscounted cash flows and the earliest date the Group can be required to pay. Balances due within 12 months equal their carrying balances (including both interest and principal) as the impact of discounting is not significant.

	On demand or due within 1 year
As at 31 December 2017	
— Trade payables	126,047
— Accruals and other payables	1,171,629
— Amount due to a director	<u>561,394</u>
	<u><u>1,859,070</u></u>
As at 31 December 2016	
— Trade payables	153,411
— Accruals and other payables	105,350
— Amount due to a related party	335,809
— Amount due to a director	<u>481,994</u>
	<u><u>1,076,564</u></u>

3.2 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 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 shareholders, return capital to shareholders or issue new shares.

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

3.3 Fair value estimation

The carrying amounts of the Group's current financial assets, including trade receivables, deposits and other receivables and 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.

4 Critical accounting estimates and judgements

The preparation of these financial statements in conformity with IFRS 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. The 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.

5 Segment information

The CODM has been identified as the executive directors of the Company who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of profit after income tax and considers all businesses to be included in a single operating segment.

The Group is principally engaged in the clinic business in Singapore. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

100% and 99% of the Group revenue were generated from external customers located in Singapore for the financial year ended 31 December 2016 and 2017 respectively. 100% of the assets of the Group were located in Singapore. Accordingly, no geographical segment analysis is presented.

The CODM considers medical services and other services as the sole segment.

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:

	Year ended 31 December	
	2016	2017
<i>Medical services</i>		
Treatment services	3,913,770	5,460,174
Medical investigation services	2,347,434	2,941,806
Consultation services	<u>866,787</u>	<u>1,078,735</u>
	7,127,991	9,480,715
Others services (<i>Note</i>)	<u>—</u>	<u>476,179</u>
	<u><u>7,127,991</u></u>	<u><u>9,956,894</u></u>

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

Other than revenue analysis, no operating results and other discrete financial information is available for the assessment of performance and allocation of resources. Accordingly, other than entity-wide information, no analysis of this single operating segment is presented.

There was no revenue from any individual patient contributing over 10% of the total revenue of the Group for the years ended 31 December 2016 and 2017.

6 Other income

	Year ended 31 December	
	2016	2017
Government grant (<i>Note</i>)	120,163	40,213
Sundry income	<u>5,192</u>	<u>61,714</u>
	<u><u>125,355</u></u>	<u><u>101,927</u></u>

Note: Government grant represented primarily government subsidies in form of cash payout from Inland Revenue Authority of Singapore under the Productivity and Innovation Credit Scheme which compensates the Group in relation to qualifying expenditures incurred.

7 Employee benefits expenses, including directors' emoluments

(a)	Year ended 31 December	
	2016	2017
Wages and salaries	1,732,127	2,565,258
Employer's contribution to defined contribution plans	104,544	174,924
Other benefits	<u>29,815</u>	<u>57,449</u>
	<u><u>1,866,486</u></u>	<u><u>2,797,631</u></u>

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended 31 December 2016 and 2017 include the Chief Executive Officer whose emoluments are reflected in the analysis shown in Note 7(c). The emoluments payable to the remaining four (2016: four) individuals during the year are as follows:

	Year ended 31 December	
	2016	2017
Wages and salaries	770,471	770,135
Employer's contribution to defined contribution plans	<u>25,680</u>	<u>23,460</u>
	<u><u>796,151</u></u>	<u><u>793,595</u></u>

The emoluments fell within the following bands:

Emolument band	Number of individuals	
	Year ended 31 December 2016	2017
Nil–HK\$1,000,000	1	2
HK\$1,000,001–HK\$1,500,000	<u>3</u>	<u>2</u>
	<u><u>4</u></u>	<u><u>4</u></u>

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any for the five highest paid individuals during the years ended 31 December 2016 and 2017.

(c) Directors' and Chief Executive Officer's emoluments

The remuneration of the directors of the Company paid and payable by the Group for the years ended 31 December 2016 and 2017 are set out below:

For the year ended 31 December 2016:

Name	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to defined contribution plans	Total
Executive directors:						
Dr. Tan	42,000	—	—	—	—	42,000
Toh Han Boon	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u><u>42,000</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>42,000</u></u>
Chief Executive Officer:						
Tan Kok Kuan	<u>—</u>	<u>351,455</u>	<u>—</u>	<u>—</u>	<u>12,240</u>	<u>363,695</u>

For the year ended 31 December 2017:

Name	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to defined contribution plans	Total
Executive directors:						
Dr. Tan	78,000	6,000	—	—	1,020	85,020
Toh Han Boon	—	40,436	—	—	6,874	47,310
	<u>78,000</u>	<u>46,436</u>	<u>—</u>	<u>—</u>	<u>7,894</u>	<u>132,330</u>
Chief Executive Officer:						
Tan Kok Kuan	—	401,999	—	—	12,240	414,239

The remuneration shown above represents remuneration received from the Group by these directors in their capacity as employees to the Operating Companies and no directors waived any emolument during the years ended 31 December 2016 and 2017.

Mr. Leung Ho San Jason, Mr. Soh Sai Kiang and Mr. Tan Chee Ken were appointed as the Company's independent non-executive directors on 18 May 2018. During the Track Record Period, the independent non-executive directors had not been appointed and had not received any remuneration.

(d) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the Track Record Period.

(e) Directors' termination benefits

None of the directors received or will receive any termination benefits during Track Record Period.

(f) Consideration provided to third parties for making available directors' services

During the Track Record Period, the Group did not pay consideration to any third parties for making available directors' services.

(g) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the Track Record Period, there are no loans, quasi-loans and other dealing arrangements in favour of directors, or controlled bodies corporate by and connected entities with such directors.

(h) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Company had a material interest, whether directly or indirectly; subsisted at the end of the year or at any time during the Track Record Period.

8 Other operating expenses

Other operating expenses include the following:

	Year ended 31 December	
	2016	2017
Auditor's remuneration	57,500	62,500
Legal and professional fees	7,733	84,845
Marketing expenses	84,568	119,153
Operating lease rentals in respect of the Group's office and clinics	371,524	555,648
Credit card and bank charges	164,055	191,773
Listing expenses	—	743,000
	<u> </u>	<u> </u>

9 Income tax expense

Tax has been provided for at the rate of 17% on the estimated assessable profit for the years ended 31 December 2016 and 2017.

The amount of income tax expense charged to the combined statements of comprehensive income represents:

	Year ended 31 December	
	2016	2017
Current income tax	267,299	66,000
Deferred income tax (<i>Note 19</i>)	<u>30,143</u>	<u>(25,500)</u>
Income tax expense	<u>297,442</u>	<u>40,500</u>

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the enacted tax rate of the group entities as follows:

	Notes	Year ended 31 December	
		2016	2017
Profit before income tax		<u>2,272,808</u>	<u>2,048,001</u>
Tax calculated at a tax rate of 17% (2017: 17%)		386,377	348,160
Expenses not deductible for tax purposes		106,979	167,813
Income not subject to tax		(35,358)	(5,081)
Partial tax exemption	<i>i</i>	(136,000)	(120,503)
Tax incentives	<i>ii</i>	(48,755)	(324,434)
Tax rebates	<i>iii</i>	(1,229)	(16,120)
Others		<u>25,428</u>	<u>(9,335)</u>
Tax charge		<u>297,442</u>	<u>40,500</u>

Notes:

- (i) Partial tax exemption relates to tax exemption of the first S\$100,000 of normal chargeable income and a further 50% tax exemption on the next S\$200,000 of normal chargeable income during the Track Record Period.
- (ii) Tax incentives relate to Productivity and Innovation Credit Scheme (PIC) which allows entities to claim 400% tax deduction on qualifying expenditures.
- (iii) Tax rebates relate to 50% (2017: 20%) tax reduction to tax payable capped at S\$25,000 (2017: S\$10,000) for each Singapore incorporated entity.

10 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 years ended 31 December 2016 and 2017 on a combined basis as disclosed in Note 1.3 above.

11 Plant and equipment

	Medical equipment	Leasehold improvement	Computer and office equipment	Total
At 1 January 2016				
Cost	170,095	94,129	—	264,224
Accumulated depreciation	<u>(53,082)</u>	<u>(20,755)</u>	<u>—</u>	<u>(73,837)</u>
Net book amount	<u>117,013</u>	<u>73,374</u>	<u>—</u>	<u>190,387</u>
Year ended 31 December 2016				
Opening net book amount	117,013	73,374	—	190,387
Additions	31,900	27,940	292,379	352,219
Disposals	(2,800)	—	—	(2,800)
Depreciation	<u>(62,567)</u>	<u>(24,052)</u>	<u>(57,601)</u>	<u>(144,220)</u>
Closing net book amount	<u>83,546</u>	<u>77,262</u>	<u>234,778</u>	<u>395,586</u>
At 31 December 2016				
Cost	199,195	122,069	292,379	613,643
Accumulated depreciation	<u>(115,649)</u>	<u>(44,807)</u>	<u>(57,601)</u>	<u>(218,057)</u>
Net book amount	<u>83,546</u>	<u>77,262</u>	<u>234,778</u>	<u>395,586</u>
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	<u>(99,441)</u>	<u>(41,319)</u>	<u>(122,851)</u>	<u>(263,611)</u>
Closing net book amount	<u>203,608</u>	<u>158,680</u>	<u>345,789</u>	<u>708,077</u>
At 31 December 2017				
Cost	418,698	244,806	526,241	1,189,745
Accumulated depreciation	<u>(215,090)</u>	<u>(86,126)</u>	<u>(180,452)</u>	<u>(481,668)</u>
Net book amount	<u>203,608</u>	<u>158,680</u>	<u>345,789</u>	<u>708,077</u>

12 Financial instruments by category

The Group's financial instruments include the following:

	As at 31 December	
	2016	2017
Financial assets:		
Trade receivables	15,392	78,038
Deposits and other receivables	177,240	312,277
Cash and cash equivalents	<u>2,064,243</u>	<u>1,993,771</u>
	<u>2,256,875</u>	<u>2,384,086</u>
Financial liabilities:		
Trade payables	153,411	126,047
Accruals and other payables	105,350	1,171,629
Amount due to a related party	335,809	—
Amount due to a director	<u>481,994</u>	<u>561,394</u>
	<u>1,076,564</u>	<u>1,859,070</u>

13 Trade receivables

The trade receivables are due when services are rendered. As at 31 December 2016 and 2017, the ageing analysis of the third-party trade receivables, based on invoice date, are as follows:

	As at 31 December	
	2016	2017
<i>Not due</i>		
0–30 days	15,158	63,459
<i>Past due but not impaired</i>		
31–60 days	42	4,955
61–90 days	16	4,506
91–120 days	176	3,184
Over 120 days	<u>—</u>	<u>1,934</u>
	<u>15,392</u>	<u>78,038</u>

As at 31 December 2016 and 2017, trade receivables that were past due but not impaired relate to corporate customers with no significant financial difficulty and based on the management's past experience, the overdue amounts can be recovered.

As at 31 December 2016 and 2017, the carrying amounts of trade receivables are denominated in S\$ and approximate their fair values.

14 Deposits, prepayments and other receivables

	As at 31 December	
	2016	2017
Deposits and other receivables	177,240	312,277
Prepayments	35,807	85,689
Prepayments for listing expenses	<u>—</u>	<u>248,000</u>
	213,047	645,966
Less non-current portion:		
Deposits	<u>(67,618)</u>	<u>(118,626)</u>
	<u>145,429</u>	<u>527,340</u>

As at 31 December 2016 and 2017, the carrying amounts of deposits and other receivables are denominated in S\$ and approximate their fair values.

15 Cash and cash equivalents

	As at 31 December	
	2016	2017
Cash at banks	1,880,900	1,946,673
Cash on hand	<u>183,343</u>	<u>47,098</u>
	<u>2,064,243</u>	<u>1,993,771</u>

As at 31 December 2016 and 2017, the carrying amounts of cash and cash equivalents are denominated in S\$ and approximate their fair values.

16 Inventories

Inventories comprises consumables and medical supplies.

17 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 31 December 2016 and 2017, the ageing analysis of the trade payables, based on invoice date, are as follows:

	As at 31 December	
	2016	2017
Up to 30 days	111,621	120,678
31–60 days	34,189	3,069
61–90 days	289	2,300
Over 91 days	<u>7,312</u>	<u>—</u>
	<u>153,411</u>	<u>126,047</u>

As at 31 December 2016 and 2017, the carrying amounts of trade payables are denominated in S\$ and approximate their fair values.

18 Accruals and other payables

	As at 31 December	
	2016	2017
Accruals for operating expenses	105,350	180,629
Accruals for listing expenses	—	991,000
Goods and service tax payable	<u>77,736</u>	<u>104,545</u>
	<u>183,086</u>	<u>1,276,174</u>

As at 31 December 2016 and 2017, the carrying amounts of accruals and other payables are denominated in S\$ and approximate their fair values.

19 Deferred tax liabilities

The movements on the deferred tax liabilities are as follows:

	Accelerated tax depreciation
At 1 January 2016	—
— Charged to combined statements of comprehensive income (<i>Note 9</i>)	<u>30,143</u>
At 31 December 2016	30,143
— Credited to combined statements of comprehensive income (<i>Note 9</i>)	<u>(25,500)</u>
At 31 December 2017	<u>4,643</u>

20 Combined capital and retained earnings

As mentioned in Note 1.3 above, the Historical Financial Information has been prepared as if the current group structure had been in existence throughout the years ended 31 December 2016 and 2017, or since the respective dates of incorporation/establishment of the combining companies, or since the date when the combining companies first came under the control of the Controlling Shareholder, whichever is the shorter period.

Combined capital

Combined share capital represents the share capital of the companies comprising the Group.

In 2016 and 2017, Republic Healthcare Pte. Ltd. and BM Aesthetics Pte. Ltd. issued 100,000 and 10,000 shares at a total consideration of S\$100,000 and S\$10,000 respectively.

Retained earnings

Retained earnings represents retained earnings of the companies comprising the Group. The movement in retained earnings during the Track Record Period mainly comprised profit for the year, dividends paid and deemed distribution to shareholder. Please see Note 21 for more details on the dividends.

21 Dividends

No dividend has been paid or declared by the Company since its incorporation.

The Group declared and paid dividends of S\$408,385 and S\$2,202,996 to its then shareholder for the years ended 31 December 2016 and 2017, respectively.

The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this report.

22 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 individuals were related parties that had transactions or balances with the Group during the Track Record Period:

Name	Relationship with the Group
Dr. Tan Cher Sen Alan	Controlling Shareholder and Executive Director
Mere Consulting Pte. Ltd.	A company controlled by Dr. Tan Cher Sen Alan

(a) As at 31 December 2016 and 2017, the amounts due to a director and a related company are unsecured, interest free, repayable on demand and non-trade in nature.

(b) *Key management compensation*

Key management includes executive and non-executive directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Year ended 31 December	
	2016	2017
Salaries, allowances and benefits in kind	430,831	550,635
Director's fees	42,000	78,000
Employer's contribution to defined contribution plans	<u>25,735</u>	<u>37,508</u>
	<u>498,566</u>	<u>666,143</u>

23 Commitments

Operating lease commitments — as lessee

The Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of the Group's office and clinics as follows:

	As at 31 December	
	2016	2017
No later than one year	326,412	547,516
Later than one year and no later than five years	<u>1,779,592</u>	<u>1,232,076</u>
	<u>2,106,004</u>	<u>1,779,592</u>

24 Contingent liabilities

The Group did not have any material contingent liabilities or guarantees as at 31 December 2016 and 2017.

25 Cash flow information — financing activities

Reconciliation of liabilities arising from financing activities

	1 January 2017	Cash received/ (payment)	31 December 2017
Amount due to a director	481,994	79,400	561,394
Amount due to a related party (<i>Note A</i>)	335,809	(335,809)	—

Note A: The payment of S\$335,809 comprised S\$116,400 payment to the then shareholder as deemed distribution (*Note 1.2*) and S\$219,409 as payment to a related party.

26 Subsequent events

- (a) The Reorganisation was completed on 18 May 2018 and the details are summarised in *Note 1.2*.
- (b) On 18 May 2018, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each by creation of additional 9,962,000,000 shares.
- (c) By a shareholder's resolution dated 18 May 2018 and conditional on the share premium account of the Company being credited as a result of the share offer, the Company will issue additional 389,999,900 shares, credited as fully paid, to the existing shareholders of the Company, by way of capitalisation of HK\$3,899,999 standing to the credit of our Company's share premium account.

III HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

As at 31 December 2017, the Company had not been incorporated and, accordingly, it had no assets, liabilities and distributable reserves as at that date.

IV SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2017 and up to the date of this report. No dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2017.

The information sets out in this Appendix does not form part of the Accountant's Report prepared by PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of our Company, as set out in Appendix I to this prospectus, and is included herein for information only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the "Accountant's Report" set out in Appendix I to this prospectus.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted net tangible assets of the Group prepared in accordance with Rule 7.31 of the GEM Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Share Offer on the net tangible assets of the Group attributable to the equity holders of the Company as of 31 December 2017 as if the Share Offer had taken place on 31 December 2017.

This unaudited pro forma statement of adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of the Group as at 31 December 2017 or at any future dates following the Share Offer. It is prepared based on the combined net assets of the Group as at 31 December 2017 as set out in the Accountant's Report of the Group, the text of which is set out in Appendix I to this Prospectus, and adjusted as described below. The unaudited pro forma statement of adjusted net tangible assets does not form part of the Accountant's Report.

	Audited combined net tangible assets of the Group attributable to the owners of the Company as at 31 December 2017 <i>(Note 1)</i> S\$	Estimated net proceeds from the Share Offer <i>(Note 2)</i> S\$	Unaudited pro forma adjusted net tangible assets attributable to the owners of the Company S\$	Unaudited pro forma adjusted net tangible assets per share <i>(Note 3)</i> S\$	<i>Equivalent to HK\$ (Note 4)</i>
Based on an Offer Price of HK\$0.5 per Share	<u>1,698,411</u>	<u>7,704,435</u>	<u>9,402,846</u>	<u>0.018</u>	<u>0.104</u>
Based on an Offer Price of HK\$0.6 per Share	<u>1,698,411</u>	<u>9,811,332</u>	<u>11,509,743</u>	<u>0.022</u>	<u>0.128</u>

Notes:

- (1) The audited combined net tangible assets attributable to the owners of the Company as at 31 December 2017 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited combined net assets of the Group attributable to the owners of the Company as at 31 December 2017 of S\$1,698,411.
- (2) The estimated net proceeds from the Share Offer range of HK\$0.5 per Share and HK\$0.6 per Share, respectively, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately S\$743,000 which have been recognised prior to 31 December 2017) payable by the Company subsequent to 31 December 2017 and takes no account of any Shares which may be issued upon the exercise of the options which may be granted under the Share Option Scheme and any shares which may be issued or repurchased by the Company pursuant to the general mandates as described in the section headed "Share Capital" in this prospectus.
- (3) The unaudited pro forma net tangible assets per Shares is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 520,000,000 Shares were in issue assuming that the Share Offer has been completed on 31 December 2017 but takes no account of any Share which be allotted and issued upon the exercise of any options granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates as described in the section headed "Share Capital" in this prospectus.
- (4) For the purpose of preparing this unaudited pro forma statement of adjusted net tangible assets, the amount denominated in Singapore dollars have been converted to Hong Kong dollars at the rate of S\$1 to HK\$5.80, as set out in "Information About this Prospectus and the Share Offer — Currency Conversion" to this prospectus. No representation is made that the S\$ amounts have been, could have been or may be converted to HK\$, or vice versa, at that rate or at all.
- (5) No adjustment has been made to reflect any trading result or other transaction of the Group entered into subsequent to 31 December 2017.

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Republic Healthcare Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Republic Healthcare Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets of the Group as at 31 December 2017, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-2 of the Company's prospectus dated 1 June 2018, in connection with the proposed share offer of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 to II-2.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed share offer on the Group's financial position as at 31 December 2017 as if the proposed share offer had taken place at 31 December 2017. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial information for the year ended 31 December 2017, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed share offer at 31 December 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 1 June 2018

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 3 January 2018 under the Companies Law. The Company's constitutional documents consist of its Memorandum of Association and its Articles of Association.

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 18 May 2018 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting

two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may by ordinary resolution of its members:

- (i) increase its share capital by the creation of new shares;
- (ii) consolidate all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is

due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

- (aa) he resigns by notice in writing delivered to the Company;
- (bb) he becomes of unsound mind or dies;
- (cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) he is prohibited from being a director by law; or
- (ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of members*(i) Special and ordinary resolutions*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of

shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting of the Company every year within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of the Stock Exchange.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to, among others, the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

- (aa) the declaration and sanctioning of dividends;
 - (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
 - (cc) the election of directors in place of those retiring;
 - (dd) the appointment of auditors and other officers;
 - (ee) the fixing of the remuneration of the directors and of the auditors;
 - (ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty per cent (20%) in nominal value of its existing issued share capital; and
 - (gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.
- (v) *Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) *Proxies*

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member

which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(f) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share; and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and

- (ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option

of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the “**Court**”), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company’s shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm’s-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company’s articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the

redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to the Tax Concessions Law of the Cayman Islands, the Company has obtained an undertaking:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and
- (2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 25 January 2018.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a

principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within sixty (60) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, more than 25% of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands. Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange. Accordingly, for so long as the shares of the Company are listed on the Stock Exchange, the Company is not required to maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent. (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix V to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

FURTHER INFORMATION ABOUT OUR COMPANY AND ITS SUBSIDIARIES**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 3 January 2018. Our Company has established a place of business in Hong Kong at Room 5705, The Center, 99 Queen's Road Central, Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 6 March 2018. In connection with such registration, Robertsons has been appointed as the authorised representative of our Company for acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, its operations are subject to the Cayman Islands company law and its constitution, which comprises of a memorandum of association and the articles of association. A summary of certain provisions of its constitution and relevant aspects of the Cayman Companies Law is set out in Appendix III to this prospectus.

2. Changes in authorised and issued share capital of our Company

Our Company was incorporated in the Cayman Islands on 3 January 2018. One nil-paid initial Share was allotted and issued to the initial subscriber and then transferred to Dr. Alan Tan's nominee, BVI Co 2, on the same date for value.

On 18 May 2018, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each by the creation of an additional 9,962,000,000 Shares of HK\$0.01 each which rank *pari passu* in all respect with the existing Shares.

On 18 May 2018, pursuant to the sale and purchase agreement entered into between Dr. Alan Tan (as vendor) and our Company (as purchaser), Dr. Alan Tan transferred to our nominee, RHH SG, his entire shareholding interest in (i) BCL, in consideration of the allotment and issue of 20 Shares; (ii) BMAL, in consideration of the allotment and issue of 20 Shares; (iii) MML, in consideration of the allotment and issue of 20 Shares; (iv) RHL, in consideration of the allotment and issue of 20 Shares, all credited as fully paid by our Company to BVI Co 2 (as Dr. Alan Tan's nominee); and (v) SHCL, in consideration of the allotment and issue of 19 Shares, credited as fully paid by our Company to BVI Co 2 (as Dr. Alan Tan's nominee) and crediting the one nil-paid Share held by BVI Co 2 as fully paid.

Save as disclosed in this appendix and the sections headed "History, Reorganisation and Group Structure" and "Share Capital" of this prospectus, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this prospectus and up to the Latest Practicable Date.

3. Resolutions in writing of the sole Shareholder passed on 18 May 2018

Pursuant to the resolutions in writing passed by the sole Shareholder on 18 May 2018:

- (a) our Company adopted the new Memorandum with immediate effect and conditionally adopted the new Articles with effect from the Listing Date;

- (b) our Company increased its authorised share capital from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each;
- (c) conditional on (i) the Listing Division of the Stock Exchange granting the listing of, and permission to deal in the Shares in issue and to be issued as mentioned in this prospectus; (ii) the Offer Price having been fixed on or about the Price Determination Date; (iii) the execution and delivery of the Placing Underwriting Agreement on or about the Price Determination Date; and (iv) the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the day falling 30 days after the date of this prospectus:
- (i) the Share Offer was approved and our Directors were authorised to allot and issue the Offer Shares under the Share Offer;
- (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “Share Option Scheme” in this appendix below, were approved and adopted and our Directors were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion to grant options to subscribe for the Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to carry into effect the Share Option Scheme;
- (iii) conditional on the share premium account of our Company being credited as a result of the Share Offer, our Directors were authorised to capitalise approximately HK\$3,899,999 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 389,999,900 Shares for allotment and issue to BVI Co 2, whose name appears on the register of members of our Company at the close of business on 18 May 2018, (or as it may direct) so that the Shares allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued Shares and our Directors were authorised to give effect to such capitalisation;
- (iv) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements in accordance with the Articles, or pursuant to the exercise of any options which have been or may be granted under the Share Option Scheme, or under the Share Offer or the Capitalisation Issue, Shares with an aggregate number not exceeding the sum of (aa) 20% of the aggregate number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme); and (bb) the aggregate number of Shares which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in paragraph (v) below, until the conclusion of

the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to our Directors as set out in this paragraph (iv), whichever occurs first; and

- (v) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to purchase the Shares on the Stock Exchange or other stock exchange on which the securities of our Company may be listed and recognised by the SFC and the Stock Exchange for this purpose, in accordance with all applicable laws and the requirements of the GEM Listing Rules, not exceeding 10% of the aggregate number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme) until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to our Directors as set out in this paragraph (v), whichever occurs first.

4. Group reorganisation

The companies comprising our Group underwent a reorganisation to rationalise our Group’s structure in preparation for the Listing. For information relating to the Reorganisation, please refer to the paragraph headed “History, Reorganisation and Group Structure — Reorganisation” of this prospectus.

5. Changes in share capital of subsidiaries

Our Company’s subsidiaries are referred to in the Accountant’s Report, the text of which is set out in Appendix I to this prospectus.

Save as disclosed in the section headed “History, Reorganisation and Group Structure” of this prospectus, there are no changes in the share capital or registered capital of our subsidiaries during the two years preceding the date of this prospectus.

6. Repurchase by our Company of its own securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of its own securities.

(a) *Provisions of the GEM Listing Rules*

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) *Shareholders' approval*

All proposed repurchase of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to a resolution in writing passed by the sole Shareholder on 18 May 2018, the Repurchase Mandate was given to our Directors to exercise all powers of our Company to purchase Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of up to 10% of the aggregate number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme). The Repurchase Mandate will expire at the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first.

(ii) *Source of funds*

Repurchase by our Company must be paid out of funds legally available for the purpose in accordance with our Company's Memorandum and Articles of Association and the Companies Law. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under Cayman Islands law, any repurchase by our Company may only be made out of profits of our Company, or from sums standing to the credit of our share premium account, or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the shares to be purchased must be provided for out of profits of our Company or from sums standing to the credit of our Company's share premium account, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital.

(iii) *Connected parties*

A company is prohibited from knowingly repurchasing securities from a "core connected person", that is, a director, chief executive or substantial shareholder of our Company or any of their respective close associates and a core connected person shall not knowingly sell his securities to our Company, on the Stock Exchange.

(b) Reasons for Repurchase

Our Directors believe that it is in the best interests of our Company and the Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if our Directors believe that such repurchase will benefit our Company and the Shareholders.

(c) Funding of repurchase

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles, the GEM Listing Rules and the applicable laws of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Repurchase Mandate, on the basis of 520,000,000 Shares in issue immediately after the Listing, would result in up to 52,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(d) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates currently intends to sell any Shares to our Company or its subsidiaries if the Repurchase Mandate is exercised.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

No connected person (as defined in the GEM Listing Rules) has notified our Company that he has a present intention to sell Shares to our Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory

offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

1. Summary of material contracts



The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) the sale and purchase agreement dated 18 May 2018 entered into between Dr. Alan Tan (as vendor) and our Company (as purchaser) pursuant to which Dr. Alan Tan transferred his entire shareholding interest in RHH SG to our nominee, BVI Co 1, for cash consideration of S\$1,000, being the par value of the entire issued shares of RHH SG;
- (b) the sale and purchase agreement dated 18 May 2018 entered into between Dr. Alan Tan (as vendor) and our Company (as purchaser) pursuant to which Dr. Alan Tan transferred to our nominee, RHH SG, his entire shareholding interest in (i) BCL, in consideration of the allotment and issue of 20 Shares; (ii) BMAL, in consideration of the allotment and issue of 20 Shares; (iii) MML, in consideration of the allotment and issue of 20 Shares; (iv) RHL, in consideration of the allotment and issue of 20 Shares, all credited as fully paid by our Company to BVI Co 2 (as Dr. Alan Tan's nominee); and (v) SHCL, in consideration of the allotment and issue of 19 Shares, credited as fully paid by our Company to BVI Co 2 (as Dr. Alan Tan's nominee) and crediting the one nil-paid Share held by BVI Co 2 as fully paid;
- (c) the Deed of Indemnity;
- (d) the Deed of Non-competition; and
- (e) the Public Offer Underwriting Agreement.




2. Intellectual property

(a) Trademarks

As at the Latest Practicable Date, our Group has registered the following trademarks:

Trademark	Registration number	Name of registered owner	Class	Place of registration	Expiry date
	40201517936T	SHCL	44	Singapore	16 October 2025
	40201719760V	RHL	44	Singapore	9 October 2027

As at the Latest Practicable Date, our Group had applied for registration of the following trademarks:

Trademark	Trademark application number	Name of applicant	Class	Place of application	Filing date
	40201717143R	RHL	44	Singapore	5 September 2017
	2017068743	RHL	44	Malaysia	27 September 2017
	2017071320	RHL	44	Malaysia	30 October 2017

(b) *Domain name*

As at the Latest Practicable Date, our Group had registered the following domain names:

Domain names	Date of registration	Expiry date
www.dratanandpartners.com	13 September 2010	13 September 2018
republichealthcare.asia	17 June 2016	17 June 2023

Information contained in the above website does not form part of this prospectus.

Save as disclosed above, there are no other trade or service marks, patents, other intellectual or industrial property rights which are material to the business of our Group.

FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

1. Directors

(a) *Particulars of service contracts and letters of appointment*

Each of Dr. Alan Tan and Mr. Toh Han Boon, being all the executive Directors, has entered into a service contract with our Company on 18 May 2018. Particulars of these contracts, except as indicated, are in all material respects identical and are set out below:

- (i) the term of each service contract is three years commencing from the Listing Date until terminated in accordance with the terms of the service agreement;
- (ii) the initial annual salary for each of Dr. Alan Tan and Mr. Toh Han Boon is set out below, such salary to be reviewed annually by the Board and the remuneration committee of our Company; and
- (iii) each of these executive Directors is entitled to such management bonus by reference to the consolidated net profits of our Group after taxation and minority interests but before extraordinary items as the Board and the remuneration committee of our Company may

approve, provided that the relevant executive Director shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, management bonus and other benefits payable to him.

Under the service contracts, the basic annual salaries of the executive Directors (including director's fee) are as follows:

Name	Amount
	S\$
Dr. Alan Tan	96,000
Mr. Toh Han Boon	108,000

Each of Mr. Leung Ho San Jason, Mr. Soh Sai Kiang and Mr. Tan Chee Ken, being all the independent non-executive Directors, has entered into a letter of appointment with our Company on 18 May 2018. Each letter of appointment is for an initial term of one year commencing on the Listing Date, unless terminated by either party giving at least one month's notice in writing. Each independent non-executive Director is entitled to an annual director's fee of S\$24,000.

Save as aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of its subsidiaries (other than contracts expiring or determinable by our Group within one year without the payment of compensation (other than statutory compensation)).

(b) Directors' remuneration

For FY2016 and FY2017, the aggregate of the remuneration (including salaries and allowance, if any) paid granted by our Group to our Directors was approximately S\$42,000 and S\$132,000, respectively.

Under the arrangements currently in force, the aggregate emoluments (excluding any discretionary bonus, if any, payable to our Directors) payable by our Group to and receivable by our Directors for the year ending 31 December 2018 is estimated to be approximately S\$212,000.

None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the two years ended 31 December 2017 (i) as an inducement to join or upon joining our Company or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the two years ended 31 December 2017.

(c) Interests and short positions of Directors in the shares, underlying shares or debentures of our Company and its associated corporations

Immediately following completion of the Share Offer and the Capitalisation Issue and taking no account of any Shares that may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, the interests or short positions of our Directors and the chief executives of our Company in the Shares, underlying Shares and debentures

of our Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors, in each case once the Shares are listed on the Stock Exchange, will be as follows:

Name	Capacity/Nature of interest	Number of Shares held after the Share Offer and the Capitalisation Issue <i>(Note 1)</i>	Percentage of interest in our Company after the Share Offer and the Capitalisation Issue
Dr. Alan Tan	Interest in controlled corporation <i>(Note 2)</i>	390,000,000 Shares (L)	75%

Notes:

- (1) The Letter “L” denotes the person’s long position in the relevant Shares.
- (2) The entire issued shares of BVI Co 2 is legally and beneficially owned by Dr. Alan Tan. Accordingly, Dr. Alan Tan is deemed to be interested in the 390,000,000 Shares held by BVI Co 2 by virtue of the SFO.

2. Interest discloseable under the SFO and substantial shareholders

So far as our Directors are aware, immediately following the completion of the Share Offer and the Capitalisation Issue and taking no account of any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme, the following persons/entities not being a Director or chief executive of our Company will have an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group:

Name	Capacity/Nature of interest	Number of Shares held after the Share Offer and the Capitalisation Issue <i>(Note 1)</i>	Percentage of interest in our Company after the Share Offer and the Capitalisation Issue
BVI Co 2	Beneficial owner <i>(Note 2)</i>	390,000,000 Shares (L)	75%

Notes:

- (1) The Letter “L” denotes the person’s long position in the relevant Shares.
- (2) The entire issued shares of BVI Co 2 is legally and beneficially owned by Dr. Alan Tan.

3. Related party transactions

During the two years immediately preceding the date of this prospectus, our Group engaged in the related party transactions as mentioned in note 22 of the Accountant’s Report set out in Appendix I to this prospectus.

4. Disclaimers

Save as disclosed in this appendix and the section headed “Substantial Shareholders” of this prospectus:

- (a) taking no account of any Shares which may be taken up or acquired under the Share Offer or any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme, our Directors are not aware of any person who immediately following completion of the Share Offer and the Capitalisation Issue will have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, either directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company or any other members of our Group;
- (b) none of our Directors or chief executive of our Company has any interests and short positions in the Shares, underlying Shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, in each case once the Shares are listed on the Stock Exchange;
- (c) none of our Directors nor the experts named in the paragraph headed “Other Information — 7. Qualifications and consents of experts” in this appendix below has been interested in the promotion of, or has any direct or indirect interest in any assets acquired or disposed of by or leased to, any member of our Group within the two years immediately preceding the date of this prospectus, or which are proposed to be acquired or disposed of by or leased to any member of our Group nor will any Director apply for Offer Shares either in his/her own name or in the name of a nominee;
- (d) none of our Directors nor the experts named in the paragraph headed “Other Information — 7. Qualifications and consents of experts” in this appendix below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

- (e) none of the experts named in the paragraph headed “Other Information — 7. Qualifications and consents of experts” in this appendix below has any shareholding in any member in our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member in our Group; and
- (f) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme, which was approved by resolutions in writing of the sole Shareholder passed on 18 May 2018. The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme:

The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to advance the interests of our Company and the Shareholders by enabling our Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to our Group and by enabling such persons’ contribution to further advance the interests of our Group.

(b) Participants of the Share Option Scheme and eligibility criteria

The eligible persons of the Share Option Scheme to whom options may be granted by the Board shall include (collectively “**Eligible Persons**”):

- (i) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of any member of our Group;
- (ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of our Group (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to our Group; any customer of our Group; or any holder of securities issued by any member of our Group; and
- (iii) any other person, who at the sole discretion of the Board, has contributed to our Group (the assessment criteria of which are (1) such person’s contribution to the development and performance of our Group; (2) the quality of work performed by such person for our Group; (3) the initiative and commitment of such person in performing his duties; (4) the length of service or contribution of such person to our Group; and (5) such other factors as considered to be applicable by the Board).

The Board may in its absolute discretion specify such conditions as it thinks fit when granting an option to an Eligible Person (including, without limitation, as to any minimum period an option must have been held or the minimum period of service or relationship with any member of our Group to be achieved before an option can be exercised (or any part thereof), to the extent of the option which can be exercised at any material time, or any performance criteria which must be satisfied by the Eligible Person, our Company, and its subsidiaries, before an option may be exercised), provided that such conditions shall not be inconsistent with any other terms and conditions of the Share Option Scheme and the GEM Listing Rules.

(c) Life of the Share Option Scheme

Our Company may, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option shall be offered or granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

Subject to the aforesaid, the Share Option Scheme shall be valid and effective for a period of ten years commencing from the date of adoption, after which period no further options will be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the Share Option Scheme.

(d) Subscription price

The subscription price in respect of any option shall, subject to any adjustments made pursuant to the terms of the Share Option Scheme, be a price determined by the Board and notified to each grantee and shall be at least the highest of:

- (i) the closing price per Share as stated in the Stock Exchange's daily quotation sheet on the offer date which must be a business day;
- (ii) the average of the closing prices per Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date; or
- (iii) the nominal value of the Share on the offer date.

(e) Acceptance of offers

An offer shall remain open for acceptance by the Eligible Person concerned for such period as determined by the Board, being a date not later than ten Business Days after the offer date by which the Eligible Person must accept the offer or be deemed to have declined it, provided that no such offer shall be open for acceptance after the tenth anniversary of the date of adoption of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions of the Share Option Scheme.

The amount payable by the grantee to our Company on acceptance of the offer shall be a nominal amount to be determined by the Board.

(f) Maximum number of Shares available for subscription

- (i) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue on the effective date of the Share Option Scheme i.e. as at the Listing Date, 52,000,000 Shares on the basis of 520,000,000 Shares in issue immediately after the Listing unless our Company obtains a fresh approval from the Shareholders pursuant to paragraph (f)(ii) below.
- (ii) Our Company may seek approval of Shareholders in general meeting to renew the 10% limit set out in paragraph (f)(i) above such that the total number of Shares in respect of which options may be granted by the Board under the Share Option Scheme and any other share option schemes of our Company in issue shall not exceed 10% of the total number of Shares in issue as at the date of approval of the renewed limit.
- (iii) Our Company may grant options to specified participant(s) beyond the 10% limit set out in paragraph (f)(i) above provided that the options granted in excess of such limit are specifically approved by the Shareholders in general meeting and the participants are specifically identified by our Company before such approval is sought. In seeking such approval, a circular must be sent to the Shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.
- (iv) Notwithstanding the foregoing and subject to the paragraph (g) below, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme together with any options outstanding and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company in issue shall not exceed 30% (or such higher percentage as may be allowed under the GEM Listing Rules) of the total number of Shares in issue from time to time.

(g) Maximum entitlement of each Eligible Person

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Person (including both exercised and outstanding options under the Share Option Scheme) in any twelve-month period must not exceed 1% of the issued share capital of our Company.

Where any further grant of options to an Eligible Person would result in excess of such limit shall be subject to the approval of the Shareholders at general meeting with such Eligible Person and his close associates (or his associates if the Eligible Person is a connected person) abstaining from voting.

In seeking such approval, a circular must be sent to the Shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.

(h) Grants of options to certain connected persons

- (i) Any grant of options to a Director, chief executive of our Company or any of their respective associates must be approved by all of the independent non-executive Directors (excluding any independent non-executive Director who is also the grantee).
- (ii) Where options are proposed to be granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates, and the proposed grant of options will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued share capital of our Company and having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such grant of options must be subject to the approval of the Shareholders at general meeting. The grantee involved in such proposed grant of options, his associates and all core connected persons of our Company must abstain from voting in such general meeting (except that any such persons may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the Shareholders).

In seeking such approval, a circular must be sent to the Shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.

Any change in the terms of the options granted to a substantial Shareholder or an independent non-executive Director of our Company, or any of their respective associates must also be approved by the Shareholders in general meeting.

(i) Restrictions on the times of grant of options

- (i) No offer for the grant of options may be made after any inside information has come to the knowledge of our Company until such inside information has been announced pursuant to the requirements of the GEM Listing Rules and the SFO. No option may be granted during the period commencing one month immediately preceding the earlier of:
 - (a) the date of the Board meeting (such date to first be notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half-year, quarter-year or other interim period (whether or not required under the GEM Listing Rules); and
 - (b) the deadline for our Company to publish an announcement of the results for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement. No option may be granted during any period of delay in publishing a results announcement.

- (ii) Further to the restrictions in paragraph (i) above, no option may be granted to a Director on any day on which financial results of our Company are published and:
 - (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (b) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(j) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to the grantee which the Board may in its absolute discretion determine, save that such period shall not be more than ten years from the date of acceptance of the offer (subject to the provisions for early termination in accordance with the Share Option Scheme) (the “**Option Period**”).

(k) Rights are personal to grantee

An option shall be personal to the grantee and shall not be assignable nor transferable, and no grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so. Any breach of the foregoing shall entitle our Company to cancel any outstanding option or part thereof granted to such grantee.

(l) Rights on ceasing employment

In the case of the grantee being an employee or a director of our Group leaves the services of our Group by reason other than death or on one or more of the grounds specified in paragraph (q)(v), or because his employing company ceases to be a member of our Group, the grantee may exercise the option up to his entitlement at the date of cessation (to the extent he is entitled to exercise at the date of cessation but not already exercised) within a period being the earlier of (i) three months (or such other period as the Board may determine) following the date of such cessation, which date shall be the last actual working day with our Group whether salary is paid in lieu of notice or not or the last date of appointment as director of our Group, as the case may be; or (ii) the expiration of the relevant Option Period. Any options not so exercised shall lapse and terminate at the end of the said period provided that in any such case, our Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as our Directors may decide.

(m) Rights on death

In the case of the grantee ceases to be an Eligible Person by reason of death, he or (as the case may be) his personal representatives may exercise all or part of his options (to the extent he is entitled to exercise at the date of cessation but not already exercised) within a period being the earlier of (i) six months after he so ceases to be an Eligible Person; or (ii) the expiration of the

relevant Option Period. Any options not so exercised shall lapse and terminate at the end of the said period provided that in any such case, our Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as our Directors may decide.

(n) Rights on a general offer

- (i) If, in consequences of any general offer made to the holders of Shares (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of our Company) or otherwise, any person shall have obtained control (as defined in the Takeovers Code) of our Company, then our Directors shall as soon as practicable thereafter notify every grantee accordingly and each grantee shall be entitled to exercise all or any of his options (to the extent he is entitled but not exercised) at any time before the earlier of (1) the expiry of the Option Period, or (2) the fourteenth day following the date on which the general offer becomes or is declared unconditional to exercise any option in whole or in part, and to the extent that it has not been so exercised, any options shall upon the expiry of such period cease and terminate provided that if, during such period, such person becomes entitled to exercise rights of compulsory acquisition of Shares and gives notice in writing to any holders of Shares that he intends to exercise such rights, options shall be and remain exercisable until the earlier of (1) the expiry of the Option Period or (2) the fourteenth day from the date of such notice and, to the extent that any options which have not been exercised upon the expiry of such period, shall thereupon cease and terminate.
- (ii) If a general offer by way of a scheme of arrangement is made to all the Shareholders and the Share Option Scheme has been approved by the necessary number of Shareholders at the requisite meetings, our Company shall forthwith notify all the grantees and any grantee (or his personal representatives) may thereafter (but before such time as shall be notified by our Company) by notice in writing to our Company exercise the option (to the extent he is entitled but not exercised) to its full extent or to the extent specified in such notice. Any options which have not been exercised upon the expiry of such period as specified in the notice shall thereupon cease and terminate.

(o) Rights on winding-up

In the event that a notice is given by our Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, our Company shall on the same date as or soon after it despatches such notice to each member of our Company give notice thereof to all grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each grantee (or his personal representatives) shall be entitled to exercise all or any of his options at any time not later than two Business Days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general

meeting referred to above, allot and issue such number of Shares to the grantee credited as fully paid which falls to be issued on such exercise and register the grantee as holder thereof in the branch register of members of our Company maintained in Hong Kong.

(p) Right on a compromise or scheme of arrangement

If a compromise or arrangement between our Company and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice thereof to the grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of our Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may by notice in writing to our Company accompanied by the remittance for the aggregate subscription price in respect of the number of option exercised under such notice (such notice to be received by our Company not later than two Business Days prior to the proposed meeting) either to its full extent or to the extent specified in such notice, and our Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting referred to above, allot and issue such number of Shares credited as fully paid, to the grantee which falls to be issued on such exercise and register the grantee as holder thereof in the branch register of members of our Company maintained in Hong Kong.

(q) Lapse of option

The right to exercise an option shall lapse automatically (to the extent not already exercised) immediately upon the earliest of:

- (i) subject to paragraphs (l)-(p), the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to in paragraphs (l)-(n);
- (iii) subject to paragraph (o), the date of the commencement of the winding up of our Company;
- (iv) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (p);
- (v) in the event that the grantee is an employee or a director of our Group, the date on which the grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or directorship or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer or a company would be entitled to terminate his employment or directorship at common law or pursuant to any applicable laws or under the grantee's service contract with our Company or the relevant subsidiary of our Company. A resolution of the Board or the

board of directors of the relevant subsidiary of our Company to the effect that the employment or other relevant contract of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph (q)(v) shall be conclusive and binding on the grantee;

(vi) the date on which the grantee ceases to be an Eligible Person by reason of termination of his relationship (whether by appointment or otherwise) with our Group or on any one or more of the following grounds (other than by reason of death or on one or more of the grounds specified in sub-paragraph (q)(v)) that he has become unable to pay his debts (within the meaning of the Bankruptcy Ordinance, Chapter 6 of the Laws of Hong Kong) or has become otherwise insolvent or has made any arrangement or composition with his creditors generally, or arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) has committed any act which is prejudicial to or not in the interests of our Company or any company in our Group. A resolution of the Board or the board of directors of the relevant subsidiary of our Company to the effect that the relationship with a grantee (other than an employee or a director of our Group) has or has not been terminated and as to the date of such termination shall be conclusive and binding on the grantee;

(vii) the date on which the grantee commits a breach of paragraph (k); or

(viii) the date on which the option is cancelled by the Board as provided in paragraph (u).

Our Company shall owe no liability to any grantee for the lapse of any option under this paragraph (q).

(r) Ranking of Shares

The Shares to be allotted and issued upon the exercise of an option shall be subject to the Memorandum and Articles and the laws of the Cayman Islands for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of our Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment, provided always that when the date of exercise of the option falls on a date upon which the register of members of our Company is closed then the exercise of the options shall become effective on the first Business Day on which the register of members of our Company is re-opened.

(s) Reorganisation of capital structure

In the event of any alteration to the capital structure of our Company whilst any option remains exercisable, arising from capitalisation of profits or reserves, rights issue, consolidation, re-classification or subdivision of Share or reduction of the share capital of our Company in accordance with the legal requirements or requirements of the Stock Exchange, other than any

alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party, adjustment (if any) shall be made to:

- (i) the number or nominal value of Shares subject to the option so far as unexercised; and/or
- (ii) the subscription price for the Shares subject to the option so far as unexercised; and/or
- (iii) the Shares to which the option relates; and/or
- (iv) the method of exercise of the options; and/or
- (v) the maximum number of Shares referred to in paragraphs (f), (g) and (h)(ii) above; and/or
- (vi) any combination thereof as the auditors or the independent financial adviser to our Company (acting as expert not arbitrator) shall at the request of our Company certify in writing to the Board either generally or as regards any particular grantee that the adjustments are in compliance with Rule 23.03(13) of the GEM Listing Rules and the notes thereto.

Any such adjustments must give a grantee the same proportion of the equity capital of our Company as to which that grantee was previously entitled, and any adjustments so made shall be in compliance with the GEM Listing Rules and such applicable guidance and/or interpretation of the GEM Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on GEM Listing Rule 23.03(13) and the Notice immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to the Share Option Scheme) but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the auditors or the independent financial adviser to our Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees. The costs of the auditors or the independent financial adviser to our Company shall be paid by our Company. Notice of such adjustment shall be given to the grantees by our Company.

(t) Alteration to the Share Option Scheme and the terms of options granted under the Share Option Scheme

The Board may from time to time in its absolute discretion waive or amend any terms of the Share Option Scheme at such time and in such manner as it deems desirable to the extent permissible under the provisions of the GEM Listing Rules in relation to the Share Option Scheme and all applicable laws in respect thereof.

For the avoidance of doubt, except with the prior approval of the Shareholders in general meeting (with the Eligible Persons and their associates abstaining from voting), the Board may not amend:

- (i) any of the provisions of the Share Option Scheme relating to matters contained in Rule 23.03 of the GEM Listing Rules to the advantage of the Eligible Persons or grantees;
- (ii) any terms and conditions of the Share Option Scheme which are of a material nature or any terms of options granted except where such alteration take effect automatically under the existing terms of the Share Option Scheme; and
- (iii) any provisions on the authority of the Board in relation to any alteration to the terms of the Share Option Scheme.

No such amendments shall be altered to the advantage of grantees except with the prior approval of the Shareholders in general meeting (with Eligible Persons and their respective associates abstained from voting). No such alterations shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the grantees as would be required of the Shareholders under the Articles for the time being for a variation of the rights attached to the Shares, provided that this restriction should not apply to any amendment made by the Board at the request of the Stock Exchange or other regulatory body for the purpose of ensuring that the Share Option Scheme complies with, among other applicable laws, the requirements of such exchange or other regulatory body on which the Shares are in the course of being listed or from time to time listed or which may have or exercise regulatory powers or jurisdiction in relation to our Company. Any amended terms of the Share Option Scheme or options shall still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules (subject to such waiver as may be granted by the Stock Exchange from time to time) and shall automatically take effect on all outstanding options.

(u) Cancellation of options granted

The Board may cancel an option granted but not exercised with the approval of the grantee of such option. No compensation shall be payable to the grantee for cancellation of the options granted but not exercised. No options may be granted to an Eligible Person in place of his cancelled options unless there are available unissued options (excluding the cancelled options) within the 10% limit set out in paragraph (f)(i) and (f)(ii) above from time to time.

(v) Termination

Our Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

As at the date of this prospectus, no Option has been granted or agreed to be granted by our Company under the Share Option Scheme.

OTHER INFORMATION**1. Deed of indemnity**

Each of Dr. Alan Tan and BVI Co 2 (collectively the “**Indemnifiers**”) has entered into the Deed of Indemnity with and in favour of our Company (for ourselves and as trustee for and on behalf of our subsidiaries) being one of the material contracts referred to in the paragraph headed “Further Information about the Business of Our Group — 1. Summary of material contracts” in this appendix above to provide indemnities on a joint and several basis in respect of, among other matters, the following:

- (a) any duty which is or hereafter becomes payable by any member of our Group by virtue of section 35 of the Estate Duty Ordinance or any law equivalent to or similar thereto under the laws of any jurisdiction outside Hong Kong and under the provisions of section 43 of the Estate Duty Ordinance or any law equivalent to or similar thereto under the laws of any jurisdiction outside Hong Kong by reason of the death of any person and by reason of the assets of our Group members;
- (b) any amount recovered against any member of our Group under provisions of section 43(7) of the Estate Duty Ordinance in respect of any duty payable under section 43(1)(c) or 43(6) of the Estate Duty Ordinance or in respect of any duty payable under any equivalent or similar law of any jurisdiction outside Hong Kong by reason of the death of any person and by reason of the assets of our Group members;
- (c) any amount of duty which any member of our Group is obliged to pay by virtue of section 43(1)(c) of the Estate Duty Ordinance or any law equivalent or similar thereto under the laws of any jurisdiction outside Hong Kong;
- (d) any taxation which might be payable by any member of our Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or up to the Listing Date;
- (e) any amount of tax falling on any member of our Group anywhere in the world, whether arising prior to or after the Listing and resulting from any member of our Group conducting its business operations in such jurisdictions prior to Listing and shall include any costs, expenses, interests, penalties or other liabilities in connection therewith;
- (f) any and all expenses, payments, sums, outgoings, fees, demands, claims, actions, proceedings, judgments, damages, losses, costs (including but not limited to legal and other professional costs), charges, contributions, liabilities, fines, penalties (collectively the “**Costs**”) in connection with any failure, delay or defects of corporate or regulatory non-compliance under, or any breach of any provision of any applicable laws, rules or regulations in Hong Kong, Singapore or any other jurisdictions by any member of our Group on or before the date on which the Share Offer becomes unconditional (the “**Effective Date**”); and
- (g) any and all Costs which any member of our Group may incur, suffer or accrue, directly or indirectly, from or on the basis of or in connection with any failure to obtain the necessary licences, consents or permits under any applicable laws in Hong Kong, Singapore or any other jurisdictions for any Group member’s valid and legal establishment and/or operation on or before the Effective Date.

Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Group in the Cayman Islands, BVI, Hong Kong and Singapore, being jurisdictions in which the companies comprising our Group are incorporated.

The Deed of Indemnity does not cover any taxation claim and the Indemnifiers shall be under no liability under the Deed of Indemnity in respect of any taxation:

- (a) to the extent that full provision or reserve has been made for such taxation in the combined audited accounts of our Group for each of the two years ended 31 December 2017 (the “**Accounts Date**”), as set out in Appendix I to this prospectus or the unaudited accounts of the relevant member of our Group for the same period and any previous audited accounts of any member of our Group;
- (b) to the extent that such taxation or liability would not have arisen but for some act or omission by any member of our Group voluntarily effected without the prior written consent or agreement of the Indemnifiers (such consent or agreement not to be unreasonably withheld or delayed), otherwise than in the ordinary course of business after the date of the Deed of Indemnity;
- (c) such taxation or liability for which any member of our Group is primarily liable as a result of transactions entered into in the ordinary course of business after the Accounts Date;
- (d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to 31 December 2017 which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers’ liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve;
- (e) to the extent that such taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or the interpretation or practice thereof by the relevant authority coming into force after the date of the Deed of Indemnity or to the extent that such taxation claim arises or is increased by an increase in rates of taxation after the date of the Deed of Indemnity with retrospective effect; or
- (f) to the extent that such taxation or liability arises as a result of any member of our Group being in breach of any provision of the Deed of Indemnity.

2. Litigation

Save as disclosed in the paragraph headed “Business — Regulatory compliance and legal proceeding” of this prospectus, neither our Company nor any of its subsidiaries is engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened against our Company or any of its subsidiaries.

3. Sole Sponsor

The Sole Sponsor has made an application for and on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, comprising the Offer Shares and any Shares which may fall to be allotted and issued pursuant to (a) the Capitalisation Issue; and (b) the exercise of options which may be granted under the Share Option Scheme, representing 10% of the Shares in issue on the Listing Date.

The Sole Sponsor has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. The Sole Sponsor's fee in connection with the Share Offer is HK\$4.0 million.

4. Compliance adviser

In accordance with the requirements of the GEM Listing Rules, our Company has appointed Titan Financial Services Limited as our compliance adviser to provide advisory services to our Company to ensure compliance with the GEM Listing Rules for a period commencing on the Listing Date and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the Listing or until the agreement is terminated, whichever is the earlier.

5. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately US\$5,600 (equivalent to approximately HK\$44,000) and are payable by our Company.

6. Promoters

Our Company does not have any promoter (as defined in the GEM Listing Rules).

7. Qualifications and consents of experts

The qualifications of the experts who have given reports, letter or opinions (as the case may be) in this prospectus are as follows:

Name	Qualification
Titan Financial Services Limited	A corporation licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
China Insights Industry Consultancy Limited	Independent market consultant
Rajah & Tann Singapore LLP	Legal advisers to our Company as to Singapore laws

Each of the experts named above has given and has not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters or opinions (as the case may be) and the references to their names included herein in the form and context in which they respectively appear.

None of the experts named above has any shareholding interest in any members of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of our Group.

8. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

9. Taxation of holders of Shares

(a) Hong Kong

(i) Profits

No tax is imposed in Hong Kong in respect of capital gains from the sale of property such as the Shares. Trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where such gains are derived from or arise in Hong Kong from such trade, profession or business will be chargeable to Hong Kong profits tax. Gains from sales of the Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of the Shares realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

(ii) Stamp duty

Hong Kong stamp duty will be payable by the purchaser on every purchase and by the seller on every sale of the Shares. The duty is charged at the current rate of 0.2% of the consideration or, if higher, the fair value of the Shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of shares.

(iii) Estate duty

Estate duty has been abolished in Hong Kong by The Revenue (Abolition of Estate Duty) Ordinance 2005 which came into effect on 11 February 2006.

(b) The Cayman Islands

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) *Consultation with professional advisers*

Intended holders of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares or exercising any rights attaching to them. It is emphasised that none of our Company, our Directors or the other parties involved in the Share Offer can accept responsibility for any tax effect on, or liabilities of, holders of the Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercising any rights attaching to them.

10. Miscellaneous

- (a) Save as disclosed in this appendix and the sections headed “History, Reorganisation and Group Structure” and “Share Capital” of this prospectus, within the two years preceding the date of this prospectus:
- (i) no share or loan capital of our Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages (other than under the Underwriting Agreement) or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries;
 - (iii) no commission has been paid or payable subscribing, agreeing to subscribe or procuring subscription or agreeing to procure subscription for any shares in our Company or any of its subsidiaries; and
 - (iv) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (b) No founders, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
- (c) Our Directors confirm that, save for disclosed in the paragraph headed “Summary — Material adverse change” of this prospectus, there has been no material adverse change in the financial or trading position or prospect of our Group since 31 December 2017 (being the date to which the latest audited combined financial statements of our Group were made up) up to the date of this prospectus;
- (d) None of the equity and debt securities of our Company is listed or dealt with on any other stock exchange nor is any listing or submission to deal being or proposed to be sought;
- (e) None of our Directors nor any parties whose names are listed in the paragraph headed “Other Information — 7. Qualifications and consents of experts” in this appendix above has received any commissions, discounts, agency fees, brokerages or other special terms in connection with the issue or sale of any share or loan capital of any member of our Group;

- (f) There has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 24 months preceding the date of this prospectus;
- (g) Subject to the provisions of the Companies Law, the principal register of members of our Company will be maintained in the Cayman Islands by Conyers Trust Company (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Boardroom Share Registrars (HK) Limited. Unless our Directors otherwise agree, all transfers and other documents of title of the Shares must be lodged for registration with and registered by, our Company's branch share registrar in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement;
- (h) There is no arrangement under which future dividends are to be or agreed to be waived; and
- (i) No company within our Group is presently listed on any stock exchange or traded on any trading system.

11. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and the Chinese language version of this prospectus, the English language version shall prevail.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration pursuant to section 342C of the Companies (WUMP) Ordinance (Chapter 32 of the Laws of Hong Kong) were:

- (a) copies of each of the **WHITE** and **YELLOW** Application Forms;
- (b) the written consents referred to in the paragraph headed “Statutory and General Information — Other Information — 7. Qualifications and consents of experts” in Appendix IV to this prospectus; and
- (c) copies of each of the material contracts referred to in the paragraph headed “Statutory and General Information — Further Information about the Business of Our Group — 1. Summary of material contracts” in Appendix IV to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Robertsons at 57/F, The Center, 99 Queen’s Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and Articles of Association of our Company;
- (b) the audited combined financial statements of our Group for the years ended 31 December 2016 and 2017;
- (c) the Accountant’s Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus;
- (d) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;
- (e) the rules of our Share Option Scheme;
- (f) the letter of advice prepared by Conyers Dill & Pearman, legal adviser to our Company as to Cayman Islands law, summarising certain aspects of Cayman Companies Law referred to in Appendix III to this prospectus;
- (g) the Cayman Companies Law;
- (h) the material contracts referred to in “Statutory and General Information — Further Information about the Business of Our Group — 1. Summary of material contracts” in Appendix IV to this prospectus;
- (i) the written consents referred to in the paragraph headed “Statutory and General Information — Other Information — 7. Qualifications and consents of experts” in Appendix IV to this prospectus;

- (j) the service contracts and letters of appointment with each of our Directors referred to in the paragraph headed “Statutory and General Information — Further Information about Directors, Senior Management and Staff — 1. Directors — (a) Particulars of service contracts and letters of appointment” in Appendix IV to this prospectus;
- (k) the legal opinion issued by Rajah & Tann Singapore LLP, legal adviser to our Company as to Singapore laws; and
- (l) the CIC Report.

Republic Healthcare Limited