republic healthcare

The Future Of Healthcare, Now

REPUBLIC HEALTHCARE LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8357

INTERIM REPORT 2021

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

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CORPORATE INFORMATION

Registered office

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

Headquarters and principal place of business in Singapore

1 Scotts Road
#16-05 Shaw Centre
Singapore 228208

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

46/F
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Executive Director

Dr. Tan Cher Sen Alan *(Chairman)*

Independent non-executive Directors

Mr. Soh Sai Kiang
Mr. Kevin John Chia
Mr. Yeo Teck Chuan
(appointed on 1 August 2021)
Mr. Low Wee Siong
(resigned on 12 May 2021)

Company secretary

Ms. Tang Wing Shan Winza
46/F
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Authorised representatives

Dr. Tan Cher Sen Alan
Ms. Tang Wing Shan Winza

Compliance officer

Dr. Tan Cher Sen Alan

Compliance adviser

Titan Financial Services Limited
12/F
Woon Lee Commercial Building
7–9 Austin Avenue
Tsim Sha Tsui, Hong Kong

Audit committee

Mr. Yeo Teck Chuan *(Chairman)*
Mr. Soh Sai Kiang
Mr. Kevin John Chia

Remuneration committee

Mr. Kevin John Chia *(Chairman)*
Mr. Soh Sai Kiang
Mr. Yeo Teck Chuan

Nomination committee

Mr. Soh Sai Kiang *(Chairman)*
Mr. Kevin John Chia
Mr. Yeo Teck Chuan

Independent auditor

Baker Tilly TFW LLP
Chartered Accountants

Principal share registrar and transfer office in the Cayman Islands

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

Hong Kong branch share registrar and transfer office

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

Principal banker

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

Company's website

republichealthcare.asia

GEM Stock Code

8357

Board lot

5,000 Share

2021 FINANCIAL HIGHLIGHTS (UNAUDITED)

The Group recorded a revenue of approximately S$7.4 million for the six months ended 30 June 2021 (the "**Period**" or the "**1HFY2021**"), representing an increase of approximately 32.6% when compared with that of approximately S$5.6 million for the corresponding period in 2020 (the "**Corresponding Period**" or the "**1HFY2020**").

The gross profit of the Group for the Period was approximately S$4.8 million, representing an increase of approximately 20.9% when compared with that of approximately S$4.0 million for the Corresponding Period.

The better revenue performance was mainly due to the increase in revenue generated from all service types, especially with treatment services seeing the highest growth of $1.6 million from approximately S$3.6 million in the Corresponding Period to approximately S$5.2 million for the Period. The increase in revenue for the Period against the Corresponding Period was mainly due to the low revenue base of the Corresponding Period as a result of the implementation of very high safe distancing measures (known as the "**Circuit Breaker**") by the Singapore government for a period of 2 months from early April 2020 to end May 2020; to curtail the spread of the novel coronavirus pneumonia ("**Covid-19**"). Under the Circuit Breaker, healthcare services would remain open only for the delivery of essential services and all non-essential appointments were deferred.

The cost of consumables and medical supplies used as well as medical professional costs for the Period increased by S$1.0 million against Corresponding Period which is in line with revenue growth. Other operating expenses increased by approximately S$0.8 million for the Period due to two factors, namely, increase in marketing efforts and advertorial work by S$0.5 million against Corresponding Period to drive revenue growth and create greater market awareness; and higher clinic related expenses which represented an increase of approximately S$0.3 million against Corresponding Period. Increase in employee benefit expenses vis-a-vis Corresponding Period by S$0.3 million due to higher number of clinics vis-a-vis Corresponding Period as well as higher employment costs to retain and attract staff to join the operations.

Despite achieving a higher revenue and gross profit, the Group recorded a net loss after tax of approximately S$0.6 million for the Period (net loss of approximately S$0.6 million for the Corresponding Period). This situation is as a result of rising employee benefits expenses arising from manpower, other operating expenses such as marketing expenses and clinic related expenses. The increase in manpower expenses was as a result of the Group's effort to retain and attract clinic staff including doctors and support staff. Marketing expenses were higher in order to generate higher levels of sales revenue. The Group reckons that the general practice market recovery would continue to remain shaky until Singapore re-open its border.

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

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

For the three and six months ended 30 June 2021

		Three months ended 30 June		Six months ended 30 June	
		2021	2020	**2021**	2020
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	Notes	**S$**	S$	**S$**	S$
Revenue	3	**3,412,893**	2,107,833	**7,361,976**	5,553,010
Other income		**277,112**	87,140	**491,636**	196,057
Consumables and medical supplies used		**(735,452)**	(449,826)	**(1,799,583)**	(1,223,741)
Medical professional costs		**(492,103)**	(137,801)	**(741,914)**	(341,741)
Employee benefits expenses		**(1,632,986)**	(1,469,009)	**(3,068,563)**	(2,796,456)
Depreciation of plant and equipment	6	**(168,725)**	(103,798)	**(311,664)**	(217,454)
Depreciation of right-of-use assets	7	**(340,158)**	(209,816)	**(658,336)**	(434,546)
Interest expense on lease liabilities	7	**(32,144)**	(26,424)	**(66,487)**	(57,895)
Other operating expenses		**(846,845)**	(469,653)	**(1,765,198)**	(1,010,371)
Loss before income tax		**(558,408)**	(671,354)	**(558,133)**	(333,137)
Income tax expense	4	**(6,460)**	–	**(6,507)**	(243,607)
Net loss for the period		**(564,868)**	(671,354)	**(564,640)**	(576,744)
Items that may be reclassified subsequently to profit or loss					
— Net gain/(loss) relating to foreign currency transaction differences arising from consolidation		**4,203**	(9,196)	**4,203**	(9,196)
Loss and total comprehensive loss attributable to owners of the Company for the period	5	**(560,665)**	(680,550)	**(560,437)**	(585,940)
Loss per share attributable to owners of the Company for the period (expressed in Singapore cents per share)					
Basic and diluted	5	**(0.11)**	(0.13)	**(0.11)**	(0.11)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Notes	30 June 2021 (unaudited) S$	31 December 2020 (audited) S$
Non-current assets			
Plant and equipment	*6*	**1,022,054**	845,395
Right-of-use assets	*7*	**2,249,242**	2,954,644
Deposits, prepayments and other receivables	*9*	**–**	99,000
Total non-current assets		**3,271,296**	3,899,039
Current assets			
Trade receivables	*8*	**143,700**	84,742
Deposits, prepayments and other receivables	*9*	**1,713,333**	1,409,152
Inventories	*10*	**616,164**	883,274
Cash and cash equivalents	*11*	**11,601,873**	13,068,057
Total current assets		**14,075,070**	15,445,225
Total assets		**17,346,366**	19,344,264
Non-current liabilities			
Lease liabilities	*7*	**1,697,130**	1,698,873
Provision for reinstatement costs	*12*	**322,414**	237,969
Deferred tax liabilities		**8,000**	8,000
Total non-current liabilities		**2,027,544**	1,944,842

	Notes	30 June 2021 (unaudited) S$	31 December 2020 (audited) S$
Current liabilities			
Trade payables	*13*	579,308	1,037,841
Contract liabilities		407,310	561,935
Accruals and other payables	*14*	1,099,869	1,059,821
Lease liabilities	*7*	491,048	1,056,659
Provision for reinstatement costs	*12*	–	148,640
Amount due to a director		–	177,801
Current income tax liabilities		45,220	100,221
Total current liabilities		2,622,755	4,142,918
Total liabilities		4,650,299	6,087,760
Net assets		12,696,067	13,256,504
Equity			
Share capital	*15*	896,552	896,552
Share premium		10,710,421	10,710,421
Other reserves		420,000	420,000
Translation reserves		(17,376)	(21,579)
Retained earnings		686,470	1,251,110
Equity attributable to equity holders of the Company		12,696,067	13,256,504

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Attributable to equity holders of the Company							
	Share capital S$	Share premium S$	Currency translation reserve S$	Other reserves* S$	Retained earnings S$	Total S$	Non-controlling interests S$	Total equity S$
Balance at 1 January 2020 (Audited)	896,552	10,710,421	–	420,000	1,185,208	13,212,181	–	13,212,181
Profit for the financial year	–	–	–	–	65,902	65,902	–	65,902
Other comprehensive loss								
Currency translation differences arising on consolidation	–	–	(21,579)	–	–	(21,579)	–	(21,579)
Total comprehensive (loss)/income for the financial year	–	–	(21,579)	–	65,902	44,323	–	44,323
Balance as at 31 December 2020 and 1 January 2021 (audited)	896,552	10,710,421	(21,579)	420,000	1,251,110	13,256,504	–	13,256,504
Loss for the financial period	–	–	–	–	(564,640)	(564,640)	–	(564,640)
Other comprehensive loss								
Currency translation differences arising on consolidation	–	–	4,203	–	–	4,203	–	4,203
Total comprehensive (loss)/income for the financial period	–	–	4,203	–	(564,640)	(560,437)	–	(560,437)
Balance as at 30 June 2021 (unaudited)	**896,552**	**10,710,421**	**(17,376)**	**420,000**	**686,470**	**12,696,067**	**–**	**12,696,067**

Note: Other reserves as at 30 June 2021 represented the difference between the consideration paid by the Company and the share capital of Get Republic Pte Ltd, Dtap @ Holland V Pte Ltd, Dtap @ Somerset Pte Ltd, Republic Healthcare Pte Ltd, Republic Healthcare Holdings Pte Ltd and Z Aesthetics Clinic Pte Ltd.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
	S$	S$
Net cash used in operating activities	**(122,019)**	(755,041)
Net cash (used in)/generated from investing activities	**(491,585)**	7,769,848
Net cash used in financing activities	**(852,580)**	(851,711)
(Decrease)/Increase in cash and cash equivalents	**(1,466,183)**	6,163,096
Cash and cash equivalents at beginning of the period	**13,068,056**	5,910,074
Cash and cash equivalents at end of the period	**11,601,873**	12,073,170

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

1 General Information and Reorganisation

1.1 General Information

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

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

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

1.2 Reorganisation

On 1 April 2020, Dtap Clinics Pte. Ltd. acquired 6 clinics from S Aesthetics Spa Pte. Ltd., Dtap @ Somerset Pte. Ltd., S Aesthetics Clinic Pte. Ltd. (formerly known as Dtap @ Raffles Place Pte. Ltd.), Dtap @ Holland V Pte. Ltd., Dtap Express Pte. Ltd. (formerly known as Dtap @ Siglap Pte. Ltd.) and Republic Healthcare Pte. Ltd.. On the same date, S Aesthetics Clinic Pte. Ltd. acquired 1 aesthetics clinic from Z Aesthetics Clinic Pte. Ltd. (formerly known as S Aesthetics Clinic Pte. Ltd.). These transactions have been accounted as a common control transaction which involves acquiring the businesses of existing companies (S Aesthetics Spa Pte. Ltd., Dtap @ Somerset Pte. Ltd., S Aesthetics Clinic Pte. Ltd., Dtap @ Holland V Pte. Ltd., Dtap Express Pte. Ltd., Republic Healthcare Pte. Ltd. and Z Aesthetics Clinic Pte. Ltd.).

These are internal reorganisation of businesses within the Group and there are no impact to the unaudited consolidated financial statements for the six months ended 30 June 2021 and 30 June 2020.

2 Basis of Presentation and Accounting Policies

2.1 Basis of Presentation and Significant Accounting Policies

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board and the applicable disclosure provisions of the GEM Listing Rules. The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Audited 2020 Consolidated Financial Statements. The accounting policies and methods of computation used in the Unaudited Condensed Consolidated Financial Statements are the same as those followed in the preparation of the Audited 2020 Consolidated Financial Statements.

All IFRSs effective for the accounting period commencing on 1 January 2021, together with the relevant transitional provisions, have been adopted by the Group in preparation of these Unaudited Condensed Consolidated Financial Statements. The adoption of these new/revised IFRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported or the current or prior period.

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

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

2.2 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the Unaudited Condensed Consolidated Financial Statements are measured using the currency of the primary economic environment in which the entity operates (the "**Functional Currency**"). The Unaudited Condensed Consolidated Financial Statements are presented in Singapore dollar ("**S$**"), which is the Group's functional and presentation currency.

2 Basis of Presentation and Accounting Policies (Continued)

2.2 Foreign Currency Translation (Continued)

(b) Transactions and balances

Transactions in a currency other than the functional currency ("**Foreign Currencies**") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the condensed consolidated statement of comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

2 Basis of Presentation and Accounting Policies (Continued)

2.3 Plant and Equipment

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measure reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

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

Medical equipment	3 years
Leasehold improvements	3 years
Computers and office equipment	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other operating expenses" in the condensed consolidated statement of comprehensive income.

Renovation-in-progress are carried at cost, less any recognised impairment loss until renovation is completed. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2 Basis of Presentation and Accounting Policies (Continued)

2.4 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset, as follows:

Office unit	3 years
Medical equipment	3 years
Clinic unit	3–5 years

If the ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the condensed consolidated balance sheet. The Group applies IAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, IFRS 16 *Leases* permits a lessee to not separate the non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has applied this practical expedient of its leases of office unit and clinic units.

2 Basis of Presentation and Accounting Policies (Continued)

2.4 Leases (Continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivables, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease liabilities are presented as a separate line in the condensed consolidated balance sheet.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2 Basis of Presentation and Accounting Policies (Continued)

2.5 Financial risk and capital risk management

(a) *Capital management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders of the Company (the "**Shareholders**") and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to the Shareholders, return capital to the Shareholders or issue new Shares.

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

(b) *Fair value estimation*

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

2.6 Critical accounting estimates and judgements

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

2.7 Segments reporting

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

3 Revenue

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

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	**2021**	2020
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	S$	S$	**S$**	S$
Medical services				
Treatment services	**2,372,533**	1,355,269	**5,195,813**	3,576,321
Medical investigation services	**732,153**	525,944	**1,543,178**	1,416,469
Consultation services	**308,207**	226,620	**622,985**	560,220
	3,412,893	2,107,833	**7,361,976**	5,553,010

4 Income Tax Expense

Singapore corporate income tax has been provided for at the rate of 17% on the estimated assessable profit for the six months ended 30 June 2021 (30 June 2020: 17%).

No overseas profits tax has been calculated for entities of the Group that are incorporated in the BVI or the Cayman Island as they are exempted from tax (30 June 2020: Nil).

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

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	**2021**	2020
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	S$	S$	**S$**	S$
Current tax:				
Singapore profits tax	**6,460**	—	**6,507**	243,607

5 (Loss)/Earnings Per Share

(a) Basic

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

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	**2021**	2020
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
	S$	S$	**S$**	S$
Loss attributable to the owners of the Company	**(560,665)**	(680,550)	**(560,437)**	(585,940)
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/ earnings per share	**520,000,000**	520,000,000	**520,000,000**	520,000,000
Loss per share (S$ cents per share)	**(0.11)**	(0.13)	**(0.11)**	(0.11)

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

(b) Diluted

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

6 Plant and Equipment

	Medical equipment S$	Leasehold improvements S$	Computers and office equipment S$	Renovation-in-progress S$	Total S$
2021					
Cost					
Balance at 1 January 2021 (audited)	914,549	672,893	418,004	169,796	2,175,242
Additions	233,106	–	2,636	255,843	491,585
Written-off	–	(5,040)	–	–	(5,040)
Balance at 30 June 2021 (unaudited)	1,147,655	667,853	420,640	425,639	2,661,787
Accumulated depreciation					
Balance at 1 January 2021 (audited)	607,593	366,125	356,129	–	1,329,847
Depreciation charge	134,736	74,737	23,104	79,087	311,664
Written-off	–	(1,778)	–	–	(1,778)
Balance at 30 June 2021 (unaudited)	742,329	439,084	379,233	79,087	1,639,733
Net carrying value					
Balance at 30 June 2021 (unaudited)	405,326	228,769	41,407	346,552	1,022,054

6 Plant and Equipment (Continued)

	Medical equipment S$	Leasehold improvements S$	Computers and office equipment S$	Renovation-in-progress S$	Total S$
2020					
Cost					
Balance at 1 January 2020 (audited)	732,769	583,707	490,878	–	1,807,354
Additions	193,535	170,199	5,403	169,796	538,933
Transfer from right-of-use assets	110,000	–	–	–	110,000
Write-off	(121,755)	(81,013)	(78,277)	–	(281,045)
Balance at 31 December 2020 (audited)	914,549	672,893	418,004	169,796	2,175,242
Accumulated depreciation					
Balance at 1 January 2020 (audited)	483,742	264,381	364,727	–	1,112,850
Transfer from right-of-use-assets	45,833	–	–	–	45,833
Depreciation charged	198,930	176,031	69,290	–	444,251
Written off	(120,912)	(74,287)	(77,888)	–	(273,087)
Balance at 31 December 2020 (audited)	607,593	366,125	356,129	–	1,329,847
Net carrying value					
Balance at 31 December 2020 (audited)	306,956	306,768	61,875	169,796	845,395

7 Right-of-use Assets and Lease Liabilities

The Group as a lessee

Nature of the Group's leasing activities

The Group's activities comprise the following:

(i) The Group leases office unit and various shop spaces to operate the medical clinics from non-related parties. Rental contracts are typically made for fixed period of 2 to 3 years, but may have extension options for additional 1 to 3 years; and

(ii) In addition, the Group leases an office equipment from a non-related party with contractual terms of an average of three years. Leased asset is pledged as security for the related lease liability.

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

	30 June 2021 (unaudited) S$	31 December 2020 (audited) S$
Amounts recognised in balance sheet		
Carrying amount of right-of-use assets		
Office unit	231,250	113,452
Clinic units	2,017,992	2,841,192
	2,249,242	2,954,644
Carrying amount of lease liabilities		
Current	491,048	1,056,659
Non-current	1,697,130	1,698,873
	2,188,178	2,755,532

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

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
	S$	S$
Amounts recognised in profit or loss		
Depreciation charge for the financial period		
Office unit	**106,097**	34,851
Clinic units	**552,239**	385,945
Medical equipment	**—**	13,750
	658,336	434,546
Interest expense on lease liabilities	**66,487**	57,895
Lease expense not included in the measurement of lease liabilities		
Lease expense — short-term leases	**—**	2,700

Total cash flows for the Group's leases amounted to S$674,779.

8 Trade Receivables

As at 30 June 2021, the ageing analysis of the third-party trade receivables, based on invoice date, are as follows:

	30 June 2021 (unaudited) S$	31 December 2020 (audited) S$
0–30 days	101,957	73,173
31–60 days	—	—
61–90 days	6,652	—
91–120 days	10,736	72
Over 120 days	24,355	11,497
	143,700	84,742

As at 30 June 2021, trade receivables that were aged over 30 (31 December 2020: over 30) days mainly relate to employees from corporate customers and based on the management's past experience, the overdue amounts can be recovered. In addition, management has considered the low historical actual loss rate and forward looking information and concluded that the expect credit loss is expected to be immaterial.

As at 30 June 2021 and 31 December 2020, the carrying amounts of trade receivables are denominated in S$ and approximate their fair values.

9 Deposits, Prepayments and Other Receivables

	30 June 2021 (unaudited) S$	31 December 2020 (audited) S$
Deposits and other receivables	**717,659**	858,136
Prepayments	**702,372**	433,423
Goods and service tax receivable	**256,139**	69,110
JSS grant receivable	**37,163**	37,163
Rental rebates receivable	**—**	60,320
Loan to a third party	**—**	50,000
	1,713,333	1,508,152
Less non-current portion:		
Deposits and other receivables	**—**	(99,000)
Total current portion	**1,713,333**	1,409,152

10 Inventories

Inventories comprises consumables and medical supplies.

11 Cash and Cash Equivalents

	30 June 2021 (unaudited) S$	31 December 2020 (audited) S$
Cash at banks	**11,467,205**	12,918,305
Cash on hand	**4,668**	19,752
Short term bank deposits	**130,000**	130,000
	11,601,873	13,068,057

12 Provision for Reinstatement Costs

Provision for reinstatement costs is recognised when the Group enters into lease agreements for the office and clinic units. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the Group to the office and clinic units. The office and clinic units shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements.

13 Trade Payables

Trade payables at the balance sheet date comprise amounts outstanding to suppliers. The average credit period taken for trade purchase is generally 30 days. As at 30 June 2021, the ageing analysis of the trade payables, based on invoice date, are as follows:

	30 June 2021 (unaudited) S$	31 December 2020 (audited) S$
Up to 30 days	**214,958**	679,617
31–60 days	**190**	192,576
61–90 days	**4,349**	75,002
Over 91 days	**359,811**	90,646
	579,308	1,037,841

The carrying amounts of trade payables approximate their fair values.

14 Accruals and Other Payables

	30 June 2021 (unaudited) S$	31 December 2020 (audited) S$
Accruals for operating expenses	**892,369**	547,215
Goods and service tax payable	**39,925**	209,766
Other payables	**77,090**	212,355
Deferred grant income	**90,485**	90,485
	1,099,869	1,059,821

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

15 Equity

	Number of shares	Share capital S$
Authorised:		
Ordinary shares of HK$0.01 each		
At 30 June 2021 (unaudited) and 31 December 2020 (audited)	10,000,000,000	17,241,379
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 30 June 2021 (unaudited) and 31 December 2020 (audited)	520,000,000	896,552

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share at meetings of the Company.

16 Dividends

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

17 Related Parties Transactions

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or entities.

Key management compensation

Key management includes executive and non-executive directors and the senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Six months ended 30 June	
	2021	2020
	(unaudited)	(unaudited)
	S$	S$
Salaries, allowances and benefits in kind	**678,413**	217,609
Director's fees	**50,774**	72,000
Employer's contribution to defined contribution plans	**35,257**	11,278
	764,444	300,887

The key management compensation above includes a total amount of S$101,548 (1HFY2020: S$Nil) paid to the spouse of the Chairman and Executive Director.

18 Contingent Liabilities

The Group did not have any material contingent liabilities or guarantees as at 30 June 2021 and 31 December 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

For the six months ended 30 June 2021, the revenue of the Group increased by approximately S$1.8 million, or 32.6%, to approximately S$7.4 million, when compared to that for the six months ended 30 June 2020. The revenue of consultation services, medical investigation services and treatment services amounted to approximately S$0.6 million, S$1.5 million and S$5.2 million, respectively, which accounted for approximately 8.5%, 21.0% and 70.5% of the total revenue of the Group for the Period, respectively. Comparing the percentage distribution to those of the Corresponding Period, treatment services depicted an increase of approximately 6.1% while medical investigation services saw a decline of approximately 4.5% (refer to "Financial Review" for further details).

OUTLOOK AND PROSPECTS

Looking forward, the uncertainties arising from the COVID-19 pandemic remains a key concern for Singapore and the rest of the world. In late May 2021, the Singapore government imposed a stricter movement control ("**Heightened Alert**" — a lesser movement restriction than that of the Circuit Breaker seen in April 2020) in view of the rising number of unlinked community cases to deter the spread of new COVID-19 variants. The constant implementation of such social gathering controls had posed a challenge to the businesses of the clinics under the Group. It has led to a decline in the demand of our services offered within the central business districts as working from home is the default mode for most businesses resulting in a lower demand experience. Also, coupled with intense competition arising from within the primary healthcare services industry, the Group foresees a consolidation of GP businesses in the near future and the need to re-invent its current business model as well as look for collaboration opportunities to re-calibrate itself to stay abreast and/or above the intense competition.

The Group believes that the numerous initiatives it has and will be embarking on will enhance its overall competitive position and help stay ahead of the competition.

As at the date of this report, we operate (i) nine DTAP clinics including the clinics at Robertson, Novena, Somerset, Tanjong Pagar, Raffles Place, Holland Village, Siglap, Duo Galleria and Kovan; and (ii) one S Aesthetics Clinic at Scotts Road. We will continue to enhance on our current clinic services to grow our revenue.

FINANCIAL REVIEW

Revenue

As at the end of the Period, the Group's revenue increased by approximately S$1.8 million or 32.6% from approximately S$5.6 million for the Corresponding Period to approximately S$7.4 million for the Period. The increase was mainly due to a low revenue base from the Corresponding Period as a result of the implementation of Circuit Breaker from April to May 2020 to curtail the outbreak of the COVID-19. During the Period, although Heightened Alert was imposed for a month or so starting from late May 2021, the impact of this was more subdued vis-à-vis that of the Circuit Breaker in 2020.

For the three months ended 30 June 2021 ("**FY2021Q2**"), the revenue of the Group has decreased by approximately S$0.5 million or 15.7%, to approximately S$3.4 million, when compared to that for the three months ended 31 March 2021 ("**FY2021Q1**"). This is mainly due to the effect of Heightened Alert imposed by the Singapore government aforementioned. The revenue of consultation services, medical investigation services and treatment services amounted to approximately S$0.3 million, S$0.7 million and S$2.4 million, respectively, which accounted for approximately 9.0%, 21.5% and 69.5% of the total revenue of the Group for FY2021Q2, respectively.

During the Period, revenue generated from all service types saw an increase of approximately 32.6% or S$1.8 million with treatment services accounted for majority of the increase as compared to the Corresponding Period. The large quantum difference was mainly because of a low revenue base of the Corresponding Period which was affected by Covid-19 Circuit Breaker. The proportion of treatment services revenue to the total revenue of the Group for the Period against that of the Corresponding Period saw an increase of 6.1%.

Gross profit and gross profit margin

The Group's gross profit increased by approximately S$0.8 million from approximately S$4.0 million for the Corresponding Period to approximately S$4.8 million for the Period. The Group's gross profit margin declined from approximately 71.8% for the Corresponding Period to approximately 65.5% for the Period. The decline was mainly due to the increase in both medical supplies and professional costs. Medical supplies witnessed an increase of approximately S$0.6 million or 47.1% from approximately S$1.2 million for the Corresponding Period to approximately S$1.8 million in the Period. Medical professional costs saw an increase of approximately S$0.4 million or 117.1% from approximately S$0.3 million for the Corresponding Period to approximately S$0.7 million in the Period.

Employee benefits expenses

Our employee benefits expenses increased by approximately S$0.3 million or 9.7% from approximately S$2.8 million for the Corresponding Period to approximately S$3.1 million for the Period. Such increase was mainly attributable to higher number of clinics and higher employment costs to retain and attract staff to join the operations.

Other operating expenses

The increase was mainly attributable to the increases in marketing efforts and advertorial work to drive revenue growth and create greater market awareness and higher clinic related expenses.

Profit for the period attributable to owners of the Company

As a result of the foregoing, the Group recorded a loss of approximately S$0.6 million for the Period, representing a somewhat similar performance against that of the Corresponding Period. The similar performance was as a result of the impact brought about by the Covid-19 which has lasted for more than a year and taking a toll on the business in terms of rising operating costs and stagnating revenue growth.

DIVIDEND

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2021, we had 54 employees in Singapore (As at 31 December 2020: 66 employees), all of whom were employed on a full-time basis. The remuneration package of our employees generally comprises basic salaries, discretionary bonuses and welfare benefits such as annual leave, sick leave, maternity leave and childcare leave.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

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

As at 30 June 2021, we had cash and cash equivalents of approximately S$11.6 million (As at 31 December 2020: S$13.0 million) and the Group had no bank borrowings (As at 31 December 2020: Nil).

GEARING RATIO

As at 30 June 2021, the gearing ratio of the Group was 17.2% (As at 31 December 2020: 20.8%). The Group's gearing ratio is calculated based on the total debt divided by total equity as at the end of the period. As at 30 June 2021, the Group's lease liabilities were approximately S$2.2 million (As at 31 December 2020: S$2.8 million).

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

CAPITAL STRUCTURE

As at 30 June 2021, the capital structure of the Group only comprises the share capital, retained earnings, share premium and other reserves.

For the Period, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately S$12.7 million. The Shares in issue were initially listed on GEM of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Group since then.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

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

SIGNIFICANT INVESTMENTS OR MATERIAL ACQUISITIONS AND DISPOSALS

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

COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2021, the Group had no material commitment and contingent liabilities.

TREASURY POLICIES

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

SEGMENT INFORMATION

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

FOREIGN EXCHANGE EXPOSURE

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

CHARGES ON ASSETS

As at 30 June 2021, there were no charges on the Group's assets.

SIGNIFICANT EVENT AFTER THE PERIOD

Save as disclosed above, there has been no significant event that affected the Group after 30 June 2021 and up to the date of this report.

USE OF PROCEEDS

The Net Proceeds were approximately S$9.1 million, which was based on the offer price of HK$0.60 per share and the actual expenses related to the Listing. After the Listing, these proceeds were and will be used for the purposes in accordance with the future plans as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

The net proceeds from the Share Offer as at 30 June 2021 were used as follows:

	Notes	**Net proceeds from the Listing** (S$'000)	**Actual use of Net Proceeds from the Listing Date up to 30 June 2021** (S$'000)	**Balance as at 30 June 2021** *(Note a)* (S$'000)	**Expected timeline for utilising the remaining unused Net Proceeds** *(Note)*
Strategically expanding and strengthening our network of DTAP clinics	*b*	2,600	1,051	1,549	1HFY2022
Establishing new SA clinics	*b*	1,400	1,028	372	2HFY2022
Continuing to attract and retain talent pool of doctors and staff	*c*	4,300	2,322	1,978	2HFY2021
Upgrading and improving our information technology infrastructure and system	*d*	600	383	217	2HFY2021
Setting up a centralised pharmacy	*e*	100	—	100	1HFY2022
General working capital		100	100	—	—
		9,100	4,884	4,216	

Notes:

(a) The unused proceeds are deposited in a licensed bank in Singapore.

(b) The Net Proceeds of approximately S$4.9 million have been partly utilised as at 30 June 2021, as we delayed our plan to open new "DTAP" clinic in the north-eastern part of Singapore and our plan to open new "SA" clinic due the prolong Covid-19 pandemic that cause strain to clinical manpower availability and business uncertainty.

(c) For the new clinics, we had cumulatively hired 3 doctors, 12 clinic assistants, 3 therapist and 1 Operations Director to support clinic operations and we are constantly reviewing and adjusting our employee's benefits to retain the existing employees and/or to attract new people to join us as we faced intense manpower crunch due to the closure of our border, where the existing pool of available workforce with healthcare experience has shrunk.

(d) We have selected our vendor and commenced the second phase of the improvement and design work and reckon this would be completed by 2HFY2021.

(e) We delayed our plan for a centralised pharmacy due to a lack of suitable location for the warehouse and regulatory restrictions and will continue to deliberate on this matter.

The expected timeline for utilising the remaining Net Proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

COMPARISON BETWEEN BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the Period is set out below:

Business objective as stated in the Prospectus	Business plan stated in the prospectus	Actual business progress up to 30 June 2021
Strategically expanding and strengthening our network of DTAP clinics	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	As at 30 June 2021, the Group has spent approximately S$1,051,000 on renovations and purchase of fixed assets. Delayed our plan to open new "DTAP" clinics due the prolong Covid-19 pandemic that cause strain to clinical manpower availability and business uncertainty.
Establishing new SA clinics	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 Negotiate and enter into tenancy for the new SA clinic in Jurong and carry out renovation on the premises	As at 30 June 2021, the Group has spent approximately S$1,028,000 on renovation of new clinic and purchase of fixed assets.

Business objective as stated in the Prospectus	Business plan stated in the prospectus	Actual business progress up to 30 June 2021
Continuing to attract and retain talent pool of doctors and staff	Recruitment of two resident doctors, two clinic assistants for Dtap Clinics Recruitment of one chief operating officer Continued employment of our newly hired staff for our new SA Clinics and our chief operating officer	During the Period, we have incurred approximately S$683,000 to ensure we have sufficient staff to support our clinic operation.
Upgrading and improving our information technology infrastructure and systems	Upgrading existing information technology infrastructure and systems	As at 30 June 2021, the Group has incurred approximately S$383,000 to upgrade its existing information infrastructure and systems.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Company is firmly committed to maintaining and ensuring a high level of corporate governance standards and will review and improve the corporate governance practices and standards constantly. The Company has adopted and has complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "**CG Code**") during the Period.

On 12 May 2021, Mr. Low Wee Siong ("**Mr. Low**") resigned as an independent non-executive Director, a member of each of the Remuneration Committee, Nomination Committee and the chairman of the Audit Committee.

Following with the resignation of Mr. Low, the Company had only two independent non-executive Directors and two members in the Remuneration Committee, Nomination Committee and Audit Committee, respectively and hence the number of the independent non-executive Directors and the number of the Audit Committee had fallen below the minimum number required under Rule 5.05 and 5.28 of the GEM Listing Rules.

Following the appointment of Mr. Yeo Teck Chuan as the independent non-executive Director, a member of each of the Remuneration Committee and Nomination Committee and the chairman of the Audit Committee on 1 August 2021, the Board has four members, being one executive Director and three independent non-executive Directors, which fulfils the requirement of Rules 5.05 and 5.28 of the GEM Listing Rules. Further, each of the Audit Committee, Remuneration Committee and Nomination Committee has no less than three members and comprises a majority of independent non-executive Directors, which fulfils the requirements of the terms of reference of the Committees and complies with Chapter 5 and the CG Code of the GEM Listing Rules.

SECURITIES TRANSACTIONS BY DIRECTORS

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

SHARE OPTION SCHEME

A share option scheme (the "**Scheme**") was approved and conditionally adopted on 18 May 2018 (the "**Adoption Date**"). The Scheme became effective on the Listing Date. The purpose of the Scheme is to advance the interests of our Company and the Shareholders by enabling our Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to our Group and by enabling such persons' contribution to further advance the interests of our Group. Under the Scheme, the Directors may grant options to any eligible persons of the Group, including (1) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of any member of our Group; (2) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of our Group (whether on an employment or contractual or honourary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to our Group; any customer of our Group; or any holder of securities issued by any member of our Group; and (3) any other person, who at the sole discretion of the Board, has contributed to our Group (the assessment criteria of which are (1) such person's contribution to the development and performance of our Group; (2) the quality of work performed by such person for our Group; (3) the initiative and commitment of such person in performing his duties; (4) the length of service or contribution of such person to our Group; and (5) such other factors as considered to be applicable by the Board). Options granted are exercisable for a period (up to ten years from the date of grant of the option) as decided by the Board.

The exercise price (subject to adjustment as provided therein) of the option under the Scheme is equal to the highest of (i) the closing price per Share as stated in the Stock Exchange's daily quotation sheet on the offer date which must be a business day; (ii) the average of the closing prices per Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date; or (iii) the nominal value of the Share on the offer date. The maximum number of shares in respect of which the options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company (i.e. 52,000,000 shares) at the date of Shareholders' approval of the Scheme. However, the total maximum number of shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any one grantee in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue on the last date of such 12-month period from time to time, without prior approval obtained from the Company's shareholders. There is no minimum period for which an option must be held before it can be exercised unless otherwise determined by the Board at the time of grant. The amount payable by the grantee to the Company on acceptance of the offer shall be a nominal amount to be determined by the Board.

No share option has been granted or agreed to be granted by the Company under the Scheme since the Adoption Date and up to the date of this report. Therefore, no share options lapsed or were cancelled during the Period and there were no outstanding share options as at 30 June 2021.

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

As at 30 June 2021, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**") which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the Shares

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of Shares/ underlying Shares interested	Percentage of the Company's issued Shares*
Dr. Tan Cher Sen Alan ("**Dr. Alan Tan**")	Interest of a controlled corporation*(Note 1)*	390,000,000	75%

Notes:

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

* The percentage represents the total number of the Shares and the underlying Shares interested, if any, divided by the number of Shares in issue of 520,000,000 as at 30 June 2021.

Long position in the shares of associated corporation

Name of Director/ Chief Executive	Name of associated corporation	Capacity/ Nature of interest	Number of shares held	Percentage of interest
Dr. Alan Tan(Note 2)	Cher Sen(Note 1)	Beneficial owner	1	100%

Notes:

(1) Cher Sen is a direct Shareholder of the Company and is an associate corporation of the Company within the meaning of Part XV of the SFO.

(2) Dr. Alan Tan is a director of Cher Sen.

Saved for the disclosed above, as at 30 June 2021, none of the Directors nor the chief executive of the Company had any interests and short positions in any shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register referred to therein pursuant to Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 30 June 2021, so far as is known to the Directors, the following entity, other than the Directors and the chief executive of the Company, had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Capacity/ Nature of interest	Number of Shares interested or held(Note 1)	Percentage of interest*
Cher Sen(Note 2 and 3)	Beneficial owner	390,000,000 (L)	75%
Rivera Vanjill Esteban ("**Ms. Jill**")(Note 4)	Interest of spouse	390,000,000 (L)	75%

Notes:

(1) The Letter "L" denotes the entity's long position in the relevant Shares.

(2) Cher Sen is a direct Shareholder of the Company.

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

(4) Ms. Jill, being the spouse of Dr. Alan Tan, is deemed, or taken to be interested in the Shares in which Dr. Alan Tan is interested for the purpose of the SFO.

* The percentage represents the number of the Shares interested divided by the number of Shares in issue of 520,000,000 as at 30 June 2021.

Saved for the disclosed above, as at 30 June 2021, so far as is known by or otherwise notified to the Directors, no other entity (other than a Director or the chief executive of the Company) had interests and short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under Section 336 of the SFO.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS

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

COMPLIANCE ADVISER'S INTEREST IN THE COMPANY

As at 30 June 2021, as notified by the Company's compliance adviser, Titan Financial Services Limited ("**Titan**"), save for the compliance agreement dated 25 January 2018 and entered into between the Company and Titan concerning the fees payable by the Company to Titan for acting as in the capacity of compliance adviser, none of Titan or its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group (including options or rights to subscribe for such securities), which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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

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

REVIEW BY AUDIT COMMITTEE

The Audit Committee of the Board (the "**AC**") was established on 18 May 2018 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provisions C.3.3 of the CG Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the AC are, among other things, to make recommendations to the Board on the appointment, re-appointment and removal of external auditors and to review and monitor the financial reporting process, risk management and internal control systems of the Group. The AC currently comprises all the three independent non-executive Directors ("**INEDs**"), namely Mr. Yeo Teck Chuan (appointed on 1 August 2021), Mr. Soh Sai Kiang and Mr. Kevin John Chia. Mr. Yeo Teck Chuan is the chairman of the AC. The AC has reviewed the unaudited condensed consolidated financial statements and this report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other legal requirements, and that adequate disclosures have been made.

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

Singapore, 6 August 2021

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