

ALLIANCE HEALTHCARE GROUP LIMITED
(Incorporated in the Republic of Singapore on 6 June 2006)
(UEN. 200608233K)

RESPONSES TO QUESTIONS FROM A SHAREHOLDER

The board of directors (the “**Board**”) of Alliance Healthcare Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to thank the Company’s shareholders (“**Shareholders**”) for submitting their questions before the Company’s Annual General Meeting to be held on 30 October 2023 at 2.30 p.m.

Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed thereto in the Company’s annual report for the financial year ended 30 June 2023 (the “**Annual Report**”) and the Appendix to the Notice of AGM (the “**Appendix**”) dated 10 October 2023.

The Company’s responses to the questions received from a Shareholder are set out below.

Question 1

It was stated in page 20 of the Notice to Shareholders (Appendix to Notice of AGM) that no shares were purchased in the last 12 months. As indicated in page 7 of the same document, there are clear benefits to share buybacks which help to defend share prices instead of simply letting share prices free fall. Why weren’t any shares purchased in the past year? Does the Board have a share buyback mechanism to trigger the process of buyback?

Response:

Share Buyback may help to mitigate short-term market or price volatility, offset the effects of short-term share speculation or demand and bolster Shareholders’ confidence. However, the Share Buyback will only be undertaken as and when the Directors consider it to be in the best interests of the Company and its Shareholders. The Directors will take into account relevant factors such as the amount of surplus cash available, working capital requirements, the Group’s growth and expansion plans, prevailing market conditions and the most cost effective and efficient approach in assessing the relative impact of a Share Buyback before execution.

After taking into consideration the above factors, the Company did not carry out any Share Buyback during the 12-month period immediately preceding the Latest Practicable Date.

Question 2

Even though revenue increased, yet profitability decreased. Can the Board explain it’s strategies for the Group to boost profitability so that more dividends can be paid out to shareholders.

Response:

The Group’s profitability in FY2023 was adversely affected mainly by a decrease in demand for COVID-19 related healthcare services due to further easing of COVID-19 measures in Singapore and globally.

Looking ahead, the Group envisions significant growth opportunities as Singapore grapples with an ageing population and escalating healthcare costs. The acceleration of healthcare service decentralization is viewed as a strategic approach to managing healthcare costs and providing viable alternatives for patient care. The Healthier SG initiative will allow primary care physicians to provide continuing care for their patients across the entire health continuum and is expected to increase demand for our GP services.

The MIC@Home program is expected to generate significant demand for our mobile care services when it evolves into a mainstream service offered by public and private hospitals. However, this transition will take some time, partly due to the complexities of implementing necessary healthcare financing changes.

Our unwavering commitment to providing a comprehensive range of healthcare services has strengthened our market position, enabling us to deliver long-term value to our stakeholders.

BY ORDER OF THE BOARD

Dr Barry Thng Lip Mong
Executive Chairman and Chief Executive Officer
24 October 2023

This announcement has been reviewed by the Company's sponsor, RHB Bank Berhad, through its Singapore branch (the "Sponsor") in accordance with Rule 226 (2) (b) of the Catalist Rules. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Mr Alvin Soh, Head, Corporate Finance, RHB Bank Berhad, Singapore branch, at 90 Cecil Street, #03-00 Singapore 069531, Telephone: +65 6320 0627.