



ALLIANCE HEALTHCARE GROUP LIMITED

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	For the six-month period ended 31 December		Variance	
	2020 S\$	2019 S\$	S\$	%
Revenue	23,075,797	20,770,678	2,305,119	11.1
Interest income	7,391	4,590	2,801	61.0
Other gains	1,244,435	326,265	918,170	281.4
Consumables and medical supplies used	(8,534,420)	(6,190,236)	(2,344,184)	37.9
Employee benefits expense	(11,204,187)	(9,984,101)	(1,220,086)	12.2
Depreciation and amortisation expense	(1,431,619)	(1,059,652)	(371,967)	35.1
Other losses	–	(487)	487	n.m
Finance costs	(142,534)	(128,169)	(14,365)	11.2
Other expenses	(1,664,258)	(1,723,712)	59,454	(3.4)
Profit before tax	1,350,605	2,015,176	(664,571)	(33.0)
Income tax expense	(193,547)	(274,786)	81,239	(29.6)
Profit, net of tax	1,157,058	1,740,390	(583,332)	(33.5)

“n.m” denotes not meaningful.



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	For the six-month period ended 31 December		Variance	
	2020	2019	S\$	%
	S\$	S\$		
<u>Other comprehensive</u> <u>(loss)/income:</u>				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax	(187)	565	(752)	(133.1)
Other comprehensive (loss)/income for the year, net of tax	(187)	565	(752)	(133.1)
Total comprehensive income	<u>1,156,871</u>	<u>1,740,955</u>	(584,084)	(33.5)
Profit attributable to owners of the parent, net of tax	894,937	1,618,939	(724,002)	(44.7)
Profit attributable to non- controlling interests, net of tax	262,121	121,451	140,670	115.8
Profit, net of tax	<u>1,157,058</u>	<u>1,740,390</u>	(583,332)	(33.5)
Total comprehensive income attributable to owners of the parent	894,750	1,619,504	(724,754)	(44.8)
Total comprehensive income attributable to non-controlling interests	262,121	121,451	140,670	115.8
Total comprehensive income	<u>1,156,871</u>	<u>1,740,955</u>	(584,084)	(33.5)

Note:

"n.m" denotes not meaningful.



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1(a)(ii) Notes to the income statement

The profit before income tax of the Group is arrived at after (crediting) / charging the following:

	For the six-month period ended 31 December		Variance	
	2020 S\$	2019 S\$	S\$	%
Other income ⁽¹⁾	(228,336)	(335)	(228,001)	n.m
Government grants ⁽²⁾	(965,963)	(304,799)	(661,164)	216.9
Interest income	(7,391)	(4,590)	(2,801)	61.0
Interest expense	80,130	64,820	15,310	23.6
Lease interest expense	62,404	63,349	(945)	(1.5)
Amortisation of intangible assets	70,960	13,103	57,857	441.6
Depreciation of plant and equipment	1,360,659	1,046,549	314,110	30.0
Bad debts written off/(back) trade receivables	–	(647)	647	n.m
Reversal of allowance for impairment on trade receivables	(1,926)	–	(1,926)	n.m
Gain on disposal of plant and equipment	–	(307)	307	n.m
Foreign exchange gain	(48,210)	(20,177)	(28,033)	138.9

Notes:

- (1) Other income mainly relates to rental rebates received from the various landlords during the period.
- (2) Government grants mainly relate to Job Support Scheme and Special Employment Credit.

“n.m” denotes not meaningful.



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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group As at		Company As at	
	31 December 2020 S\$	30 June 2020 S\$	31 December 2020 S\$	30 June 2020 S\$
ASSETS				
Non-current assets				
Property, plant and equipment	6,609,776	6,887,885	224,705	316,701
Right-of-use assets	2,657,319	2,872,693	31,484	57,974
Investment properties	-	-	3,520,813	3,569,376
Investment in subsidiaries	-	-	5,877,632	5,877,632
Intangible assets	5,938,720	6,009,680	-	-
Deferred tax assets	75,677	75,677	-	-
Total non-current assets	15,281,492	15,845,935	9,654,634	9,821,683
Current assets				
Inventories	2,218,068	2,848,885	4,100	4,100
Financial assets - derivatives	8,276	8,276	-	-
Trade and other receivables	11,608,323	9,810,220	6,820,400	5,723,909
Income tax receivables	87,029	84,787	-	-
Other non-financial assets	610,256	620,981	42,740	50,080
Cash and cash equivalents	16,253,452	16,336,400	4,001,192	5,411,103
Total current assets	30,785,404	29,709,549	10,868,432	11,189,192
Total assets	46,066,896	45,555,484	20,523,066	21,010,875
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	14,684,250	14,684,250	14,684,250	14,684,250
Retained earnings	9,180,980	8,992,863	83,266	1,046,277
Other reserves	(4,653,680)	(4,653,493)	-	-
Equity, attributable to owners of the parent	19,211,550	19,023,620	14,767,516	15,730,527
Non-controlling interests	1,098,908	862,287	-	-
Other reserve	(526,136)	(526,136)	-	-
Total equity	19,784,322	19,359,771	14,767,516	15,730,527
Non-current liabilities				
Financial liabilities - lease liabilities	1,259,343	1,373,634	1,342	20,462
Loans and borrowings	5,087,353	5,481,560	2,109,703	2,214,953
Deferred tax liabilities	126,724	138,788	-	-
Total non-current liabilities	6,473,420	6,993,982	2,111,045	2,235,415
Current liabilities				
Income tax payable	543,710	527,368	-	-
Trade and other payables	15,713,588	14,879,571	3,402,241	2,795,147
Provision	145,000	135,000	-	-
Other non-financial liabilities	14,766	1,301	-	-
Financial liabilities - lease liabilities	1,490,300	1,558,654	30,907	38,429
Loans and borrowings	1,901,790	2,099,837	211,357	211,357
Total current liabilities	19,809,154	19,201,731	3,644,505	3,044,933
Total liabilities	26,282,574	26,195,713	5,755,550	5,280,348
Total equity and liabilities	46,066,896	45,555,484	20,523,066	21,010,875



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1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	As at 31 December 2020		As at 30 June 2020	
	Secured	Unsecured	Secured	Unsecured
	S\$	S\$	S\$	S\$
Amount repayable in one year or less, or on demand	966,090	935,700	1,117,537	982,300
Amount repayable after one year	5,087,353	–	5,481,560	–

Details of any collaterals:

Term loans from DBS Bank Ltd (“DBS Loans”)

The DBS Loans amounting to S\$2.2 million as at 31 December 2020 (S\$2.3 million as at 30 June 2020) are secured by a first legal mortgage over certain of the Group’s leasehold properties.

Term loan 1 from Oversea-Chinese Banking Corporation Limited (“OCBC Loan 1”)

The OCBC Loan 1 amounting to S\$1.4 million as at 31 December 2020 (S\$1.4 million as at 30 June 2020) is secured by a first legal mortgage over the Group’s leasehold property at Blk 325 Clementi Avenue 5 #01-139 Singapore 120325.

Term loan 2 from Oversea-Chinese Banking Corporation Limited (“OCBC Loan 2”)

The OCBC Loan 2 amounting to S\$0.2 million as 31 December 2020 (S\$0.3 million as at 30 June 2020) is secured by a memorandum of charge (third party) over the shares of My Family Clinic (Clementi 325) Pte. Ltd. and My Family Clinic (St George) Pte. Ltd..

Term loan from United Overseas Bank Limited (“UOB Loan”)

The UOB Loan amounting to S\$2.1 million as at 31 December 2020 (S\$2.4 million as at 30 June 2020) is secured by a first fixed charge over 55% shares in the share capital of Jaga-Me Pte. Ltd. and a deed of subordination of all current and future non-trade loans/advances which are owing from Alliance Healthcare Pte. Ltd. to its shareholders/related parties.

Finance lease

Finance lease amounting to S\$0.2 million as at 31 December 2020 (S\$0.2 million as at 30 June 2020) relates to contracts undertaken by the holding company and its subsidiaries on their motor vehicles and equipment.



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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	For the six-month period ended 31 December	
	2020	2019
	S\$	S\$
<u>Cash flows from operating activities</u>		
Profit before tax	1,350,605	2,015,176
Adjustments for:		
Depreciation	1,360,659	1,046,549
Amortisation of intangible assets	70,960	13,103
Loss on disposal of property, plant and equipment	–	(307)
Interest expense	80,130	64,820
Lease interest expense	62,404	63,349
Rental rebates	(224,430)	–
Interest income	(7,391)	(4,590)
Operating cash flows before changes in working capital	2,692,937	3,198,100
<u>Changes in working capital:</u>		
Inventories	630,817	(392,315)
Trade and other receivables	(1,780,614)	(1,461,626)
Other non-financial assets	10,725	(294,952)
Trade and other payables	841,747	366,099
Other non-financial liabilities	13,465	(42,108)
Provision	10,000	(10,620)
Net effect of exchange rate changes in consolidating foreign operations	(187)	499
Net cash flows from operations	2,418,890	1,363,077
Income tax paid	(191,511)	(251,721)
Net cash flows from operating activities	2,227,379	1,111,356
<u>Cash flows from investing activities</u>		
Interest received	7,391	4,590
Disposal of property, plant and equipment	–	2,952
Purchase of property, plant and equipment	(157,043)	(375,466)
Net cash flows used in investing activities	(149,652)	(367,924)
<u>Cash flows from financing activities</u>		
Lease liabilities – principal and interest paid	(748,241)	(721,947)
Movements in amount due to related parties	(54,330)	6,300
Dividends paid to equity holders of the Company	(706,820)	–
Decrease in loans and borrowings	(511,550)	(280,351)
Finance lease (repayments)/borrowings	(34,104)	187,152
Dividends paid to non-controlling interests	(25,500)	(8,875)
Interest paid	(80,130)	(64,820)
Net cash flows used in financing activities	(2,160,675)	(882,541)



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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	For the six-month period ended 31 December	
	2020	2019
	S\$	S\$
Net decrease in cash and cash equivalents	(82,948)	(139,109)
Cash and cash equivalents, statement of cash flows, beginning balance	16,311,400	14,292,130
Cash and cash equivalents, statement of cash flows, ending balance ⁽¹⁾	16,228,452	14,153,021

(1) Note:

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	For the six-month period ended 31 December	
	2020	2019
	S\$	S\$
Cash and bank balances	16,253,452	14,153,021
Less: Bank deposits pledged	(25,000)	–
Cash and cash equivalents per consolidated statement of cash flows	16,228,452	14,153,021

Bank deposits are pledged in relation to the security granted for merchant agreement with bank.



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1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to owners of the parent					Non-controlling interests S\$	Other reserve S\$
	Total equity S\$	Sub-total S\$	Share capital S\$	Retained earnings S\$	Other reserves S\$		
Opening balance at 1 July 2020	19,359,771	19,023,620	14,684,250	8,992,863	(4,653,493)	862,287	(526,136)
Changes in equity:							
Total comprehensive income for the year	1,156,871	894,750	-	894,937	(187)	262,121	-
Dividend paid	(706,820)	(706,820)	-	(706,820)	-	-	-
Dividends paid to non-controlling interest	(25,500)	-	-	-	-	(25,500)	-
Closing balance at 31 December 2020	19,784,322	19,211,550	14,684,250	9,180,980	(4,653,680)	1,098,908	(526,136)



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Group	Attributable to owners of the parent					Non-controlling interests S\$
	Total equity S\$	Sub-total S\$	Share capital S\$	Retained earnings S\$	Other reserves S\$	
Opening balance at 1 July 2019	16,323,824	16,688,923	14,684,250	6,658,228	(4,653,555)	(365,099)
Changes in equity:						
Total comprehensive income for the year	1,740,955	1,619,504	–	1,618,939	565	121,451
Dividends paid to non-controlling interest in subsidiaries	(8,875)	–	–	–	–	(8,875)
Closing balance at 31 December 2019	18,055,904	18,308,427	14,684,250	8,277,167	(4,652,990)	(252,523)



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Company	Total equity S\$	Share capital S\$	Retained earnings S\$
Opening balance at 1 July 2020	15,730,527	14,684,250	1,046,277
Changes in equity:			
Total comprehensive loss for the year	(256,191)	-	(256,191)
Dividends paid	(706,820)	-	(706,820)
Closing balance as at 31 December 2020	14,767,516	14,684,250	83,266
Opening balance at 1 July 2019	14,789,581	14,684,250	105,331
Changes in equity:			
Total comprehensive income for the year	15,539	-	15,539
Closing balance as at 31 December 2019	14,805,120	14,684,250	121,870



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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, sub-division, consolidation share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital between 30 June 2020 (being the end of the previous period reported on) and 31 December 2020.

The Company did not have any outstanding options or convertible instruments as at 31 December 2020 and 31 December 2019.

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2020 and 31 December 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company did not have any treasury shares as at 30 June 2020 and 31 December 2020.

The total number of issued shares, excluding treasury shares, as at 30 June 2020 and 31 December 2020, was 207,888,352.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable as the Company did not have any treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable as the Company did not have any subsidiary holdings.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.



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- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable as the figures have not been audited or reviewed by the auditors.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation in its unaudited consolidated financial statements for the six-month period ended 31 December 2020 ("HY2021") compared to its most recently audited consolidated financial statements for the financial year ended 30 June 2020 ("FY2020").

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There has been no change in the accounting policies and methods of computation adopted in the Group's financial statements for the current reporting period as compared to the most recently audited financial statements for FY2020.

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6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**
- 6(a) **based on the weighted average number of ordinary shares on issue; and**
- 6(b) **on a fully diluted basis (detailing any adjustments made to the earnings).**

	For the six-month period ended 31 December 2020 ("HY2021")	For the six-month period ended 31 December 2019 ("HY2020")
Earnings attributable to equity holders of the Company	894,937	1,618,939
Weighted average number of Shares used in computation of basic earnings per share ("EPS")	207,888,352	207,888,352
Basic EPS attributable to equity holders of the Company (cents) ⁽¹⁾	0.43	0.78
Fully diluted EPS attributable to equity holders of the Company (cents) ⁽²⁾	0.43	0.78

Notes:

- (1) Basic EPS is computed by dividing the Group's earnings attributable to the equity holders of the Company in each financial period by the weighted average number of Shares outstanding during the respective financial period.
- (2) Fully diluted EPS are the same as the basic EPS for the financial periods presented in the table above as the Company did not have any outstanding instruments convertible into rights to subscribe for, and options in respect of its Shares during these financial periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
- 7(a) **current financial period reported on; and**
- 7(b) **immediately preceding financial year.**

	Group		Company	
	As at 31 December 2020	As at 30 June 2020	As at 31 December 2020	As at 30 June 2020
Net asset value (" NAV ") per share (cents)	9.24	9.15	7.10	7.57
Number of Shares used in computation of NAV	207,888,352	207,888,352	207,888,352	207,888,352



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8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of financial performance of the Group for HY2021 compared to HY2020

Revenue

Revenue increased by approximately S\$2.3 million or 11.1% from S\$20.8 million in HY2020 to S\$23.1 million in HY2021.

The increase in revenue was mainly attributable to a significant increase in sales generated by the pharmaceutical services business segment and the maiden revenue contribution from the new mobile and digital health services business segment. These were offset by lower revenue from managed healthcare solutions, GP clinics services and specialist care services business segments which were affected by a decrease in patient volume due to the COVID-19 pandemic.

The increase in the Group's revenue was a result of the following:

(a) **Managed Healthcare Solutions**

Revenue from managed healthcare solutions business segment decreased by approximately S\$0.6 million or 22.3% from S\$2.9 million in HY2020 to S\$2.3 million in HY2021, mainly as a result of a decrease in gross value of claims processed by the Group due to lower patient volume amidst the COVID-19 pandemic.

(b) **GP Clinics Services**

Revenue from GP clinic services decreased by approximately S\$2.0 million or 22.6% from S\$8.6 million in HY2020 to S\$6.6 million in HY2021, mainly due to the decrease in patient visits since the onset of the COVID-19 pandemic.

(c) **Specialist Care Services**

Revenue from specialist care services decreased by approximately S\$0.1 million or 1.9% from S\$4.9 million in HY2020 to S\$4.8 million in HY2021. This was mainly due to a decrease in revenue of S\$0.5 million from the orthopaedic clinic which was offset by an increase in revenue of S\$0.4 million from the ENT and colorectal clinics.

(d) **Pharmaceutical Services**

Revenue from pharmaceutical services increased by approximately S\$3.1 million or 71.4% from S\$4.4 million in HY2020 to S\$7.5 million in HY2021. This was due to an increase in local sales in HY2021 was mainly due to an increase in demand for medical supplies arising from the local hospitals stocking up in preparation for any supply chain disruption.



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(e) Mobile and Digital Health Services

In January 2020, the Company's wholly-owned subsidiary, Alliance Healthcare Pte Ltd, completed its acquisition of a 55% interest in Jaga-Me Pte Ltd ("**Jaga-Me**") and in April 2020, the Group officially launched its telemedicine platform. Revenue from this new segment amounted to S\$1.8 million in HY2021, mainly attributable to the provision of COVID-19 related medical services, home care nursing services, rental of medical equipment and the provision of telemedicine consultations and onsite vaccination.

Interest income

Interest income was not significant in HY2021 and HY2020.

Other gains

Other gains increased by approximately S\$0.9 million or 281.4% from S\$0.3 million in HY2020 to S\$1.2 million in HY2021, mainly as a result of the following:

- (i) an increase in the amount of government grant income of approximately S\$0.7 million mainly attributable to the Job Support Scheme; and
- (ii) an increase in other income of S\$0.2 million mainly due to rental rebates received from the various landlords during the financial period.

Consumables and medical supplies used

Consumables and medical supplies used relate to the Group's GP clinics services, specialist care services and pharmaceutical services business segments. Consumables and medical supplies increased by approximately S\$2.3 million or 37.9% from S\$6.2 million in HY2020 to S\$8.5 million in HY2021, mainly as a result of an increase in medical supplies of approximately S\$1.7 million for the pharmaceutical services business segment in line with the increase in its revenue.

Employee benefits expense

Employee benefits expense increased by approximately S\$1.2 million or 12.2% from S\$10.0 million in HY2020 to S\$11.2 million in HY2021, as a result of the consolidation of Jaga-Me which the Group acquired in January 2020.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by approximately S\$0.3 million or 35.1%, from S\$1.1 million in HY2020 to S\$1.4 million in HY2021, due to the following:

- (i) amortisation of a new proprietary digital platform in Jaga-Me Pte Ltd;
- (ii) depreciation of additional rights-of-use assets resulting from tenancy renewals.

Other losses

Other losses were not significant in HY2021 and HY2020.



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Finance costs

Finance costs increased mainly due to additional interest expense arising from the loan taken in relation to the acquisition of Jaga-Me.

Other expenses

Other expenses decreased by approximately S\$0.1 million or 4.5% from S\$1.7 million in HY2020 to S\$1.6 million in HY2021 due to the following:

- (i) a decrease in rental expenses related to short term operating leases of S\$0.2 million;
- (ii) offset by an increase in maintenance expenses for computer systems of S\$0.1 million.

Profit before tax

As a result of the above, profit before tax decreased by approximately S\$0.6 million or 33.5% from S\$2.0 million in HY2020 to S\$1.4 million in HY2021.

Income tax

The Group incurred an income tax expense of approximately S\$0.2 million in HY2021, as compared to an income tax expense of approximately S\$0.3 million in HY2020. This is in line with the decrease in the profit before tax in HY2021.

Profit attributable to owners of parent, net of tax

As a result of the above, net profit attributable to equity holders of the Company decreased by approximately S\$0.7 million from S\$1.6 million in HY2020 to S\$0.9 million in HY2021.

Review of financial position of the Group as at 31 December 2020

Non-current assets

Non-current assets decreased by approximately S\$0.5 million, from S\$15.8 million as at 30 June 2020 to S\$15.3 million as at 31 December 2020 mainly as a result of depreciation of property, plant and equipment and right-of-use assets and the amortisation of intangible assets.

Current assets

Current assets increased by approximately S\$1.1 million, from S\$29.7 million as at 30 June 2020 to S\$30.8 million as at 31 December 2020 as a result of increases in trade and other receivables of S\$1.8 million due to slower repayment from corporations and insurers which were offset by a decrease of inventories of S\$0.6 million.

Shareholders' equity

Shareholders' equity increased by S\$0.5 million from S\$19.3 million as at 30 June 2020 to S\$19.8 million as at 31 December 2020 as a result of an increase in retained earnings of S\$0.9 million and an increase in non-controlling interests of S\$0.3 million, which were offset by the payment of dividends of S\$0.7 million.



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Non-current liabilities

Non-current liabilities decreased by S\$0.5 million from S\$7.0 million as at 30 June 2020 to S\$6.5 million as at 31 December 2020 mainly due to the repayment of loans.

Current liabilities

Current liabilities increased by S\$0.6 million, from S\$19.2 million as at 30 June 2020 to S\$19.8 million as at 31 December 2020, mainly due to an increase in trade and other payables of S\$0.8 million relating to the managed healthcare solutions segment offset by a decrease in loans and borrowings of S\$0.2 million as a result of repayment of loans.

Review of statement of cash flow for HY2021

The Group generated net cash of S\$2.2 million from operating activities in HY2021, mainly due to operating cash flows before changes in the working capital of S\$2.7 million, partially offset by net working capital outflows of S\$0.3 million and income taxes paid of S\$0.2 million.

The net working capital outflows was a result of mainly an increase in trade and other receivables by S\$1.8 million, which was partially offset by an increase in trade and other payables by S\$0.8 million and inventories by S\$0.6 million.

Net cash flows used in investing activities during HY2021 amounted to S\$0.1 million due to the net cash outflow arising from the purchase of property, plant and equipment.

Net cash flows used in financing activities amounted to S\$2.2 million during HY2021, mainly due to the payment of lease liabilities of S\$0.7 million, the payment of dividend of S\$0.7 million and the repayment of bank borrowings of S\$0.5 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

There has not been any forecast or prospect statement in relation to the Group's results for HY2021 previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As at the date hereof, the Board remains cautious of the negative impact of COVID-19 pandemic on the Singapore economy, and on the Group's businesses, particularly its managed healthcare solutions and GP clinics services business segments. The Group's specialist care services have benefited from a faster recovery in patients' visits after the circuit breaker. In October 2020, the Group recruited an additional Ear, Nose and Throat specialist under My ENT Specialist. The COVID-19 pandemic has also created opportunities in the pharmaceutical sector and a higher demand for telemedicine and mobile healthcare services such as COVID-19 swab tests and the provision of medical services at the dormitories. Digitalisation in healthcare is quickening, and the Group has since taken strides in developing and strengthening its digital technology capabilities to enhance the Group's competitive advantage in this digital era.



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11 Dividend

11(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No

11(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

11(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

11(d) Date payable

Not applicable.

11(e) Record date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

The Board is not recommending any interim dividend in respect of HY2021 as the Board wishes to take into consideration the Group's full-year results of operations in view of the current uncertain economic outlook.

Subject to the considerations and factors as set out in the Company's offer document dated 24 May 2019 ("**Offer Document**") issued in connection with its initial public offering ("**IPO**"), the Board intends to recommend and distribute dividends of at least 30.0% of the Group's net profits after tax (excluding exceptional items) for the financial year ending 30 June 2021. The foregoing statements are merely statements of present intention and shall not constitute legally binding obligations on the Company. The Company's future dividends may be subject to modification (including reduction or non-declaration thereof) at the Board's sole discretion. Please refer to the section entitled "Dividend Policy" of the Offer Document for details.



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13. **If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under [Rule 920\(1\)\(a\)\(ii\)](#). If no IPT mandate has been obtained, a statement to that effect.**

The Company did not obtain any general mandate from its shareholders in respect of any interested person transaction. The Company did not have any interested person transaction equal to or exceeding S\$100,000 during HY2021¹.

14. **Negative confirmation pursuant to Rule 705(5).**

We, Barry Thng Lip Mong and Eugene Wong Hin Sun, being directors of the Company (“**Directors**”), hereby confirm on behalf of the board of Directors that, to the best of the Directors’ knowledge, nothing has come to the attention of the board of Directors which may render the unaudited consolidated financial statements of the Group for the six months ended 31 December 2020 to be false or misleading in any material aspect.

On behalf of the board of Directors

Barry Thng Lip Mong
Executive Chairman and CEO

Eugene Wong Hin Sun
Lead Independent Director

15. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirms that it has already procured signed undertakings from all of its Directors and relevant executive officers in the format as set out in Appendix 7H of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) in accordance with Rule 720(1) of the Catalyst Rules.

¹ On 20 March 2019, My ENT Specialist Pte Ltd (“**My ENT Specialist**”), a wholly-owned subsidiary of the Company, entered into a lease agreement (“**Previous Lease Agreement**”) with ENTDoctors Pte Ltd (“**EDPL**”) for the lease of the premises at 1 Farrer Park Station Road, #10-20, Connexion, Singapore 217562 (the “**Farrer Park Property**”). EDPL is wholly-owned by Dr. Mok Kan Hwei, Paul, the Company’s Executive Director. Under the Previous Lease Agreement, the duration of the lease was one year with an automatic renewal for a further one year and the rent payable by My ENT Specialist to EDPL in respect of the Farrer Park Property was S\$3,000 per month. On 18 September 2020, My ENT Specialist signed a new lease agreement with EDPL for the lease of the Farrer Park Property (“**New Lease Agreement**”) at a rent of S\$4,225 per month with effect from 1 October 2020. The duration of the New Lease Agreement is one year with automatic renewal for a further one year. During HY2021, the rental payments made by My ENT Specialist to EDPL amounted to S\$21,675.



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16. Utilisation of proceeds from the IPO

As at the date of this announcement, the status on the use of the IPO proceeds is as follows:

	Allocated S\$'000	Utilised S\$'000	Balance S\$'000
(i) To expand business through (a) the expansion of network of self-owned GP clinics, specialist care services and medical facilities in Singapore as well as (b) acquisitions, joint ventures and/or strategic alliances	3,000	1,050	1,950
(ii) To invest in technology systems as part of the digital transformation of the delivery of healthcare services	500	458	42
(iii) To expand pharmaceutical services business	200	110	90
(iv) For general working capital requirements ⁽¹⁾⁽²⁾	1,028	1,028	–
(v) For payment of underwriting and placement commissions as well as listing expenses ⁽¹⁾	1,672	1,672	–
(vi) Gross proceeds from IPO	6,400	4,318	2,082

Notes:

(1) The Company incurred actual IPO expenses of S\$1.672 million. The amount of S\$189,000 in excess of the estimated IPO expenses of S\$1.861 million has been re-allocated for general working capital purposes.

(2) The Company has fully utilised the amount allocated for general working capital requirements for purchase of inventories.

The above utilisation is in accordance with the intended use of proceeds from the IPO as stated in the Offer Document.



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17. Acquisition or sale of shares in subsidiaries and/or associated companies under Rule 706(A)

On 5 January 2021, the Company announced that its wholly-owned subsidiary, Alliance Medical Group Pte Ltd (“**AMG**”) had executed an instrument of transfer with Dr. Ong Kok Liang Jason (“**Vendor**”) pursuant to which AMG had acquired 5% shareholding interest in Alliance Health Investments Pte Ltd (“**AHI**”) from the Vendor for a cash consideration of S\$10,000 (the “**Transaction**”). As a result of the Transaction, AMG’s shareholding interest in AHI had increased from 75% to 80%.

The cash consideration of S\$10,000 was arrived at considering that AMG is a major shareholder of AHI and after taking into account *inter alia* the rationale of the Transaction and the clientele base of the clinics held through AHI.

The unaudited consolidated net tangible liabilities of AHI amounted to S\$1,113,827 as at 30 June 2020 and the unaudited consolidated net loss after tax of AHI amounted to S\$28,461 for the financial year ended 30 June 2020.

Please refer to the Company’s announcement in relation to the Transaction dated 5 January 2021 for more information.

Save as disclosed above, there is no other acquisition and/or sale of shares in any subsidiaries or associated companies of the Group during HY2021 and up to the date hereof which is required to be reported under Rule 706(A) of the Catalist Rules.

BY ORDER OF THE BOARD

BARRY THNG LIP MONG
Executive Chairman and CEO

9 February 2021

*This announcement has been reviewed by the Company’s sponsor, CIMB Bank Berhad, 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 Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.*