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

RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) AND 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 Securities Investors Association (Singapore) ("**SIAS**") and a shareholder for submitting their questions in advance of the Company's Annual General Meeting (the "**AGM**") to be held at 8 Wilkie Road, #03-08, Wilkie Edge, Singapore 228095 on Tuesday, 27 October 2026 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 2026 (the "**Annual Report**") and the appendix to the Notice of AGM dated 7 October 2026.

The Company's responses to the substantial and relevant questions received from SIAS and a shareholder are set out in the following pages.

These questions and responses should be read together with the Company's Annual Report and its previous announcements and investor presentations.

BY ORDER OF THE BOARD

Dr Barry Thng Lip Mong
Executive Chairman and Chief Executive Officer

21 October 2026

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*This announcement has been reviewed by the Company's sponsor, RHB Bank Berhad (the "**Sponsor**"). 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, at 90 Cecil Street, #03-00 RHB Bank Building, Singapore 069531, Telephone: +65 6320 0627.*

RESPONSES TO QUESTIONS FROM SIAS

Question 1

For the financial year ended 30 June 2026, revenue increased by 13.3% to $87.4 million, while employee benefits expense increased at a faster rate of 15.7% to $50.9 million.

	Note	Group 2026 $	2025 $
Revenue	5	**87,354,524**	77,110,647
Interest income		**5,762**	5,120
Other income and gains	6	**488,819**	572,927
Consumables and medical supplies used		**(20,010,037)**	(19,902,723)
Employee benefits expense	7	**(50,873,326)**	(43,954,030)
Depreciation and amortisation expense	13,14,18	**(5,189,342)**	(4,701,223)
Other losses	6	**(135,856)**	(222,667)
Finance costs	8	**(615,090)**	(873,546)
Other expenses	9	**(7,287,852)**	(6,865,338)
Share of results of an associate	17	**80,490**	4,729
Profit before tax		**3,818,092**	1,173,896
Income tax expense	10A	**(340,202)**	(76,758)
Profit net of tax		**3,477,890**	1,097,138

(Source: company annual report; emphasis added)

Employee benefits expense accounted for approximately 58% of revenue in FY2026, a significant component of the group's cost base.

(i) Can management explain the key drivers of the increase in employee costs, including changes in headcount, remuneration and staffing requirements? What measure is the group taking to improve employee productivity and achieve operating leverage as the business scales?

Response:

Employee benefits expense increased by approximately S$6.9 million, or 15.7%, from S$44.0 million in FY2025 to S$50.9 million in FY2026. The increase was mainly attributed to staff and related costs for the Group's new specialist clinics, additional manpower to support increased business activities, additional IT staff costs relating to additional customisation and enhancements under the Health Promotion Board's Youth Preventive Service clinic management system ("**YHCMS**") contract, and general increases in staffing costs. The second orthopaedic clinic and the Breast and General Surgery clinic commenced operations in May 2025 and September 2025, respectively.

As at 30 June 2026, the Group had 411 full-time and 39 part-time employees, compared with 395 and 31 respectively as at 30 June 2025. Employee benefits expenses also include payments to locum doctors, specialists, nurses and other healthcare professionals who may not be employees of the Group, as well as outsourced IT personnel. Accordingly, fluctuations in employee benefits expenses have no direct correlation with the changes in employee headcount as at the end of each financial year.

The Group is taking steps to improve productivity through process automation, reduction of administrative duplication and more efficient workflows. It continues to invest in artificial intelligence, digital capabilities and data-driven solutions where appropriate to support higher business volumes without a proportionate increase in costs while maintaining service quality.

A milestone of FY2026 is the award of tender by ALPS for the provision of mobile inpatient care at home services to participating public healthcare institutions under the master service agreement.

(ii) Can management provide shareholders with a clearer view of the addressable market for the group's mobile inpatient care services in Singapore? Does management consider the group to have a leading position in this market today? What are the group's principal competitive advantages, and how difficult would it be for competitors and new entrants to replicate its service model?

Response:

Based on the current national MIC@Home capacity of approximately 300[1] operational virtual beds as at March 2026, the Group estimates the theoretical annual total addressable market ("**TAM**") at approximately S$28 million, assuming full bed utilisation, an average length of stay of 5.1 days and an average bill size of S$1,300 per admission, as disclosed in the Group's FY2026 Investor Presentation released on 2 October 2026.

The Group has also undertaken a hypothetical assessment of the potential MIC@Home market, based on projected acute hospital admissions and the proportion of patients who may be clinically suitable for hospital-at-home services. Assuming that MIC@Home capacity expands sufficiently to meet such demand, this analysis indicates a potential annual TAM of approximately S$125 million in 2030, as also disclosed in the Group's FY2026 Investor Presentation.

These estimates represent potential market opportunities rather than forecasts of revenue achievable by the Group. The actual opportunity will depend on the number of eligible patients referred for MIC@Home services, the rate of bed utilisation, the scope of services required by participating healthcare institutions and the extent to which such services are outsourced to external providers.

Jaga-Me has participated in the MIC@Home programme since its sandbox phase, building experience in delivering home-based hospital care and establishing partnerships with public healthcare institutions, including the National University Health System, Singapore General Hospital and Sengkang General Hospital. Jaga-Me has also expanded into the private healthcare sector through partnerships such as Farrer Park Hospital's Home Recovery Programme. The recent award of the national ALPS tender further strengthens Jaga-Me's position as an established provider in this market. However, the Group does not have comprehensive market share information and specific market ranking across all service providers.

Jaga-Me's competitive strengths include home-based healthcare experience, established hospital relationships, network of healthcare professionals and proprietary digital capabilities. Its proprietary Jaga-Partner Portal supports patient referrals, care coordination and outcome tracking with hospital partners.

The Group believes that delivering reliable home-based care requires significant investment and experience in building healthcare professional networks, operational infrastructure and hospital relationships, supported by clinical expertise and effective coordination with hospital teams.

[1] https://www.moht.com.sg/project-report-cards/mobile-inpatient-carehome-mic/

Question 2

The group rationalised parts of its specialist clinic portfolio. Evoque Medical Aesthetics ceased operations with effect from 1 August 2026, while the Ho Kok Sun Colorectal[2] specialist clinic and Lim Jit Fong Colorectal Centre ceased operations with effect from 1 July 2026. Both colorectal clinics were acquired in full in 2014, and their operations have now ceased following the expiry of their respective clinic management service agreements on 30 June 2026. Evoque was established by the group in 2023.

At the same time, the group expanded its specialist care platform during the financial year, including the opening of its second orthopaedic clinic under Elite Orthopaedics and the inauguration of a new Breast & General Surgery clinic.

(i) Can management confirm that the group no longer operates any colorectal specialist clinics following the expiry of the clinic management service agreements? Have the two colorectal specialists ceased practising with the group, or do they continue to have other roles or relationships with the group?

(ii) Which specialist areas does the group intend to start or grow over the next three to five years, and will growth come primarily through establishing new clinics and recruiting additional specialists or via acquisitions?

(iii) Given that specialist clinics acquired in 2014 have now ceased operations, does the board still regard acquiring clinics and their associated doctors as a sustainable growth model?

Response:

The Group ceased operating the Ho Kok Sun Colorectal specialist clinic and Lim Jit Fong Colorectal Centre with effect from 1 July 2026, following the expiry of their respective clinic management service agreements on 30 June 2026. Both specialists have ceased practising with the Group and do not hold any other roles within the Group. Nevertheless, the Group continues to provide colorectal care through its Breast and General Surgery clinic, where Dr Jerry Goo also diagnoses and treats colorectal conditions.

The two colorectal clinics were acquired in 2014 and formed part of the Group's specialist care portfolio for approximately 12 years. Having reviewed their contribution over this period, the Group continues to regard selective acquisitions as a viable avenue for growth.

Looking ahead, the Group remains focused on strengthening its existing specialist care services, including ENT, orthopaedics, and breast and general surgery, while selectively exploring complementary specialties that can leverage its primary care network and managed healthcare platform.

The Group remains open to growth through establishing new clinics, recruiting suitable specialists, selective acquisitions or strategic partnerships. The choice of approach will depend on clinical requirements, the availability of specialists, strategic and commercial fit, investment terms and capital requirements. The emphasis remains on sustainable profitability and long-term value creation rather than expansion for its own sake.

[2] In 2014, the group acquired 100% equity interest in Ho Kok Sun Colorectal (now known as Alliance Specialist Pte. Ltd.) and 100% equity interest in Lim Jit Fong Colorectal Centre (now known as Alliance Specialist Centre Pte. Ltd.)

Question 3

Cash and cash equivalents increased from approximately $16.4 million as at 30 June 2025 to $21.2 million as at 30 June 2026, supported by $10.5 million of net cash generated from operating activities during FY2026.

At the group level, with cash and cash equivalents exceeding loans and borrowing (including leases), resulting in a net cash position of $3.2 million as at 30 June 2026.

24. SHARE CAPITAL (CONTINUED)

Capital management (Continued)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted capital comprises all components of equity (that is, share capital and reserves).

	Group		Company	
	2026 $	2025 $	2026 $	2025 $
Net debt:				
All current and non-current loans and borrowings including leases	**17,975,990**	17,848,287	**5,777,572**	5,123,124
Less: cash and cash equivalents	**(21,163,045)**	(16,403,846)	**(1,247,938)**	(1,401,229)
Net debt	**(3,187,055)**	1,444,441	**4,529,634**	3,721,895

(Source: company annual report)

The board has declared a final dividend of 0.52 cents per share, representing approximately 29.8% of profit attributable to owners of the parent, with a total distribution of approximately $1.08 million.

(i) Given the group's net cash position and strong positive operating cash flow, what was the board's rationale for setting the final dividend at a payout ratio of approximately 30%? How did the board assess the appropriate balance between retaining capital for growth and returning surplus capital to shareholders?

Response:

The Board aims to balance shareholder returns with retaining sufficient resources for the Group's operations and investments. In view of its improved financial performance in FY2026, the Board has proposed a first and final one-tier tax-exempt dividend of 0.52 Singapore cent per ordinary share, representing a payout ratio of approximately 29.8%, subject to shareholders' approval at the forthcoming AGM.

While the Group generated approximately S$10.5 million of net cash from operating activities in FY2026, it also invested approximately S$2.15 million in property, plant and equipment and system development. These investments support and strengthen the Group's healthcare service capabilities and digital infrastructure.

The Company does not have a fixed dividend policy. Dividend decisions take into account the Group's financial performance, available cash and reserves, working capital requirements, investment needs and overall financial position. The proposed dividend reflects the Board's assessment of these factors for FY2026 and should not be regarded as a commitment to a fixed payout ratio in subsequent years.

In addition, up to mid-September 2026, the company had repurchased approximately 1.87 million shares, against the maximum 20.64 million shares authorised under the share buy-back mandate.

(ii) How does the board determine the pace and quantum of share buy-backs? In deciding between share buy-backs and dividends as methods of returning capital, what valuation, liquidity and capital allocation criteria does the board apply? At what level of discount to the board's assessment of the company's intrinsic value would share buy-backs become a more attractive use of surplus cash than paying additional dividends?

Response:

The share buyback mandate gives the Company flexibility to purchase its shares when the Directors consider it appropriate to do so. In deciding the timing and quantum of buybacks, the Directors consider available cash, working capital and investment requirements, prevailing market conditions and the market price of the Company's shares, among other things, at the relevant time.

Buybacks are considered alongside dividends and reinvestment as part of the Group's overall capital management approach. Any buyback decision takes into account the Group's financial position, funding requirements, alternative uses of capital, share liquidity and orderly trading of its shares. Shares retained in treasury may also be used for the Performance Share Plan, acquisitions or other permitted purposes.

RESPONSES TO QUESTIONS FROM A SHAREHOLDER

Question 1 - Capital Allocation and Treasury Shares

The FY2026 Annual Report indicates that all previously granted awards under the 2022 Performance Share Plan had vested or lapsed by 30 June 2026. The Company subsequently continued to repurchase shares and held approximately 1.93 million treasury shares as at 15 September 2026.

(a) Are these repurchases primarily intended to support future PSP awards, or do they serve a broader capital-return objective? Will the Board consider cancelling treasury shares not required for future awards?

Response:

Although the remaining awards from the January 2023 grant under the Alliance 2022 PSP vested or lapsed during FY2026, the PSP remains available for future awards.

The share buyback mandate serves broader capital management purposes and is not limited to meeting PSP awards. Shares repurchased may be retained as treasury shares for future PSP awards, acquisitions or other permitted purposes.

The Company currently has no intention to cancel its treasury shares, as retaining them provides flexibility for such future uses.

(b) Management has stated that it will prioritise the quality and profitability of revenue over growth for its own sake. Does this signal a material reduction in capital investment requirements? Over the next two to three years, what annual range of capital expenditure and software development spending does the Board consider sustainable, and how will it weigh investments such as the S$3.07 million option to acquire a further 30% of SGiMED, potentially exercisable from September 2027 subject to contractual conditions, against returning free cash flow through dividends or buybacks?

Response:

The Group's emphasis on the quality and profitability of revenue does not necessarily indicate a material reduction in capital investment requirements. Rather, it reflects a disciplined approach to allocating resources to businesses and projects with appropriate strategic and commercial returns.

In FY2026, the Group invested approximately S$2.15 million in property, plant and equipment and system development to strengthen its healthcare service capabilities and digital infrastructure. The Group does not provide a fixed annual capital expenditure or software development spending forecast for the next two to three years, as the timing and amount of future investments will depend on business and technology needs, investment opportunities and resources required for existing operations.

The option to acquire a further 30% interest in SGiMED for S$3.07 million remains subject to its contractual terms. Any decision to exercise the option will take into account SGiMED's performance, strategic contribution, investment returns and the Group's overall capital requirements.

The Board will continue to balance investment opportunities and shareholders returns through dividends and share buybacks, while maintaining sufficient financial flexibility to support the Group's operations and long-term growth.

Question 2 - MIC@Home

(a) Does the S$28 million annual addressable market estimate represent total programme expenditure or only the services addressable by providers such as Jaga-Me? What proportion of this market does management believe Jaga-Me could realistically capture?

(b) What are the key patient-volume and workforce-utilisation milestones required for Mobile & Digital Health Services to achieve sustainable profitability? Given the national expansion opportunity, why is the ALPS award not expected to affect FY2027 results materially?

Response:

As outlined in the response to SIAS Question 1(ii), the Group estimates the current theoretical annual addressable market for MIC@Home in Singapore at approximately S$28 million, assuming full utilisation of the current national capacity of approximately 300 operational virtual beds, an average length of stay of 5.1 days and an average bill size of S$1,300 per admission.

The S$28 million is a theoretical market estimate derived from the assumptions above and should not be interpreted as a forecast of revenue available to providers such as Jaga-Me.

The Group does not provide a specific market share target for Jaga-Me. Its actual market participation will depend on the pace of onboarding, service utilisation, the volume and scope of services outsourced by participating healthcare institutions, and its ability to deliver the required services efficiently and to the required standards.

The Group's Mobile and Digital Health segment recorded external revenue of approximately S$7.9 million in FY2026, an increase of 36.4% from FY2025, while its loss before tax narrowed from approximately S$1.54 million to S$0.37 million.

The key operational milestones towards sustainable profitability include continued growth in patient volumes and home-care visits, alongside improved cost management and productivity of the Jaga-Me's healthcare professional ecosystem, comprising both employed staff and qualified independent professionals.

The ALPS tender award covers a three-year period from 1 October 2026 to 30 September 2029. The onboarding of participating healthcare institutions and commencement of services may occur progressively and at different times. Accordingly, the financial contribution will depend on the pace of onboarding, service utilisation and actual patient volumes. The Company will continue to monitor these developments and assess whether the award is expected to have a material impact on the Group's financial results for FY2027.

Question 3 - Managed Healthcare Solutions

This segment contributed approximately S$3.25 million of profit before tax in FY2026, representing the majority of the Group's consolidated profit before tax.

(a) What are the key competitive advantages that make its customer relationships and margins defensible? Does management expect further margin expansion as the business scales, or are current margins broadly sustainable?

(b) Would the Company consider publishing selected operating KPIs alongside its financial results, such as covered lives, client retention and revenue per member, to help shareholders assess the business's scalability?

Response:

The Group's Managed Healthcare Solutions business is supported by established relationships with insurance partners and corporate clients, an extensive healthcare provider network, and its proprietary MediNet IT platforms. These capabilities enable the Group to offer integrated healthcare solutions, including corporate healthcare services, third-party medical administration ("**TPA**"), claims management and access to its healthcare network. The Group believes that its relationships, integrated capabilities and technology infrastructure provide competitive advantages that require time and investment to replicate.

In FY2026, the segment's revenue increased by approximately 20.2% from S$18.4 million to S$22.1 million, while profit before tax increased from approximately S$2.79 million to S$3.25 million. The profit before tax margin was approximately 14.7%, compared with 15.1% in FY2025.

The Group does not set a specific margin target. Future margins will depend on programme and service mix, contractual terms, healthcare costs and operating expenditure, including spending on systems, security compliance and personnel. The Group remains focused on expanding its corporate and insurance client base, increasing utilisation of its healthcare network and improving operational efficiency.

The Company recognises that operating KPIs can help shareholders assess the scalability of the Managed Healthcare Solutions business. The Group has disclosed selected measures of the scale and utilisation of its wider healthcare ecosystem, including approximately 1.55 million visits in FY2026 and a network of over 2,000 partner healthcare facilities serving more than 5,000 clients as at 30 June 2026.

Question 4 - Specialist Care

The segment generated approximately S$19.8 million in revenue but only S$235,000 in profit before tax in FY2026.

(a) To what extent does the relatively low profitability reflect ramp-up costs at recently opened clinics? What sustainable segment margin does management aim to achieve, and over what timeframe?

Response:

The Group's Specialist Care Services segment recorded revenue growth of 24.0% to S$19.8 million in FY2026 compared to S$16.0 million in FY2025, driven mainly by contributions from the second orthopaedic clinic and the Breast and General Surgery clinic.

The relatively low segment profitability partly reflects the operating costs incurred by new clinics as patient volumes continue to build. It was also impacted by operating losses of approximately S$1.1 million incurred by Evoque Medical Aesthetics in FY2026.

The Group will focus on building patient volumes, improving clinic utilisation and maintaining cost discipline as its new clinics mature. The Group does not provide a specific sustainable segment margin target or fixed timeframe, as profitability will depend on patient demand, utilisation, service mix and operating costs.

(b) What is the expected net annual earnings impact from the cessation of Evoque Medical Aesthetics and the two colorectal clinic operations, after accounting for lost revenue, cost savings and any residual expenses? Are other underperforming businesses under review?

Response:

The Group ceased operating the two colorectal specialist clinics with effect from 1 July 2026, following the expiry of their respective clinic management service agreements. Evoque Medical Aesthetics ("**Evoque**") ceased clinic operations with effect from 1 August 2026.

The cessation of the two colorectal clinics is not expected to have a material impact on the Group's net profit for FY2027.

Evoque incurred an operating loss of approximately S$1.1 million in FY2026. Following the cessation of its clinic operations, the Group will no longer incur the operating costs associated with running the clinic. Based on Management's current assessment, remaining obligations after the cessation, together with any transition or closure-related expenses, are not expected to have a material financial impact on the Group's financial results for FY2027.

The Group continues to review its business portfolio, taking into account financial performance, strategic contributions and synergies across its businesses, with a focus on overall profitability and long-term value creation.

Question 5 - Shareholder Engagement and Listing

(a) What specific steps does the Board intend to take to broaden investor participation and improve trading liquidity, such as regular investor briefings, enhanced operating disclosures or more active investor outreach?

(b) Does the Board view a potential transfer from Catalist to the SGX Mainboard as a medium-term objective to enhance the Company's visibility and institutional investor participation? If so, what financial and operational milestones would it aim to achieve before pursuing such a transfer?

Response:

The Company recognises the importance of broadening investor awareness and participation. As part of its investor engagement efforts, the Company released its FY2026 Investor Presentation on 2 October 2026, providing further insights into the Group's financial performance, business segments, growth strategies and outlook.

Building on these efforts, the Company will continue to explore opportunities for investor and analyst briefings, engagement with institutional and retail investors, and enhancements to its relevant operating disclosures where appropriate. The frequency and format of such activities will be considered, having regard to business developments and investor interest, while ensuring fair and timely disclosure of material information to all shareholders.

These initiatives are intended to enhance investor understanding of the Group, broaden investor participation and potentially support trading liquidity although actual liquidity will also depend on market conditions, investor demand and the Company's shareholder base.

The Company currently has no formal plan or timetable to seek a transfer from Catalist to the SGX Mainboard. The Board remains focused on strengthening the Group's financial performance, business fundamentals, cash generation and long-term shareholder value.

Any potential transfer would be subject to the Company meeting the applicable requirements under Catalist Rule 408 and the applicable Mainboard Listing Rules and obtaining the necessary approvals, including shareholders' approval by special resolution. The Board would evaluate such a potential transfer having regard to the Group's scale, financial track record, shareholder spread, readiness to meet the applicable listing requirements, and the costs and benefits to the Company and its shareholders.