



## 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 2019

Alliance Healthcare Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) was incorporated in Singapore on 6 June 2006 under the Companies Act (Chapter 50) of Singapore and listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 31 May 2019. Unless otherwise defined, capitalised terms used herein shall have the same meaning as ascribed thereto in the Company’s offer document dated 24 May 2019 (“**Offer Document**”) issued in connection with its initial public offering (“**IPO**”). Subsequent to 30 June 2018, the Company undertook certain acquisitions and corporate actions (which includes the Share Split, the Dividend Capitalisation, the Loan Capitalisation and the Restructuring), the details of which are set out in the Offer Document. The information presented in this announcement should be read in conjunction with the financial information set out in the Offer Document, in particular the Unaudited Pro Forma Consolidated Financial Information and the section entitled “Management’s Discussion and Analysis of Results of Operations and Financial Condition”.

#### 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	
	2019 \$	2018 \$	\$	%
<b>Revenue</b>	20,770,678	16,980,469	3,790,209	22.3
Interest income	4,590	–	4,590	N.M
Other gains	326,265	144,200	182,065	126.3
Consumables and medical supplies used	(6,190,236)	(4,869,393)	1,320,843	27.1
Employee benefits expense	(9,984,101)	(8,457,998)	1,526,103	18.0
Depreciation and amortisation expense	(1,059,652)	(443,372)	616,280	139.0
Other losses	(487)	(2,364)	(1,877)	(79.4)
Finance costs	(128,169)	(63,660)	64,509	101.3
Other expenses	(1,723,712)	(2,364,612)	(640,900)	(27.1)
<b>Profit before tax</b>	2,015,176	923,270	1,091,906	118.3
Income tax (expense)/income	(274,786)	(161,264)	113,522	70.4
<b>Profit, net of tax</b>	1,740,390	762,006	978,384	128.4



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	For the six-month period ended 31 December		Variance	
	2019 S\$	2018 S\$	S\$	%
<u>Other comprehensive income/(loss):</u>				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax	565	(3,531)	4,096	116.0
<b>Other comprehensive income/(loss) for the year, net of tax</b>	565	(3,531)	4,096	116.0
<b>Total comprehensive income</b>	<u>1,740,955</u>	<u>758,475</u>	982,480	129.5
Profit attributable to owners of the parent, net of tax	1,618,939	546,778	1,072,161	196.1
Profit attributable to non- controlling interests, net of tax	121,451	215,228	(93,777)	(43.6)
<b>Profit, net of tax</b>	<u>1,740,390</u>	<u>762,006</u>	978,384	128.4
Total comprehensive income attributable to owners of the parent	1,619,504	543,247	1,076,257	198.1
Total comprehensive income attributable to non-controlling interests	121,451	215,228	(93,777)	(43.6)
<b>Total comprehensive income</b>	<u>1,740,955</u>	<u>758,475</u>	982,480	129.5

**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	
	2019 S\$	2018 S\$	S\$	%
Other income	(335)	(2,498)	(2,163)	(86.6)
Government grants <sup>(1)</sup>	(304,799)	(80,272)	224,527	279.7
PIC grant <sup>(2)</sup>	–	(22,259)	(22,259)	(100.0)
Interest income	(4,590)	–	4,590	N.M
Interest expense	64,820	63,660	1,160	1.8
Lease interest expense <sup>(3)</sup>	63,349	–	63,349	N.M
Amortisation of intangible assets	13,103	13,103	–	N.M
Depreciation of plant and equipment <sup>(3)</sup>	1,046,549	430,269	616,280	143.2
Bad debts written (back)/off	(647)	672	(1,319)	(196.3)
(Gain)/loss on disposal of plant and equipment	(307)	1,692	(1,999)	(118.1)
Foreign exchange gain	(20,177)	(39,171)	(18,994)	(48.5)
IPO expenses	–	420,267	(420,267)	(100.0)

#### Notes:

- (1) Government grants mainly relate to grants to develop the business capabilities of the Group, Wage Credit Scheme pay-out, Work-Life Grant for flexible work arrangements and Grant for Equity Market Singapore (GEMS) to defray the cost of IPO.
- (2) This relates to the Productivity and Innovation Credit Scheme which is administered by the Inland Revenue Authority of Singapore where businesses enjoy tax deductions or allowances for qualifying expenditure incurred in any of the qualifying activities from the years of assessment 2011 to 2018. As at 31 December 2019, the PIC Scheme has expired and is no longer in effect.
- (3) The increases relate to the adoption of SFRS(I) 16. Please refer to Paragraphs 5 and 8 below for further details.



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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 2019 S\$	30 June 2019 S\$	31 December 2019 S\$	30 June 2019 S\$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6,469,426	6,448,122	356,782	198,984
Investment properties	–	–	3,617,939	3,666,502
Right-of-use assets	2,828,709	–	35,443	–
Investment in subsidiaries	–	–	5,877,632	5,877,632
Intangible assets	2,686,345	2,699,448	–	–
Deferred tax assets	104,858	104,858	–	–
<b>Total non-current assets</b>	<b>12,089,338</b>	<b>9,252,428</b>	<b>9,887,796</b>	<b>9,743,118</b>
<b>Current assets</b>				
Inventories	1,819,437	1,427,122	4,100	4,100
Trade and other receivables	11,341,522	9,879,896	3,565,444	3,613,866
Other non-financial assets	922,185	627,233	57,201	17,660
Cash and cash equivalents	14,153,021	14,292,130	6,444,008	6,360,489
<b>Total current assets</b>	<b>28,236,165</b>	<b>26,226,381</b>	<b>10,070,753</b>	<b>9,996,115</b>
<b>Total assets</b>	<b>40,325,503</b>	<b>35,478,809</b>	<b>19,958,549</b>	<b>19,739,233</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	14,684,250	14,684,250	14,684,250	14,684,250
Retained earnings	8,277,167	6,658,228	120,870	105,331
Other reserves	(4,652,990)	(4,653,555)	–	–
<b>Equity, attributable to owners of the parent</b>	<b>18,308,427</b>	<b>16,688,923</b>	<b>14,805,120</b>	<b>14,789,581</b>
Non-controlling interests	(252,523)	(365,099)	–	–
<b>Total equity</b>	<b>18,055,904</b>	<b>16,323,824</b>	<b>14,805,120</b>	<b>14,789,581</b>
<b>Non-current liabilities</b>				
Other financial liabilities	3,920,189	4,013,388	2,379,208	2,268,086
Lease liabilities	2,714,917	–	6,004	–
Deferred tax liabilities	17,128	23,333	–	–
<b>Total non-current liabilities</b>	<b>6,652,234</b>	<b>4,036,721</b>	<b>2,385,212</b>	<b>2,268,086</b>
<b>Current liabilities</b>				
Income tax payable	394,718	365,448	–	–
Trade and other payables	13,872,933	13,506,834	2,580,636	2,523,805
Provision	43,000	53,620	–	–
Other non-financial liabilities	–	42,108	–	–
Lease liabilities	150,160	–	29,820	–
Other financial liabilities	1,156,554	1,150,254	157,761	157,761
<b>Total current liabilities</b>	<b>15,617,365</b>	<b>15,118,264</b>	<b>2,768,217</b>	<b>2,681,566</b>
<b>Total liabilities</b>	<b>22,269,599</b>	<b>19,154,985</b>	<b>5,153,429</b>	<b>4,949,652</b>
<b>Total equity and liabilities</b>	<b>40,325,503</b>	<b>35,478,809</b>	<b>19,958,549</b>	<b>19,739,233</b>



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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 2019		As at 30 June 2019	
	Secured	Unsecured	Secured	Unsecured
	S\$	S\$	S\$	S\$
Amount repayable in one year or less, or on demand	264,429	892,125	264,429	885,825
Amount repayable after one year	3,555,441	177,596	3,684,694	328,694

**Details of any collaterals.**

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

The DBS Loans amounting to S\$2.4 million as at 31 December 2019 (S\$2.4 million as at 30 June 2019) are secured by:

- a first legal mortgage over certain of the Group’s leasehold properties, and
- joint and several personal guarantees from Dr. Barry Thng Lip Mong, Dr. Loh Cher Zoong, Dr. Yun Kok Onn and Dr. Goh Tiong Jin.

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

The OCBC Loan amounting to S\$1.5 million as at 31 December 2019 (S\$1.5 million as at 30 June 2019) is secured by:

- a first legal mortgage over the Group’s leasehold property at Blk 325 Clementi Avenue 5 #01-139 Singapore 120325.



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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	
	2019	2018
	S\$	S\$
<b><u>Cash flows from operating activities</u></b>		
Profit before tax	2,015,176	923,270
Adjustments for:		
Depreciation	1,046,549	430,269
Amortisation of intangible assets	13,103	13,103
(Gain)/loss on disposal of property, plant and equipment	(307)	1,692
Interest expense	64,820	63,660
Lease interest expense	63,349	–
Interest income	(4,590)	–
Expenses in connection with IPO	–	420,267
Operating cash flows before changes in working capital	3,198,100	1,852,261
<b><u>Changes in working capital:</u></b>		
Inventories	(392,315)	(166,043)
Trade and other receivables	(1,461,626)	174,308
Other non-financial assets	(294,952)	115,932
Trade and other payables	366,099	94,219
Other non-financial liabilities	(42,108)	(40,010)
Provision	(10,620)	6,261
Net effect of exchange rate changes in consolidating foreign operations	499	(2,851)
Net cash flows from operations	1,363,077	2,034,077
Income tax paid	(251,721)	(142,301)
Net cash flows from operating activities	1,111,356	1,891,776
<b><u>Cash flows from investing activities</u></b>		
Interest received	4,590	–
Disposal of property, plant and equipment	2,952	8,980
Purchase of property, plant and equipment	(375,466)	(2,314,579)
Net cash flows used in investing activities	(367,924)	(2,305,599)
<b><u>Cash flows from financing activities</u></b>		
IPO expenses paid	–	(420,267)
Lease liabilities – principal portion paid	(721,947)	–
Movements in amount due to ultimate parent company	–	6,662
Movements in amount due to related parties	6,300	9,400
Increase in borrowings	–	1,600,000
Decrease in other financial liabilities	(280,351)	(224,082)
Contribution by non-controlling interests	–	5,800
Finance lease borrowings/(repayments)	187,152	(4,837)
Dividends paid to non-controlling interests	(8,875)	–
Interest paid	(64,820)	(63,660)
Net cash flows (used in)/from financing activities	(882,541)	909,016



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	Group	
	For the six-month period ended 31 December	
	2019	2018
	S\$	S\$
<b>Net (decrease)/increase in cash and cash equivalents</b>	(139,109)	495,193
Cash and cash equivalents, statement of cash flows, beginning balance	14,292,130	8,834,103
<b>Cash and cash equivalents, statement of cash flows, ending balance</b>	<b>14,153,021</b>	<b>9,329,296</b>



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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	Total equity S\$	Attributable to parent sub-total S\$	Share capital S\$	Retained earnings S\$	Other reserves S\$	Non-controlling interests S\$
Opening balance at 1 July 2019	16,323,824	16,688,923	14,684,250	6,658,228	(4,653,555)	(365,099)
<b>Changes in equity:</b>						
Total comprehensive income for the year	1,740,955	1,619,504	–	1,618,939	565	121,451
Dividends paid to non-controlling interest	(8,875)	–	–	–	–	(8,875)
<b>Closing balance at 31 December 2019</b>	<b>18,055,904</b>	<b>18,308,427</b>	<b>14,684,250</b>	<b>8,277,167</b>	<b>(4,652,990)</b>	<b>(252,523)</b>
Opening balance at 1 July 2018	6,971,528	6,765,603	1,950,000	6,340,625	(1,525,022)	205,925
<b>Changes in equity:</b>						
Total comprehensive income for the year	758,475	543,247	–	546,778	(3,531)	215,228
Issue of share capital by non-controlling interest in a subsidiary	5,800	–	–	–	–	5,800
Capitalisation of dividend payable to shareholders	2,733,500	2,733,500	2,733,500	–	–	–
<b>Closing balance at 31 December 2018</b>	<b>10,469,303</b>	<b>10,042,350</b>	<b>4,683,500</b>	<b>6,887,403</b>	<b>(1,528,553)</b>	<b>426,953</b>





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Company	Total equity S\$	Share capital S\$	Retained earnings S\$
Opening balance at 1 July 2019	14,789,581	14,684,250	105,331
<b>Changes in equity:</b>			
Total comprehensive income for the year	15,539	–	15,539
<b>Closing balance as at 31 December 2019</b>	<b>14,805,120</b>	<b>14,684,250</b>	<b>121,870</b>
Opening balance at 1 July 2018	3,696,234	1,950,000	1,746,234
<b>Changes in equity:</b>			
Total comprehensive loss for the year	(174,791)	–	(174,791)
Capitalisation of dividend payable to shareholders	2,733,500	2,733,500	–
<b>Closing balance as at 31 December 2018</b>	<b>6,254,943</b>	<b>4,683,500</b>	<b>1,571,443</b>



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**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 2019 and 31 December 2019.

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2019 and 31 December 2018.

The Company did not have any outstanding options or convertible instruments as at 31 December 2019 and 31 December 2018.

**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 31 December 2019 and 30 June 2019.

The total number of issued shares, excluding treasury shares, as at 31 December 2019 and 30 June 2019, 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.

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

Saved as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and methods of computation in its unaudited consolidated financial statements for the six months ended 31 December 2019 (“HY2020”) compared to its most recently audited consolidated financial statements for the financial year ended 30 June 2019 (“FY2019”).

**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.**

Except for the adoption of the new financial reporting framework as discussed in the paragraph below, the Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I)s (“SFRS(I)INT”) that are effective for the financial periods beginning on or after 1 July 2019.

The Group has adopted the new Singapore Financial Reporting Standards (International) (“SFRS(I)”) 16 Leases, which took effect on 1 January 2019, using the modified retrospective approach. SFRS(I) 16 introduces a single, on-balance sheet lease accounting model. It requires a lessee to recognise a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The adoption of SFRS(I) 16 results in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Exceptions to this standard are short-term and low-value leases. The accounting for lessors was not changed significantly.

In applying the modified retrospective approach, the cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. Subsequent to initial recognition, the Group will depreciate the ROU assets over the lease term and recognise interest expenses on the lease liabilities. The Group applied the practical expedient to the definition of a lease on transition. SFRS(I) 16 will be applied to lease contracts entered before 1 January 2019 and are identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The ROU assets as at 31 December 2019 amounting to S\$2.8 million were mainly related to leases of commercial and office premises occupied by the Group. Accordingly, there was a corresponding increase in lease liabilities of S\$2.9 million as at 31 December 2019.



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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).**

	Six-month period ended 31 December 2019 ("HY2020")	Six-month period ended 31 December 2018 ("HY2019")
Earnings attributable to equity holders of the Company	1,618,939	543,247
Weighted average number of Shares used in computation of basic earnings per share ("EPS") <sup>(1)</sup>	207,888,352	207,888,352
Basic EPS attributable to equity holders of the Company (cents) <sup>(2)</sup>	0.78	0.26
Fully diluted EPS attributable to equity holders of the Company (cents) <sup>(3)</sup>	0.78	0.26

**Notes:**

- (1) For illustrative purposes, the number of post-IPO ordinary shares of 207,888,352 is assumed to have been in issue throughout HY2019.
- (2) 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.
- (3) 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.

Based on the actual weighted average number of shares of 159,667,324 (adjusted for the Share Split and Dividend Capitalisation) in HY2019, the basic EPS would have been 0.34 cents.

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 2019	As at 30 June 2019	As at 31 December 2019	As at 30 June 2019
Net asset value ("NAV") per share (cents)	8.81	8.03	7.12	7.11
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 HY2020 compared to HY2019**

#### **Revenue**

Revenue increased by approximately S\$3.8 million or 22.3% from S\$17.0 million in HY2019 to S\$20.8 million in HY2020.

(a) Managed Healthcare Solutions

Revenue from managed healthcare solutions business segment increased by approximately S\$0.3 million or 12.0% from S\$2.6 million in HY2019 to S\$2.9 million in HY2020, mainly as a result of increases in gross value of claims processed by the Group.

(b) GP Clinics Services

Revenue from GP clinics services business segment increased by approximately S\$0.3 million or 3.7% from S\$8.3 million in HY2019 to S\$8.6 million in HY2020.

The increase in revenue was mainly attributable to improved performance from the clinics.

(c) Specialist Care Services

Revenue from specialist care services business segment increased by approximately S\$2.3 million or 88.6% from S\$2.6 million in HY2019 to S\$4.9 million in HY2020, largely due to the revenue contribution of the Group's orthopaedics clinic which started operations in December 2018.

(d) Pharmaceutical Services

Revenue from pharmaceutical services business segment increased by approximately S\$0.9 million or 25.0% from S\$3.5 million in HY2019 to S\$4.4 million in HY2020, largely as a result in the increase in local sales within Singapore of approximately S\$0.8 million.

#### **Interest income**

Interest income was insignificant in HY2020.

#### **Other gains**

Other gains increased by approximately S\$0.2 million or 126.3% from S\$0.1 million in HY2019 to S\$0.3 million in HY2020, mainly as a result of an increase in the amount of government grant income of approximately S\$0.2 million due to the GEMS grant of S\$0.2 million which was to defray the cost of IPO.



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### **Consumables and medical supplies used**

Consumables and medical supplies used relates to the Group's GP clinics services, specialist care services and pharmaceutical services business segments. Consumables and medical supplies increased by approximately S\$1.3 million or 27.1% % from S\$4.9 million in HY2019 to S\$6.2 million in HY2020, generally in line with the increase in revenue.

### **Employee benefits expense**

Employee benefits expense increased by approximately S\$1.5 million or 18.0% from S\$8.5 million in HY2019 to S\$10.0 million in HY2020, as a result of the following:

- (a) an increase of approximately S\$0.7 million mainly due to an increase in salaries of employees and locum doctors as well as an increase in headcount of employees; and
- (b) an increase in fees incurred in respect of specialist clinics of approximately S\$0.7 million.

### **Depreciation and amortisation expense**

Depreciation and amortisation expense increased by approximately S\$0.6 million or 139.0%, from S\$0.4 million in HY2019 to S\$1.1 million in HY2020, mainly due to the adoption of SFRS(I) 16, which resulted in additional depreciation expense of S\$0.7 million for the right-of-use assets in HY2020.

### **Other losses**

Other losses were insignificant in HY2020 and HY2019.

### **Finance costs**

Finance costs increased by approximately S\$65,000 or 101.3 % from S\$64,000 in HY2019 to S\$128,000 in HY2020, mainly due to lease interest expense of S\$63,000 arising from the adoption of SFRS(I) 16.

### **Other expenses**

Other expenses decreased by approximately S\$0.6 million or 27.1%, from S\$2.4 million in HY2019 to S\$1.7 million in HY2020, mainly due to the following:

- (a) a decrease in rental expenses on operating leases of S\$0.7 million due to the adoption of SFRS(I) 16; and
- (b) a decrease in IPO-related expenses of S\$0.4 million,  
which were offset by
- (c) an increase in sales and marketing expenses of S\$0.2 million; and
- (d) an increase in computer system maintenance of S\$58,000.



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### **Profit before tax**

Profit before tax increased by approximately S\$1.1 million or 118.3% from S\$0.9 million in HY2019 to S\$2.0 million in HY2020.

Excluding the effect of IPO-related expenses of S\$0.4 million incurred in HY2019, the increase would have been S\$0.7 million.

The increase in profit was mainly due to an increase in revenue across all business segments.

### **Income tax**

The Group incurred an income tax expense of approximately S\$0.3 million in HY2020, as compared to an income tax expense of approximately S\$0.2 million in HY2019. This is in line with the increase in profit before tax in HY2020.

### **Profit attributable to owners of parent, net of tax**

As a result of the above, net profit attributable to equity holders of the Company increased by approximately S\$1.1 million from S\$0.5 million in HY2019 to S\$1.6 million in HY2020.

## **Review of financial position of the Group as at 31 December 2019**

### **Non-current assets**

Non-current assets increased by approximately S\$2.8 million, from S\$9.3 million as at 30 June 2019 to S\$12.1 million as at 31 December 2019 mainly as a result of an increase in right-of-use assets of S\$2.8 million as a result of the adoption of SFRS(I) 16.

### **Current assets**

Current assets increased by approximately S\$2.0 million, from S\$26.2 million as at 30 June 2019 to S\$28.2 million as at 31 December 2019 as a result of increases in trade and other receivables of S\$1.5 million, inventories of S\$0.4 million and other non-financial assets of S\$0.3 million, which were offset by a decrease in cash and cash equivalents of S\$0.1 million.

Trade and other receivables increased by S\$1.5 million mainly attributable to the managed healthcare solutions business segment mainly due to payment cycle of a new insurer.

Inventories increased by S\$0.4 million mainly due to increased business volume of the pharmaceutical services segment.

Other non-financial assets increased by S\$0.3 million mainly as a result of:

- (a) deposit paid for new software development of S\$0.1 million;
- (b) deposit paid for services to be rendered in respect of the managed healthcare solutions segment of S\$0.1 million; and
- (c) deposit paid for new premise relating to additional storage facility for pharmaceutical products of S\$0.1 million. The Group has rented a new storage facility for its pharmaceutical products starting from August 2019.



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### **Shareholders' equity**

Shareholders' equity increased by S\$1.7 million from S\$16.3 million as at 30 June 2019 to S\$18.0 million as at 31 December 2019 as a result of an increase in retained earnings of S\$1.6 million.

### **Non-current liabilities**

Non-current liabilities increased by S\$2.6 million from S\$4.0 million as at 30 June 2019 to S\$6.7 million as at 31 December 2019 mainly due to an increase in lease liabilities of S\$2.7 million with the adoption of SFRS(I) 16.

### **Current liabilities**

Current liabilities increased by S\$0.5 million, from S\$15.1 million as at 30 June 2019 to S\$15.6 million as at 31 December 2019, mainly due to an increase in trade and other payables of S\$0.4 million, and an increase in current lease liabilities relating to the adoption of SFRS(I) 16 of S\$0.2 million.

Trade and other payables increased mainly due to the increase in trade payables and accruals of S\$0.5 million, offset by the decrease in other payables of S\$0.1 million.

Trade payables increased mainly due to an increase in trade payables relating to the managed care solutions segment of S\$0.8 million and pharmaceutical services segment of S\$0.1 million, offset by the decrease in accrued payroll expenses of S\$0.5 million as the Group has paid out employees' bonuses and fees/remuneration to the doctors/specialists as at 31 December 2019.

### **Review of statement of cash flow for HY2020**

The Group generated net cash of S\$1.1 million from operating activities in HY2020, mainly due to operating cash flows before changes in the working capital of S\$3.2 million, partially offset by net working capital outflows of S\$1.8 million and income taxes paid of S\$0.3 million.

The net working capital outflows was a result of (i) an increase in trade and other receivables by S\$1.5 million, (ii) an increase in inventories by S\$0.4 million, (iii) an increase in other non-financial assets of S\$0.3 million which were partially offset by an increase in trade and other payables by S\$0.4 million.

Net cash flows used in investing activities during HY2020 amounted to S\$0.4 million due to purchase of property, plant and equipment of S\$0.4 million.

Net cash flows used in financing activities amounted to S\$0.9 million during HY2020, mainly due to (i) payment of lease liabilities of S\$0.7 million and (ii) net payment of bank borrowings of S\$0.3 million, which were partially offset by (i) new finance lease of S\$0.2 million.

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

The Group's financial results for HY2020 are consistent with the disclosure in the section entitled "Prospects and Trends – Trend Information" of the Offer Document.





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**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.**

Please refer to the section entitled “Prospects and Trends” and “Business Strategies and Future Plans” of the Offer Document for details. As at the date hereof, the Board believes that the mid- to-long-term prospects for the industry that the Group operates in generally remain unchanged. The Board is however mindful of possible near-term dampening effects on the general economy arising from the COVID-19 which may affect the Group’s businesses, in particular its managed healthcare solutions, GP clinics services and specialist care 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**”). The Board believes that the acquisition of Jaga Me will strengthen the Group’s product portfolio in particular its digital technology capabilities. The Board believes that investment in digital transformation is pivotal to enhancing the Group’s competitive advantage in an environment where patients are demanding higher levels of convenience and personalization through smartphone technology.

The Group has rolled out a centralised clinic management system for our GP clinics. Barring unforeseen circumstances, the Group intends to launch its telemedicine platform within the next 6 months.

The Group has ceased discussion with the specialist practice which it has earlier identified as disclosed in the previous full year results announcement. However, the Group will continue to explore opportunities which will enhance the suite of current medical specialties that the Group provides.

### **11 Dividend**

#### **11(a) Current Financial Period Reported On**

Any dividend declared 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.



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### 11(e) Books closure 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 HY2020 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 Offer Document, 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 years ending 30 June 2020 and 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 of directors' sole discretion. Please refer to the section entitled "Dividend Policy" of the Offer Document for details.

### 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 HY2020<sup>1</sup>.

### 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 2019 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

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<sup>1</sup> On 31 March 2017, My ENT Specialist Pte Ltd ("**My ENT Specialist**"), a wholly-owned subsidiary of the Company, entered into a 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. The duration of the lease is one year with an automatic renewal for a further one year. The rent payable by My ENT Specialist to EDPL in respect of the Farrer Park Property is S\$3,000 per month. During HY2020, the rental payments made by My ENT Specialist to EDPL amounted to S\$18,000.



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**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 SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) in accordance with Rule 720(1) of the Catalist Rules.

**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	330	170
(iii) To expand pharmaceutical services business	200	87	113
(iv) For general working capital requirements <sup>(1)</sup>	1,028	–	1,028
(v) For payment of underwriting and placement commissions as well as listing expenses <sup>(1)</sup>	1,672	1,672	–
(vi) Gross proceeds from IPO	6,400	3,139	3,261

**Note:**

(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.

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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**BY ORDER OF THE BOARD**

BARRY THNG LIP MONG  
Executive Chairman and CEO

13 February 2020

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*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.*