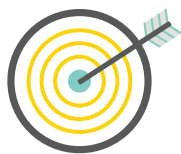




**QUALITY HEALTHCARE  
POWERED BY  
DIGITAL TECHNOLOGY**  
ANNUAL REPORT 2021

# CORPORATE PROFILE



## OUR MISSION

To transform healthcare delivery, making quality care more accessible and affordable to individuals and organisations.



## OUR VISION

Our vision is to become a leading, integrated and reputable healthcare group which is at the forefront of technological innovations within the healthcare industry.

Alliance is a reliable medical brand with both in-house and GP specialist clinics, a healthcare organisation specialising in corporate health solutions, a wholesale pharmaceutical company facilitating timely access of medications to the region, and a progressive healthcare company making quality medical care within reach through mobile and home care service.

As a physician-led and physician-driven healthcare organisation, we know what is important to those who matter to us – our patients. Since our inception, quality healthcare and evidence-based medical treatment for our patients have always been our priorities.

At Alliance, we strive to be a next-generation healthcare company that harnesses the power of technology and to provide cost-effective and efficient services for our patients and corporate clients. We believe that technology-driven business provides us with insights into disease trends and healthcare utilisation, which empower us to help our corporate clients and insurance partners to maximise their returns on their health dollar as well as improve the delivery of healthcare.

Since our establishment in 1994, Alliance has grown from a humble clinic into an integrated healthcare organisation that leverages technology to provide a broad suite of healthcare services primarily in Singapore.

At Alliance, keeping our patients healthy and happy is our top priority.

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This annual report has been reviewed by the Company's sponsor, RHB Bank Berhad, through its Singapore branch ("Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Mr Alvin Soh, Head, Corporate Finance, RHB Bank Berhad, Singapore branch, at 90 Cecil Street #04-00, RHB Bank Building Singapore 069531, Telephone: +65 6320-0627.



# JAGA-ME

Jaga-Me is a mobile health company. Our purpose is to enable patients to obtain healthcare services comfortably and safely, at home or at the workplace, through the use of our digital platform and specialized care management programs.

Harnessing over 500 skilled professionals, including nurses, doctors and caregivers, Jaga-Me partners with providers and insurers in order to help high-cost and high-risk patients navigate the healthcare system.

Jaga-Me counts leading institutions such as SingHealth as some of its key partners, helping patients towards the optimal balance of quality of life and cost of care.



During the year, Jaga-Me has been working closely with public agencies and companies to support the safe and timely reopening of the economy by providing COVID-19 swabs for events and for pre-departure purposes. The company is also one of the three medical providers appointed by the Ministry of Health to spearhead home vaccinations in Singapore.

# HEYALLY

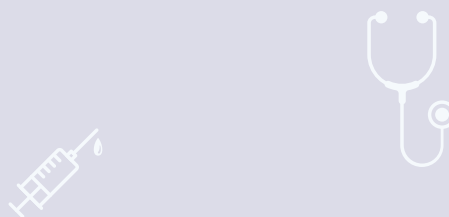
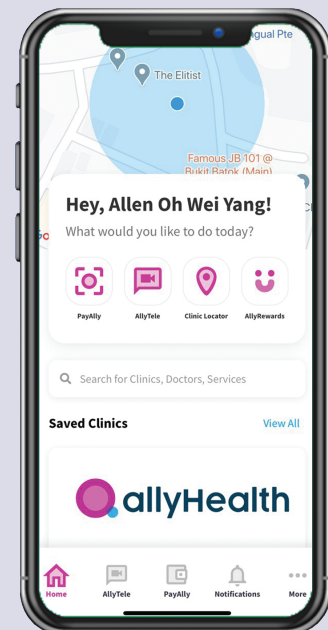
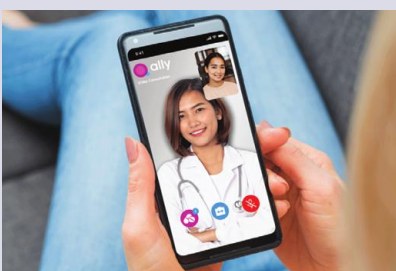


HeyAlly, Alliance proprietary digital health app, provides users access to services such as on-demand medical advice through tele-consultation, second opinion and a comprehensive panel of medical services. It also comes with an online store which provides access to a range of healthcare and wellness solutions.

We have a team of family doctors, medical specialists, dentists and traditional medicine practitioners from over 700 partner clinics to provide medical services at a preferential rate.

We aim to provide quality and affordable healthcare services that echo the lifestyle and needs of our patients.

HeyAlly is available for download on Google Play and the Apple App Store.



# MILESTONE KEY EVENTS

1994



1999

Opened GP clinics in Choa Chu Kang and Woodlands under the "My Family Clinic" name

2000

Opened the 1st GP clinic under the "Serene Family Clinic" name (now known as "My Family Clinic Tanglin Halt").



2005



Incorporation of Alliance Medical to consolidate the businesses and operations of the three clinics under the "My Family Clinic" name and to serve as our platform to grow our brand of primary healthcare services in Singapore.

2006

Incorporation of Alliance Medinet, marking our entry into the managed healthcare solutions business

2008



Incorporation of the holding company, Alliance Healthcare Group.

Appointed by AXA Insurance Pte. Ltd., our first insurance company, to provide them with managed healthcare solutions.

2012



Entered into an agreement with Tan Tock Seng Hospital and National University Health System to provide cashless medical services for insured members or policyholders of insurance companies with whom we have entered into arrangements at their specialist outpatient clinics.



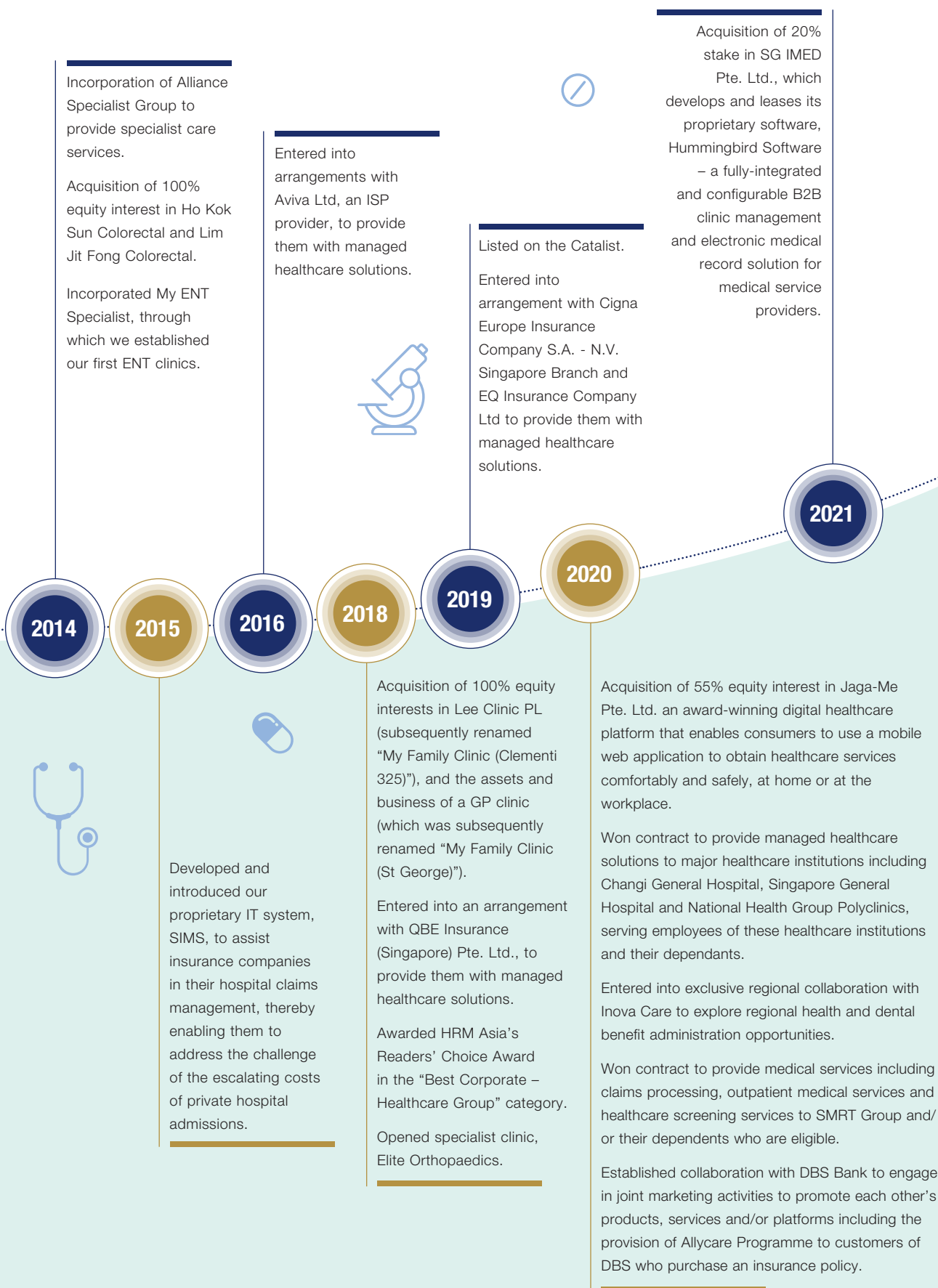
2013

Singapore Health Services (SingHealth) and Khoo Teck Puat Hospital agreed to provide cashless medical services for such insurance companies

Appointed by The Great Eastern Life Assurance Company Limited as their medical network administrator.

Incorporation of Alliance Pharm to undertake the wholesale supply of pharmaceutical products and medical supplies to hospitals, pharmacies and clinics in Singapore

**MILESTONE  
KEY EVENTS**



# CHAIRMAN'S MESSAGE

## Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of Alliance Healthcare Group Limited (“AHG” and together with its subsidiaries, the “Group”) for the financial year ended 30 June 2021 (“FY2021”).

The year tested everyone. People and businesses grappled with a steep decline in global economic activity as lockdowns depressed growth in most industries. In FY2021, our people showed tremendous resilience, responsibility and resolve to support one another. We continued to evolve and innovate during these challenging times, and our strength gave me a lot of confidence about how we will deal with future events.

### FY2021 FINANCIAL REVIEW

While the pandemic has crippled many industries and companies, we continued to navigate this period of heightened uncertainty. The Group has remained profitable for FY2021. Our investments in mobile and digital health services paid off during FY2021, as the segment played a crucial role in Singapore’s fight against COVID-19, turning in a 285.3% year-on-year increase in revenue. The Group’s revenue increased by 8.5% in FY2021 to S\$46.4 million, driven by a rise in sales from the pharmaceutical services and specialist care services business segments and a full-year revenue contribution from the mobile and digital health services business segment. These were partially offset by a decrease in revenue from the GP clinic services business segment, which was affected by a reduction in patient volume because of the COVID-19 pandemic.

The Group’s profit before tax decreased by 21.7% from a year ago to S\$2.3 million in FY2021 mainly due to the adverse impact of COVID-19 on the affected business segments, i.e. GP clinic services business segment and managed healthcare solutions business segment. The Group recorded a net profit and a net profit attributable to owners of S\$2.0 million and S\$1.5 million in FY2021, respectively.

Our mobile and digital health services business segment saw a **285.3% year-on-year increase in Revenue**

**DR. BARRY THNG LIP MONG**  
*Executive Chairman and CEO*

### DIVIDEND

As stated in our Offer Document dated 24 May 2019, we intend to recommend and distribute dividends of not less than 30.0% of our net profits attributable to our shareholders in each financial year ending 30 June 2020 and 30 June 2021. For FY2021, we declared our first and final dividend of 0.23 Singapore cents, representing a payout ratio of 31%.

### FUTURE-READY HEALTHCARE SYSTEM

Even before the COVID-19 crisis, rapid technological change within the healthcare industry is pivotal.

And amid a global pandemic, forced rapid implementation of digital and mobile healthcare into everyday practice. Patients can access teleconsultations for common primary healthcare symptoms and medical advisory, chronic conditions management, and home care services. Telehealth boosts continuity of care, while patients and healthcare staff could remain socially distant in a cost-effective manner.

AHG’s 55% owned subsidiary, Jaga-Me, works closely with public agencies and companies to support the safe and timely reopening of the economy by providing COVID-19 swabs for events and pre-departure purposes. Combining the benefits of telemedicine and mobile healthcare, the team at Jaga-Me has also, through Alliance Healthcare’s digital health platform, HeyAlly, screen our foreign migrant workers for undetected

## CHAIRMAN'S MESSAGE



chronic ailments and manage mild COVID-19 symptoms and provided patient education and reassurance.

In September 2021, the Group acquired a 20% stake in SG IMED Pte. Ltd., which develops and leases their proprietary software, Hummingbird Software, a B2B clinic management and electronic medical record solution for medical service providers such as GPs, specialists, and dentists. Hummingbird Software offers a fully integrated and configurable practice management solution with features including an online appointment system, data analytics, medical billing, pharmacy and inventory modules. The Hummingbird Software will provide the Group with a unified platform allowing medical providers to communicate more effectively, providing better healthcare to patients.

The surge in digital healthcare accelerated the journey towards an intelligent health ecosystem with convenience and speed. With our digital and mobile healthcare platforms through HeyAlly and Jaga-Me, we are confident that we will adapt to the evolution of intelligent healthcare delivery.

### ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I want to thank all our employees and frontline medical personnel for their hard work and contribution over the last year. I would also like to thank our Board of Directors for their invaluable guidance, support and encouragement to management throughout this challenging year.

### BARRY THNG LIP MONG

*Executive Chairman & CEO*

# OPERATIONS AND FINANCIAL REVIEW

## REVIEW OF FINANCIAL PERFORMANCE OF THE GROUP

### REVENUE

Revenue increased by approximately S\$3.6 million or 8.5% from S\$42.8 million in FY2020 to S\$46.4 million in FY2021.

The increase in revenue was mainly attributable to an increase in sales generated by the pharmaceutical services business segment and the specialist care services business segment

as well as the full-year revenue contribution from the mobile and digital health services business segment. These were partially offset by the decrease in revenue from GP clinic services business segment which was affected by a decrease in patient volume largely due to the COVID-19 pandemic. Revenue from managed healthcare solutions business segment in FY2021 was comparable to that reported in FY2020.

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



### (A) MANAGED HEALTHCARE SOLUTIONS

Revenue from managed healthcare solutions amounted to approximately S\$4.9 million, comparable to that reported in FY2020.



### (B) GP CLINIC SERVICES

Revenue from GP clinic services decreased by approximately S\$1.4 million or 9.3% from S\$15.5 million in FY2020 to S\$14.1 million in FY2021, 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 increased by approximately S\$0.9 million or 9.5% from S\$8.9 million in FY2020 to S\$9.8 million in FY2021. This was mainly due to an increase in revenue of S\$1.4 million from the ENT and colorectal clinics which was offset by a decrease in revenue of S\$0.5 million from the orthopaedic clinic.



## OPERATIONS AND FINANCIAL REVIEW

### (D) PHARMACEUTICAL SERVICES

Revenue from pharmaceutical services increased by approximately S\$0.9 million or 7.5% from S\$12.3 million in FY2020 to S\$13.2 million in FY2021. Overseas sales increased by S\$0.5 million and local sales within Singapore increased by S\$0.4 million in FY2021. This 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.



### (E) MOBILE AND DIGITAL HEALTH SERVICES

Revenue from mobile and digital health services increased by approximately S\$3.2 million or 285.3% from S\$1.2 million in FY2020 to S\$4.4 million in FY2021. This was mainly due to increased revenue from Jaga-Me generated from the provision of COVID-19 related medical services, including 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 FY2021 and FY2020.

### OTHER GAINS

Other gains relate to mainly to government grants for Jobs Support Scheme and rental rebates. The amount received in FY2021 was S\$2.1 million, marginally higher than that received in FY2020.

### CONSUMABLES AND MEDICAL SUPPLIES USED

Consumables and medical supplies used mainly relate to the Group's GP clinic services, specialist care services and pharmaceutical services business segments. Consumables and medical supplies increased by approximately S\$1.4 million or 9.4% from S\$14.6 million in FY2020 to S\$16.0 million in FY2021, mainly as a result of an increase in medical supplies of approximately S\$0.7 million for the pharmaceutical services business segment and S\$0.2 million from Jaga-Me in line with the increase in its revenue.

### EMPLOYEE BENEFITS EXPENSE

Employee benefits expense increased by approximately S\$2.6 million or 12.3% from S\$21.1 million in FY2020 to S\$23.7 million in FY2021, mainly attributable to the full year consolidation of Jaga-Me which the Group acquired in January 2020, and an increase in payment to the specialists in line with the increase in profitability of the specialists clinics.

### DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation expense increased by approximately S\$0.5 million or 17.5%, from S\$2.4 million in FY2020 to S\$2.9 million in FY2021, due to the following:

- (a) amortisation of a new proprietary digital platform of Jaga-Me; and
- (b) depreciation of additional rights-of-use assets resulting from tenancy renewals.

### OTHER LOSSES

Other losses were not significant in FY2021 and FY2020.

### FINANCE COSTS

Finance costs remained stable at S\$0.3 million in FY2020 and FY2021.

### OTHER EXPENSES

Other expenses increased marginally by approximately S\$22,000 or 0.7% and amounted to S\$3.4 million in FY2021, mainly due to (i) provision of estimated legal fees and possible

# OPERATIONS AND FINANCIAL REVIEW

penalties of S\$0.3 million relating to the charges concerning a locum doctor; (ii) an increase in computer system maintenance and licensing of S\$0.2 million; (iii) an increase in advertising and marketing expenses of S\$89,000; and (iv) an increase of IT expenses of S\$87,000, which were partially offset by a decrease in rental expenses relating to short-term operating leases of S\$0.4 million.

## PROFIT BEFORE TAX

As a result of the above, profit before tax decreased by approximately S\$0.7 million or 21.7% from S\$3.0 million in FY2020 to S\$2.3 million in FY2021.

## INCOME TAX

The Group incurred an income tax expense of approximately S\$0.3 million in FY2021 compared to an income tax expense of approximately S\$0.4 million in FY2020, in line with lower profit before tax in FY2021.

## 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\$0.8 million from S\$2.3 million in FY2020 to S\$1.5 million in FY2021.

## FINANCIAL PERFORMANCE BY OPERATING SEGMENTS

In FY2021, the managed healthcare solutions, GP clinic services, specialist care services, pharmaceutical services and mobile and digital health services business segments contributed to 10.6%, 30.3%, 21.1%, 28.4% and 9.6% of the Group's revenue, respectively.

In FY2020, the managed healthcare solutions, GP clinic services, specialist care services, pharmaceutical services and mobile and digital health services business segments contributed to 11.4%, 36.3%, 20.9%, 28.7% and 2.7% of the Group's revenue, respectively.

Compared to FY2020, the net profit before tax margins of the GP clinic services, managed healthcare solutions and pharmaceutical services business segments had decreased while the net profit before tax margins of the specialist care services, and the mobile and digital health services business segments had improved. Managed healthcare solutions business segment was loss-making in FY2021 due to the decrease in patient visits since the onset of the COVID-19 pandemic.

The Group's revenue is primarily generated from its operations in Singapore. The revenue generated from overseas mainly relate to its pharmaceutical services business segment. In FY2021, Singapore and overseas markets contributed to approximately 94.2% and 5.8% of the Group's revenue respectively. In FY2020, Singapore and overseas markets contributed to approximately 95.0% and 5.0% of the Group's revenue respectively.

## REVIEW OF FINANCIAL POSITION OF THE GROUP

### NON-CURRENT ASSETS

Non-current assets increased by approximately S\$0.1 million, from S\$15.8 million as at 30 June 2020 to S\$15.9 million as at 30 June 2021 mainly as a result of additions offset by 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\$3.5 million, from S\$29.7 million as at 30 June 2020 to S\$33.2 million as at 30 June 2021 mainly due to an increase in trade and other receivables of approximately S\$3.8 million due to slower repayment from corporations and insurers.

### TOTAL EQUITY

Shareholders' equity increased by S\$0.8 million from S\$19.0 million as at 30 June 2020 to S\$19.8 million as at 30 June 2021 mainly as a result of an increase in retained earnings of S\$0.8 million (net profit attributable to equity holders of the Company of S\$1.5 million, offset by the payment of dividends of S\$0.7 million). Non-controlling interests increased by S\$0.4 million to S\$1.3 million.

### NON-CURRENT LIABILITIES

Non-current liabilities decreased by S\$0.3 million from S\$7.0 million as at 30 June 2020 to S\$6.7 million as at 30 June 2021 mainly due to the net decrease in non-current loans and borrowings of S\$0.5 million, attributable to the repayment of loans, partially offset by the addition of a commercial property loan of S\$368,000 in FY2021.

## OPERATIONS AND FINANCIAL REVIEW

### CURRENT LIABILITIES

Current liabilities increased by S\$2.7 million, from S\$19.2 million as at 30 June 2020 to S\$21.9 million as at 30 June 2021, mainly due to an increase in trade and other payables of S\$2.8 million largely attributable to the managed healthcare solutions business segment.

### REVIEW OF STATEMENT OF CASH FLOW

The Group generated net cash of S\$4.7 million from operating activities in FY2021, mainly due to operating cash flows before changes in the working capital of S\$5.2 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 mainly a result of an increase in trade and other receivables by S\$3.8 million, which was partially offset by an increase in trade and other payables by S\$2.7 million and decrease in inventories by S\$0.6 million.

Net cash flows used in investing activities during FY2021 amounted to S\$0.9 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\$3.4 million during FY2021, mainly due to the payment of lease liabilities of S\$1.7 million, the repayment of bank borrowings of S\$1.0 million and the payment of dividend of S\$0.7 million. These were partially offset by the addition of a commercial property loan drawn down during the year.



#### AllyStore

Comprehensive range of healthcare and wellness services and products



#### AllyTele

Video-consult a health professional from home and have your medication delivered to you



#### Clinic Locator

Locate our partner clinics near you and enjoy member rates



#### AllyNews

Receive latest news and developments on health and wellness



#### PayAlly

Turn your transactions into rewards points and offset future payments



#### Take Q No.

Take a digital queue ticket before arriving clinic



#### Appointments

Minimise waiting time as you plan your doctor's visits ahead



# LIST OF CLINICS



## SPECIALIST CLINICS

### 1 ELITE ORTHOPAEDICS

Mount Elizabeth Medical  
Centre 3 Mount Elizabeth  
#12-10  
Singapore 228510  
Tel: 6836 8000

### 3 LIM JIT FONG COLORECTAL CENTRE

Gleneagles Medical Centre  
6 Napier Rd, #09-09  
Singapore 258499  
Tel: 6476 0181

### 2 HO KOK SUN COLORECTAL

Mount Elizabeth Medical  
Centre 3 Mount Elizabeth  
#12-09  
Singapore 228510  
Tel: 6737 2778

### 4 MY ENT SPECIALIST

Mount Elizabeth Novena  
Specialist Centre  
38 Irrawaddy Road,  
#09-24,  
Singapore 329563

### 5 MY ENT SPECIALIST

Farrer Park Hospital  
1 Farrer Park Station  
Road, #10-20 Connexion,  
Singapore 217562  
Tel: 6397 5280



## GENERAL PRACTITIONER CLINICS

- 1 MY FAMILY CLINIC (ANCHORVALE)**  
Blk 326A Anchorvale Road  
#01-260  
Singapore 541326  
Tel: 6702 3963
- 2 MY FAMILY CLINIC (ANGSANA BREEZE @ YISHUN)**  
Blk 507 Yishun Avenue 4  
#01-05  
Singapore 760507  
Tel: 6753 0178
- 3 MY FAMILY CLINIC (CCK)**  
Blk 475 Choa Chu Kang Ave 3  
#02-01 Sunshine Place  
Singapore 680475  
Tel: 6767 4566
- 4 MY FAMILY CLINIC (CLEMENTI)**  
Blk 420A Clementi Avenue 1  
#01-05 Casa Clementi  
Singapore 121420  
Tel: 6694 2574
- 5 MY FAMILY CLINIC (CLEMENTI 325)**  
Blk 325 Clementi Avenue 5  
#01-139  
Singapore 120325  
Tel: 6778 4608
- 6 MY FAMILY CLINIC (HOUGANG CENTRAL)**  
Blk 804 Hougang Central  
#01-118  
Singapore 530804  
Tel: 6385 2117
- 7 MY FAMILY CLINIC (PN)**  
Blk 638 Jurong West St 61  
#02-09 Pioneer Mall  
Singapore 640638  
Tel: 6861 1182
- 8 MY FAMILY CLINIC (PUNGGOL CENTRAL)**  
Blk 301 Punggol Central  
#01-02  
Singapore 820301  
Tel: 6853 7351
- 9 MY FAMILY CLINIC (RV)**  
11 Rivervale Crescent  
#02-11A Rivervale Mall  
Singapore 545082  
Tel: 6881 1978
- 10 MY FAMILY CLINIC (SEGAR)**  
Blk 485 Segar Road  
#01-508  
Singapore 670485  
Tel: 6710 7269
- 11 MY FAMILY CLINIC (SJ)**  
Blk 628 Senja Road  
#01-04 Senja Grand  
Singapore 670628  
Tel: 6314 0638
- 12 MY FAMILY CLINIC (ST GEORGE)**  
2 St George's Road  
Singapore 328023  
Tel: 6292 2128
- 13 MY FAMILY CLINIC (TH)**  
Blk 46-2 Commonwealth Drive  
#01-372  
Singapore 140462  
Tel: 6473 8920
- 14 MY FAMILY CLINIC (TPY)**  
Blk 79D Toa Payoh Central  
#01-53  
Singapore 314079  
Tel: 6238 0301
- 15 MY FAMILY CLINIC (WD)**  
Blk 768 Woodlands Ave 6  
#02-07 Woodlands Mart  
Singapore 730768  
Tel: 6884 0658
- 16 MY FAMILY CLINIC (WOODLANDS GLEN)**  
Blk 573 Woodlands Drive 16  
#01-09 Woodlands Glen  
Singapore 730573  
Tel: 6732 1520



## CORPORATE CLINICS

- 1 SMRT MEDICAL CLINIC @ WOODLANDS DEPOT**  
60 Woodlands Industrial Park E4  
Singapore 757705  
Tel: 9299 8563
- 2 SMRT MEDICAL CLINIC @ BISHAN DEPOT**  
300 Bishan Road  
Singapore 579828  
Tel: 9139 8667

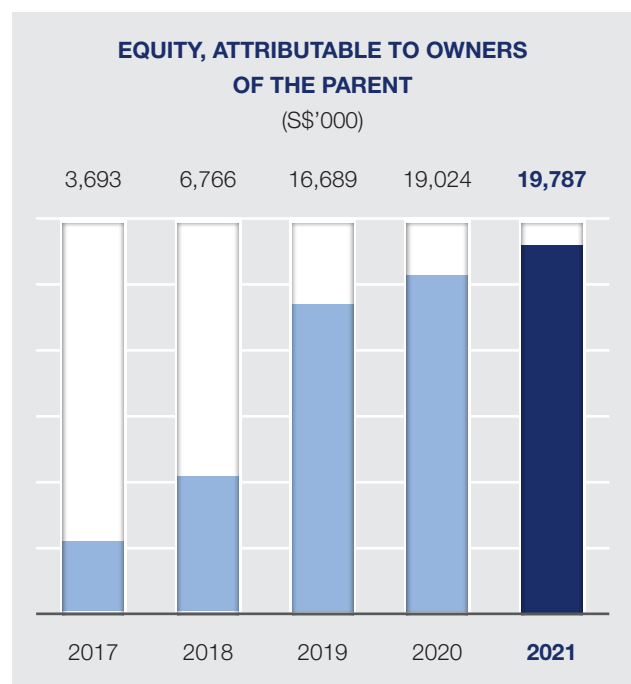
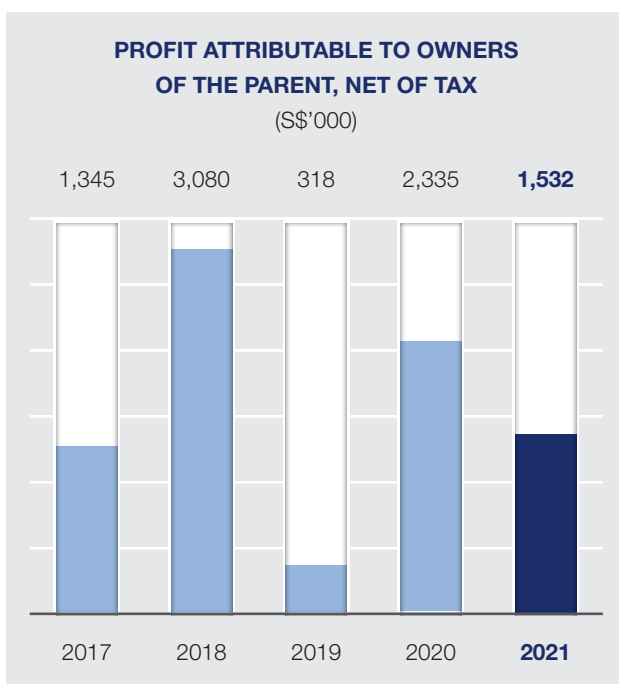
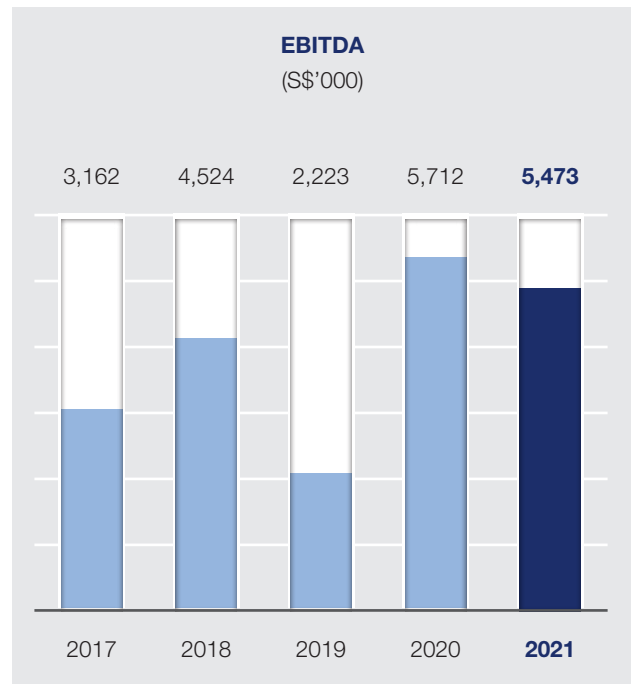
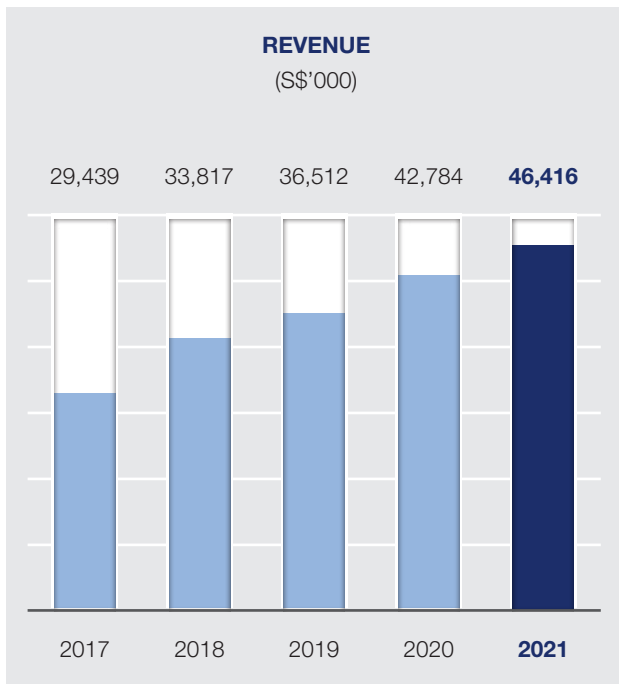
# FINANCIAL HIGHLIGHTS

**REVENUE**  
**46,416** (S\$'000)

**EBITDA<sup>1</sup>**  
**5,473** (S\$'000)

**PROFIT ATTRIBUTABLE TO OWNERS  
OF THE PARENT, NET OF TAX**  
**1,532** (S\$'000)

**EQUITY, ATTRIBUTABLE TO OWNERS  
OF THE PARENT**  
**19,787** (S\$'000)



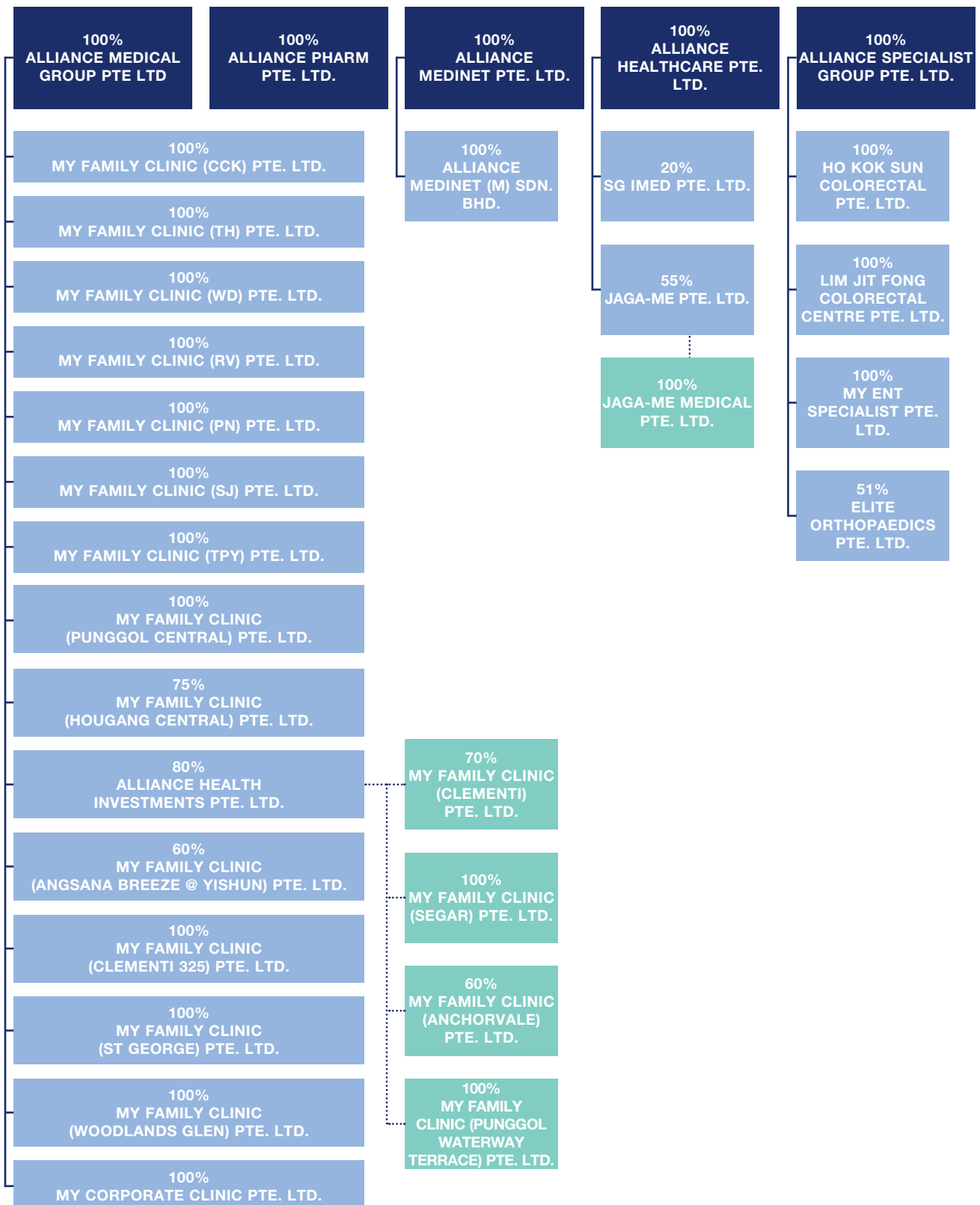
**Note:**

1. EBITDA: Earnings before Interest, Tax, Depreciation and Amortisation.

# CORPORATE STRUCTURE



ALLIANCE HEALTHCARE GROUP LIMITED



# BOARD OF DIRECTORS



## **DR. BARRY THNG LIP MONG**

*Executive Chairman and CEO*

Dr. Barry Thng Lip Mong is our Executive Chairman and CEO and was appointed to our Board on 6 June 2006.

He is a founder of our Group and is responsible for the overall business and strategic direction of our Group. As Head of the GP Clinic Services business segment, Dr. Thng also oversees the strategic direction and day-to-day management of this segment.

Dr. Thng graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery in 1991 and obtained a Master of Medicine (Family Medicine) from the National University of Singapore in 1998. He also received a Graduate Diploma in Family Practice Dermatology from the National University of Singapore in 2000. Dr. Thng has been a fellow of the College of Family Physicians, Singapore and the Academy of Medicine, Singapore since 2002 and 2014, respectively.



## **DR. MOK KAN HWEI, PAUL**

*Executive Director*

Dr. Mok Kan Hwei, Paul is our Executive Director and was appointed to our Board on 28 March 2019.

He assists Dr. Thng with the overall corporate strategy and strategic planning of our Group and oversees the specialist care services business segment of our Group. As Head of the Specialist Care Services business segment, Dr. Mok also oversees the strategic direction and day-to-day management of this segment. Dr. Mok is also the Medical Director of our subsidiary, My ENT Specialist Pte. Ltd..

Dr. Mok graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery in 1991. He obtained a Diploma of Fellowship from the Royal College of Surgeons and Physicians of Glasgow in 1997.



## BOARD OF DIRECTORS

### MR. WONG HIN SUN, EUGENE

Lead Independent Director

Mr. Wong Hin Sun, Eugene is our Lead Independent Director and was appointed to our Board on 28 March 2019.

He founded Sirius Venture Capital Pte. Ltd., a venture investment company, in September 2002, and has been its managing director since its incorporation. He is currently non-executive Chairman of NTUC Learninghub Pte Ltd. He is also non-executive Vice-Chairman of Japan Foods Holding Ltd and independent director of APAC Realty Limited and non-executive director of Jason Marine Group Limited. He sits on the board of Singapore Cruise Centre Pte Ltd.

Mr. Wong graduated from the National University of Singapore with a bachelor of business administration (first-class honours) in 1992, and obtained a master of business administration from the Imperial College of Science, Technology and Medicine at the University of London in 1998. In 2011, Mr Wong completed the Owners President Management Program from the Harvard Business School. He has been qualified as a Chartered Financial Analyst (CFA) since 2001. He is a Fellow of the Singapore Institute of Directors (SID), UK Institute of Directors (IoD), Australia Institute of Company Directors (AICD) and a Chartered Valuer and Appraiser (CVA) of the Institute of Valuers and Appraisers, Singapore.



### MR. LIM HENG CHONG BENNY

Independent Director

Mr. Lim Heng Chong Benny is our Independent Director and was appointed to our Board on 28 March 2019.

Mr. Lim has been in legal practice in Singapore as an Advocate and Solicitor of the Supreme Court of Singapore for more than 20 years. He is currently a partner at Chris Chong & CT Ho LLP where he focuses his practice on fund management and investment advisory matters, financial services regulatory compliance as well as the structuring and establishment of Singapore and offshore funds. His other main areas of practice include corporate finance, mergers and acquisitions, cross-border joint ventures and investments, and regulatory compliance for listed companies and registered charities.

Mr. Lim holds a Bachelor of Laws and a Master of Laws, both from the National University of Singapore.



### DR. LEONG PENG KHEONG ADRIAN FRANCIS

Independent Director

Dr. Leong Peng Kheong Adrian Francis is our Independent Director and was appointed to our Board on 27 February 2019.

Dr. Leong has more than 35 years of experience in the medical industry. He was Chief of the Department of Surgery at the National University Hospital as well as Vice Chairman of the Medical Board. He was also an elected member of the Singapore Medical Council.

Dr. Leong graduated from the National University of Singapore with a Bachelor of Medicine and Bachelor of Surgery in 1983 and obtained a Master of Medicine (Surgery) in 1988.



# KEY MANAGEMENT



## MS. KAREN JI CUIHUA

Chief Financial Officer

Ms Karen Ji joined the Group in August 2021 and is responsible for overseeing the financial matters and corporate affairs of our Group. Ms Karen Ji started her accounting career with Deloitte & Touche LLP and subsequently worked in the internal audit department at Ministry of Health. Prior to joining our Group, she has worked with various SGX listed companies as a chief financial officer.

Ms Karen Ji holds a Bachelor of Science (First Class Honours) in Applied Accounting from Oxford Brookes University. She is a Fellow of the Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

## MS. JENNY OH

Chief Operating Officer

Ms. Jenny Oh joined our Group in January 2019 and oversees and manages the operations of our Group. Prior to joining our Group, she has worked with various insurers holding senior management positions, gaining deep experience in the insurance industry.

Ms. Oh holds a Bachelor of Business from Monash University.



## MS. ONG KAI KOON, KAREN

Head of Managed Healthcare Solutions  
Executive Vice-President of Alliance Medinet

Ms. Ong Kai Koon, Karen has been with our Group since 2017 and is responsible for overseeing our Group's Managed Healthcare business unit and operations. Prior to joining our Group, she was with various corporate solution providers holding senior management position.

Ms. Ong holds a Diploma in Marketing Management from the Management Development Institute of Singapore and a Certificate in Health Insurance Examination from Singapore College of Insurance.

## MR. WONG CHIEN YEH

Head of Pharmaceutical Services

Mr. Wong Chien Yeh has been with our Group since 2008 and is responsible for overseeing the pharmaceutical services business unit of our Group. Prior to joining our Group, Mr. Wong has worked with other pharmacies as well as pharmaceutical trading company.

Mr. Wong is a Registered Pharmacist and holds a Bachelor of Science (Pharmacy) from the National University of Singapore.





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# SUSTAINABILITY REPORT

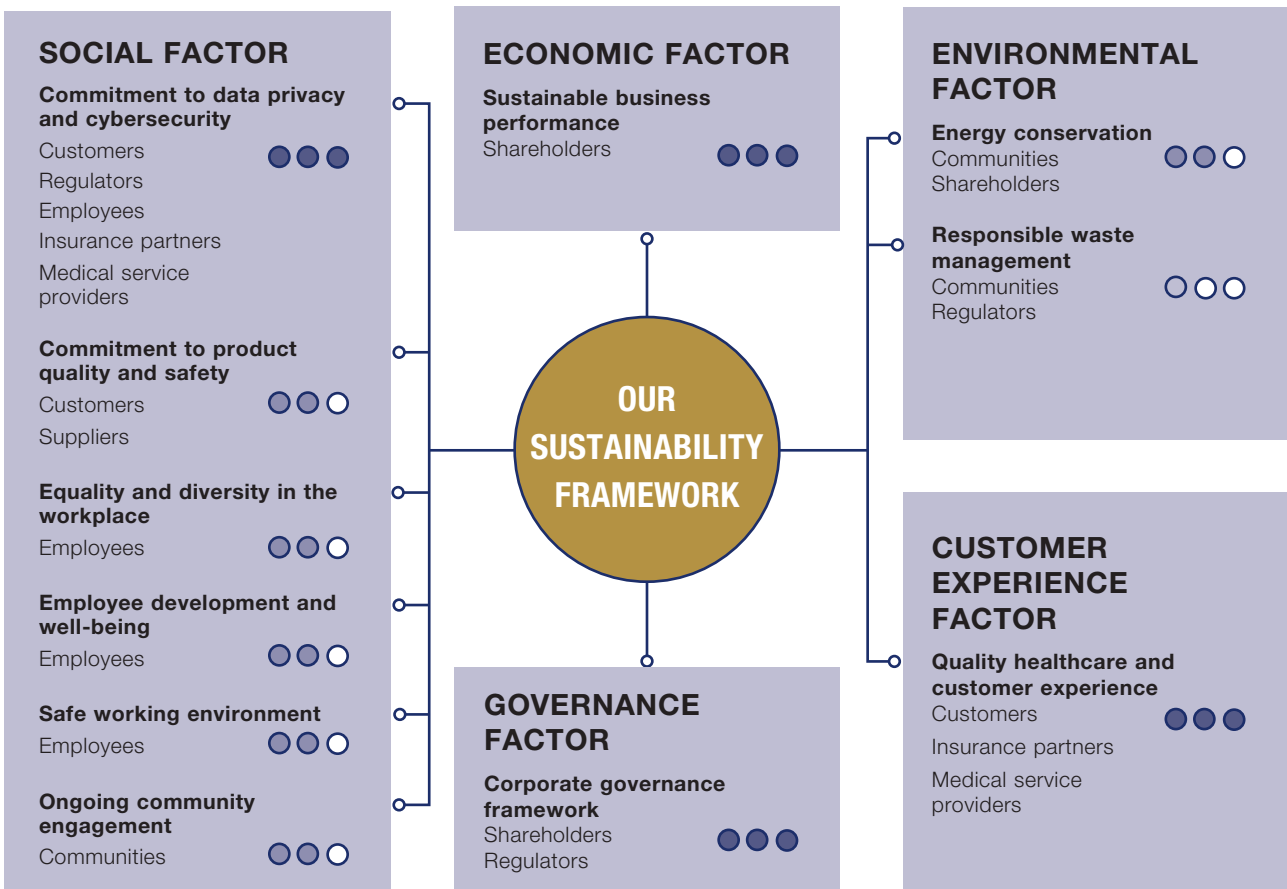
## 1. BOARD STATEMENT

The Board of Directors (“Board”) reaffirms our commitment to sustainability with the publication of our sustainability report (“Report”). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance (“ESG”) factors, economic performance and customer experience (collectively as “Sustainability Factors”).

The Board is committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure a long-term future of the Group. In line with our commitment, the Board having considered sustainability issues as part of its strategic formulation, determined the material Sustainability Factors and overseen the management and monitoring of the material Sustainability Factors.

A sustainability policy (“SR Policy”) covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

Our sustainability framework is supported by our key stakeholders, comprising customers, insurance partners, employees, communities, regulators, shareholders, medical service providers and suppliers. We work closely with stakeholders in our value chain and their input drives our sustainability focus on the material Sustainability Factors as follows.



Reporting priority<sup>1</sup>  
 ●●● High      ●●○ Medium      ●○○ Low

<sup>1</sup> Reporting priority refers to the ranking assigned to each Sustainability Factor based on the level of concern to stakeholders and the significance of our impacts on the economy, environment and society. Refer to section 7.3 for further details.

# SUSTAINABILITY REPORT

A summary of our key sustainability performance in FY2021 is as follows:

Sustainability factor	Performance indicator	Sustainability performance	
		FY2021	FY2020
Customer experience	Negative customer feedback rate	<b>Less than 1%</b>	Less than 1%
Economic	Tax to government	<b>S\$0.34 million</b>	S\$0.40 million
	Salaries to employees	<b>S\$23.68 million</b>	S\$21.09 million
	Dividend paid to shareholders	<b>S\$0.71 million<sup>2</sup></b>	–
	Reinvestment via retained profit	<b>S\$0.82 million</b>	S\$2.33 million
Environmental	Energy consumption (kWh)	<b>443,073</b>	441,867
	Number of non-compliance incident with environmental laws and/or regulations	–	–
Social	Number of substantiated complaint concerning breaches of customer privacy and loss of customer data	–	–
	Number of reported incident of unlawful discrimination against employees	–	–
Governance	Number of complaint on serious offence	–	–

As individuals have been adhering to directives such as social distancing during the Coronavirus disease 2019 (“COVID-19” or “Pandemic”), we expect to see an accelerated adoption and increased utilisation of technology in all avenues of healthcare services and these trends will continue beyond the Pandemic. Our mobile healthcare subsidiary, Jaga-Me has accelerated our digital transformation and has been delivering patient-centric care while reducing costs and saving time. Jaga-Me has been playing a role in providing COVID-19 related medical services, being one of the medical providers appointed by the Ministry of Health to administer home vaccinations and home COVID-19 swab tests. This is an affirmation that the focus to expand our mobile and digital healthcare segment is in the right direction. We believe that digitalisation and information technology will play an increasingly vital role in the healthcare sector, and will continue to explore new avenues in this segment to improve and innovate our business.

We have detailed the measures taken to address the impact of COVID-19 in the relevant sections of this Report.

## 2. REPORTING FRAMEWORK

This Report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option and published pursuant to 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited. We have chosen to report using GRI Standards: Core option as it is an internationally recognised reporting framework. The GRI content index can be found in Section 10 of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015 (“UN Sustainability Agenda”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (“SDGs” or “Global Goals”), which form an urgent call for action by all countries – developed and developing – in a global partnership. We have incorporated the SDGs, where applicable, as a supporting framework to shape and guide our sustainability strategy.

<sup>2</sup> Dividend paid to shareholders comprises the first and final dividend paid in respect of dividend declared in the preceding financial year. No comparative data is presented as the first dividend post our initial public offer was proposed in FY2020.

# SUSTAINABILITY REPORT

## 3. REPORTING PERIOD AND SCOPE

This Report is applicable for our financial year from 1 July 2020 to 30 June 2021 (“FY2021” or “Reporting Period”). A sustainability report will be published annually in accordance with our SR Policy.

This Report covers the following business segments within the Group which contributed to all of our revenue for the Reporting Period:

- General Practitioner (“GP”) clinic services;
- Specialist care services;
- Pharmaceutical services;
- Managed healthcare solutions; and
- Mobile and digital health services.

## 4. FEEDBACK

We welcome feedback from all stakeholders on this Report and a dedicated feedback form has been set up for this purpose (“SR Feedback Form”). The SR Feedback Form can be found at <https://www.alliancehealthcare.com.sg/investor-relations/>. Alternatively, you may send the related questions, comments or suggestions to our investor relations email account: [investor.relations@alliancehealthcare.com.sg](mailto:investor.relations@alliancehealthcare.com.sg).

## 5. OUR BUSINESS

GP clinic services and Specialist care services



Procure medicines and medical devices from both local and overseas suppliers

GP clinic  
Provision of individual and workplace healthcare medical services by general practitioners under the name of My Family Clinics

Specialist care  
Provision of medical diagnosis and medical or surgical treatments of colorectal, ear nose throat (“ENT”) and orthopaedic conditions

Customers comprise individuals and corporate clients

# SUSTAINABILITY REPORT

## Pharmaceutical services



**Suppliers**

Procure medicines, health supplements and medical devices from both local and overseas suppliers



**Operations**

Wholesale of pharmaceutical products and medical devices



**Customers**

Customers comprise clinics, hospitals, pharmacies and drug manufacturers

## Managed healthcare solutions



**Suppliers or service providers**

Recruit and manage panel clinics



**Operations**

Establish a network of medical service providers to provide corporate healthcare solutions and third-party administration



**Customers**

Customers comprise corporate clients and insurance partners

## Mobile and digital health services



**Suppliers or service providers**

Source for mobile, digital healthcare, nursing service providers and medicines



**Operations**

Provision of telemedicine consultations, home-based nursing and medical services and sale of healthcare packages and products



**Customers**

Customers comprise individuals and corporate customers

# SUSTAINABILITY REPORT

## 6. STAKEHOLDER ENGAGEMENT

Through an internal stakeholder mapping exercise, we identified key stakeholder groups which we prioritise our engagements with. These include entities or individuals that can reasonably be expected to be significantly affected by our activities, products or services and whose actions can reasonably be expected to affect our ability to implement our strategies to achieve our objectives.

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which comprise communities, customers comprising patients and corporate clients, employees, insurance partners, medical service providers, regulators, shareholders and suppliers. Key stakeholders are determined for each material Sustainability Factor identified, based on the extent of which they can affect or are affected by our operations.

We actively engage our key stakeholders through the following channels:

S/N	Key stakeholder	Engagement channel	Frequency of engagement	Key topics raised
1	Communities	Community campaigns	Ongoing	<ul style="list-style-type: none"> <li>■ Social inclusion</li> <li>■ Environmental compliance</li> </ul>
2	Customers comprising patients and corporate clients	<ul style="list-style-type: none"> <li>■ Face-to-face care</li> <li>■ Phone calls</li> <li>■ Website</li> <li>■ Survey form</li> <li>■ Site visits and meetings</li> <li>■ Emails</li> </ul>	Daily	<ul style="list-style-type: none"> <li>■ Quality patient care</li> <li>■ Wide selection of professional and reliable medical services providers</li> <li>■ Clean and safe environment</li> <li>■ Good customer service</li> <li>■ Prompt response for enquiries and feedback</li> </ul>
3	Employees	<ul style="list-style-type: none"> <li>■ Staff assessments</li> </ul>	Yearly	<ul style="list-style-type: none"> <li>■ Equal employment opportunity</li> <li>■ Workplace safety and health</li> <li>■ Job security and remuneration</li> </ul>
		<ul style="list-style-type: none"> <li>■ Emails</li> <li>■ Staff meetings</li> </ul>	Daily	
4	Insurance partners	<ul style="list-style-type: none"> <li>■ Site visits and meetings</li> <li>■ Phone calls</li> <li>■ Emails</li> </ul>	Daily	<ul style="list-style-type: none"> <li>■ Quality patient care</li> <li>■ Good customer service</li> <li>■ Timely and accurate claim processing</li> <li>■ Prompt response for enquiries and feedback</li> </ul>
5	Medical service providers	<ul style="list-style-type: none"> <li>■ Site visits and meetings</li> <li>■ Phone calls</li> <li>■ Emails</li> </ul>	Daily	<ul style="list-style-type: none"> <li>■ Good customer service</li> <li>■ Timely and accurate claim processing</li> <li>■ Prompt response for enquiries and feedback</li> </ul>
6	Regulators	Consultations and briefings organised by key regulatory bodies	As and when required	Corporate governance
7	Shareholders	<ul style="list-style-type: none"> <li>■ Group annual report</li> <li>■ Annual General Meeting</li> <li>■ SR Feedback Form</li> </ul>	Annually	<ul style="list-style-type: none"> <li>■ Sustainable business performance</li> <li>■ Market valuation</li> <li>■ Dividend payment</li> <li>■ Corporate governance</li> </ul>
		<ul style="list-style-type: none"> <li>■ Group result announcements</li> </ul>	Half-yearly	
8	Suppliers	<ul style="list-style-type: none"> <li>■ Site visits and meetings</li> <li>■ Phone calls</li> <li>■ Emails</li> </ul>	Daily	Demand volatility (applicable for pharmaceutical services)

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

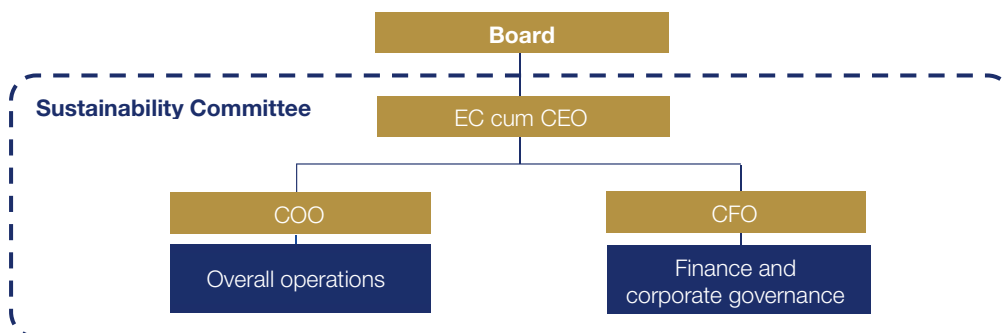


# SUSTAINABILITY REPORT

## 7. POLICY, PRACTICE AND PERFORMANCE REPORTING

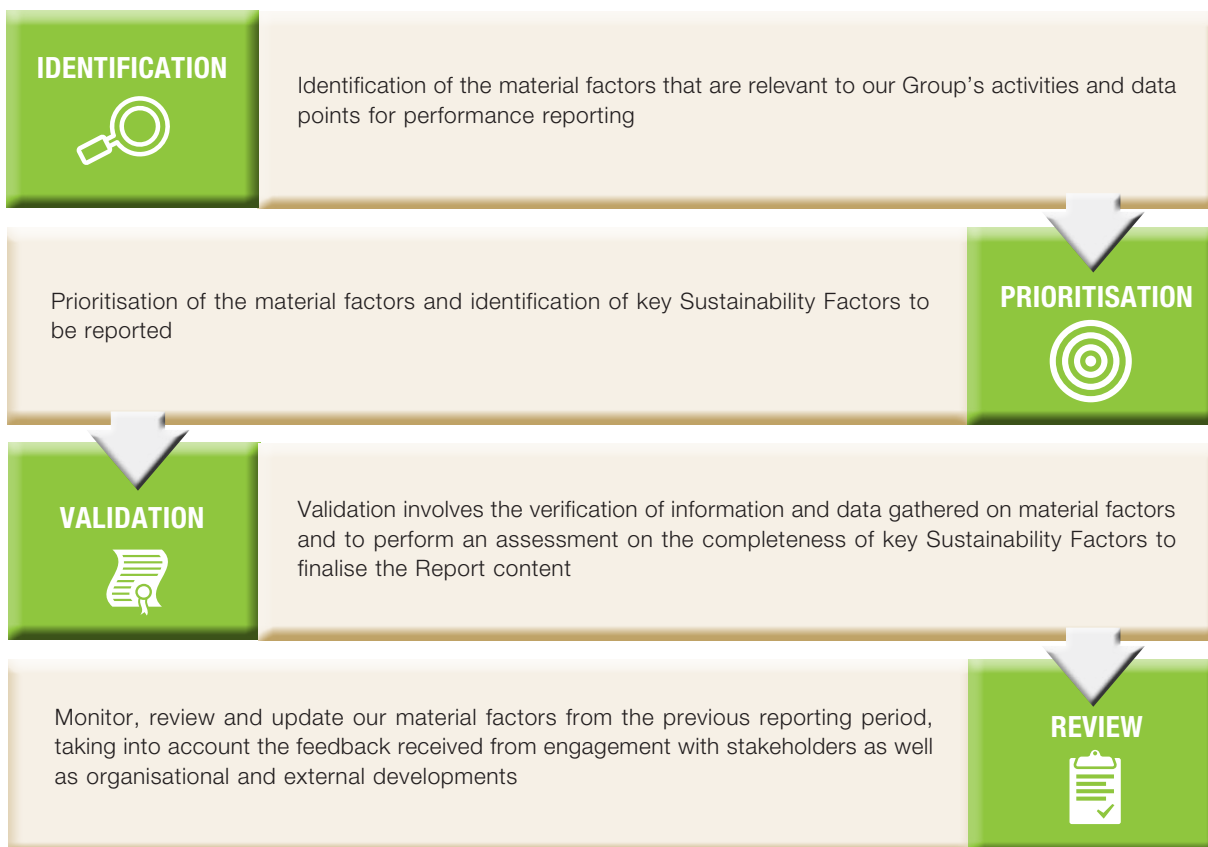
### 7.1 Reporting structure

Our sustainability strategy is developed and directed by the senior management in consultation with the Board. The Group’s Sustainability Committee, which includes senior management executives, is led by the Executive Chairman cum Chief Executive Officer (“CEO”) and tasked to develop the sustainability strategy, review our material impacts, consider stakeholder priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Report. The Group’s Sustainability Committee comprises our Executive Chairman cum CEO (“EC cum CEO”), Chief Operating Officer (“COO”) and Chief Financial Officer (“CFO”).



### 7.2 Sustainability reporting processes

Under our SR policy, our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised as material factors which are then validated. The end result of this process is a list of material Sustainability Factors disclosed in this Report. Processes involved are as shown in the chart below:



# SUSTAINABILITY REPORT

## 7.3 Materiality assessment

Under our SR Policy, each Sustainability Factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting priority	Description	Criteria
● ● ●	High	Factors with high reporting priority are reported on in detail.
● ● ○	Medium	Factors with medium reporting priority are considered for inclusion in the Report. They may not be included in this Report if not material.
○ ○ ○	Low	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. They are not included in this Report if not material.

The reporting priority is supported by a material factor matrix which considers the level of concern to stakeholders ("Stakeholders' Concern") and significance of our impacts on the economy, environment and society ("Business Impact").

## 7.4 Performance tracking and reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points (i.e. the information source of the relevant factor) and measuring them. In addition, performance targets that are aligned with our strategy will be set to ensure that we maintain the right course in our path to sustainability. We also consistently enhance our performance-monitoring processes and improve our data capturing systems.

## 8. MATERIAL FACTORS

Our materiality assessment performed for FY2021 involved our senior management in identifying Sustainability Factors deemed material to our businesses and our stakeholders so as to allow us to channel our resources judiciously to create sustainable value for our stakeholders.

Presented below are a list of material Sustainability Factors and material factor matrix applicable to the Group:

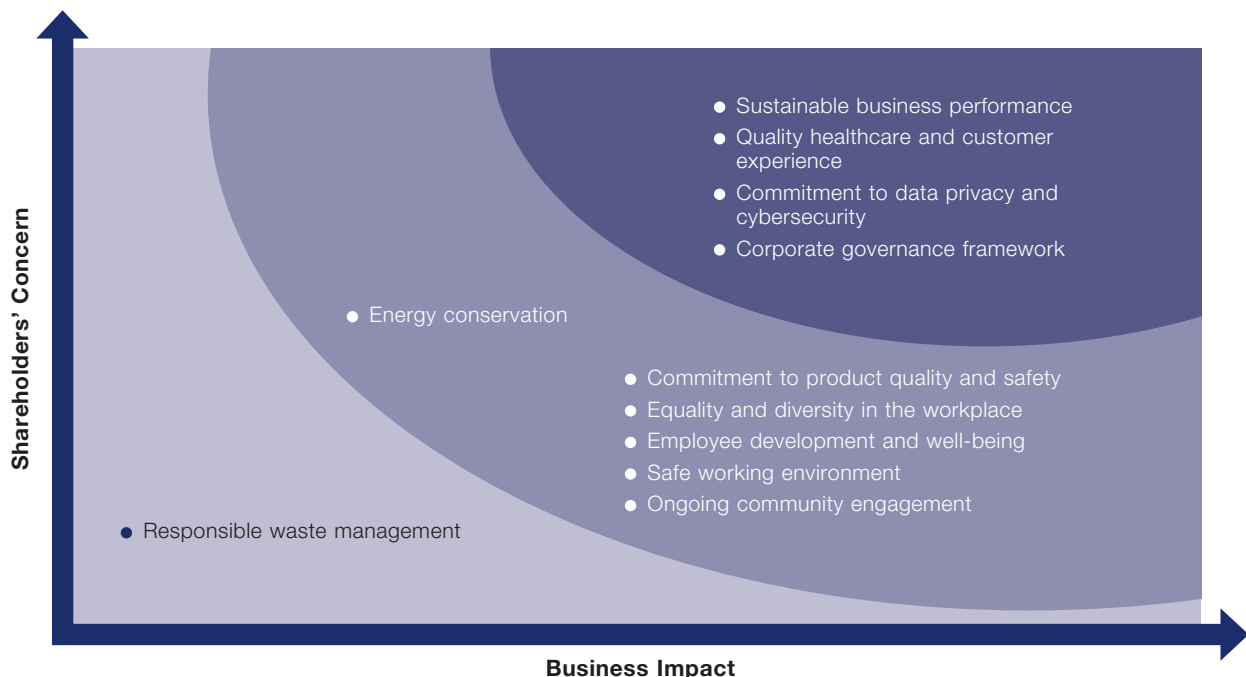
S/N	Material Sustainability Factor	SDG	Reporting priority	Key stakeholder
<b>Customer experience</b>				
1	Quality healthcare and customer experience	Decent work and economic growth	● ● ●	<ul style="list-style-type: none"> <li>■ Customers</li> <li>■ Insurance partners</li> <li>■ Medical service providers</li> </ul>
<b>Economic</b>				
2	Sustainable business performance	Decent work and economic growth	● ● ●	Shareholders
<b>Environmental</b>				
3	Energy conservation	Affordable and clean energy	● ● ○	<ul style="list-style-type: none"> <li>■ Communities</li> <li>■ Shareholders</li> </ul>
4	Responsible waste management	Responsible consumption and production	○ ○ ○	<ul style="list-style-type: none"> <li>■ Communities</li> <li>■ Regulators</li> </ul>

# SUSTAINABILITY REPORT

S/N	Material Sustainability Factor	SDG	Reporting priority	Key stakeholder
<b>Social</b>				
5	Commitment to data privacy and cybersecurity	Peace, justice and strong institutions	● ● ●	<ul style="list-style-type: none"> <li>■ Customers</li> <li>■ Regulators</li> <li>■ Employees</li> <li>■ Insurance partners</li> <li>■ Medical service providers</li> </ul>
6	Commitment to product quality and safety	Peace, justice and strong institutions	● ● ○	<ul style="list-style-type: none"> <li>■ Customers</li> <li>■ Suppliers</li> </ul>
7	Equality and diversity in the workplace	Reduced inequalities	● ● ○	Employees
8	Employee development and well-being	Quality education	● ● ○	Employees
9	Safe working environment	Good health and well-being	● ● ○	Employees
10	Ongoing community engagement	–	● ● ○	Communities
<b>Governance</b>				
11	Corporate governance framework	Peace, justice and strong institutions	● ● ●	<ul style="list-style-type: none"> <li>■ Shareholders</li> <li>■ Regulators</li> </ul>

Material factor matrix

We will update the Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholder’s feedback and sustainability trends. The details of each material Sustainability Factor are presented as follows:



Legend for reporting priority

- High
- Medium
- Low

# SUSTAINABILITY REPORT

## 8.1 Quality healthcare and customer experience

Our mission is to transform healthcare delivery, make quality care more accessible and affordable to individuals and organisations. We adopt the following strategies to fulfil this mission:

### Continuous innovation to deliver healthcare solutions

Information technology (“IT”) is widely adopted within the Group to deliver service offering to patients and corporate clients in a more efficient and cost-effective manner as follows:

- Our managed healthcare solutions segment is supported by various proprietary IT systems, including MEDINET, Specialist Inpatient Management System (“SIMS”), Specialist Appointment Request System (“ARS”) and our mobile application, Alliance iCare (collectively referred to as “Medinet IT Platforms”). These Medinet IT Platforms enable the provision of end-to-end seamless healthcare solutions to our stakeholders comprising corporations, their employees, insurance companies and medical services providers.
- Our subsidiary, Jaga-Me, operates a proprietary digital platform that allow consumers to use a mobile web application to schedule and pay for clinical services, medical equipment and consumables. The digital platform also allows a network of over 500 licensed healthcare professionals to collaborate remotely with Jaga-Me by providing secured access to health data, clinical reports and clinical workflows, in order to deliver personalised care to multiple patients simultaneously, nation-wide.
- Our ongoing AllyCare programme is delivered through HeyAlly mobile application which provides patient access to medical care for acute and chronic conditions, medical advisory and second medical opinion through telemedicine. Should the patients require a face-to-face consultation at the clinic, the patients can get access to Alliance Healthcare network easily by locating it through HeyAlly application. What made our telemedicine unique is, it supports telecollaboration for us to provide good chronic disease care management by our doctors and nurse practitioners through both physical and teleconsultation. Against the backdrop of the Pandemic, the HeyAlly application enables patients to access quality healthcare in the comfort and safety of their own homes without being exposed to the risk of infections at the clinics.

### Harnessing synergies between business units to deliver affordable healthcare services

With our capability in sourcing and distribution under the pharmaceutical service business, we are able to secure products at market-competitive prices and thus provide affordable healthcare services to the patients of our GP Clinics and Specialist Care Services segments.

For our insurance partners and corporate clients, synergies between the managed healthcare solutions segment and Jaga-Me have resulted in differentiated and cost-effective solutions for medical needs such as hospitalisation, critical illness care, and chronic care – further strengthening our product portfolio and competitive advantage in an environment where patients are demanding higher level of convenience and personalisation through smartphone technology.

### Provide a wide and diverse network of service providers for our patients and corporate clients

As one of the major players in the managed healthcare industry, we are consistently increasing the number of medical services providers and broadening our suite of medical specialties.

The acquisition of Jaga-Me added a network of over 500 licensed healthcare professionals, with the majority of these professionals being registered nurses, complemented by therapists and certified caregivers.

The collaboration with Inova Care is a significant milestone in our aspiration to provide customers with a wide and extensive network coverage for cashless treatments at over 1,000 clinics in Singapore as well as over 5,000 medical facilities in Southeast Asia.

We own and operate an established network of 16 GP Clinics and 2 corporate clinics in Singapore and is considered one of the largest chain of family clinics operating in the heartlands<sup>3</sup> of Singapore. In addition, we also own and operate five clinics in Singapore providing Specialist Care Services in the specialities of orthopaedic care, colorectal, ear, nose and throat.

<sup>3</sup> Heartlands in Singapore generally refer to public residential estates

# SUSTAINABILITY REPORT

## Proactively gather feedback to enhance service quality

In line with our commitment to continuously enhance service quality, we aim to respond positively and improve our processes from feedback provided by our customers. Key related initiatives which we have taken are as follows:

- For our clinic services, we have put in place procedures and guidelines for incident reporting and response plan of incidents such as complaints received from patients during our medical operations. Feedback from our patients is collated and evaluated by our service quality team;
- For our mobile and digital health services, we conducted surveys with customers who used our telemedicine services to understand their experience with the health professionals and delivery of medications; and
- For our managed healthcare solutions, we collaborated with our insurance partners to conduct surveys to understand our customers' expectations. A panel relations team is in place to review and monitor the clinical quality and service quality of our panel of medical services providers, conducts service audits and investigates complaints made.

During the Reporting Period, we have successfully maintained a negative customer rate of less than 1% (FY2020: less than 1%) for mobile and digital health services and managed healthcare solutions.

## Emphasis on customer health and safety

With rising concerns over customer health and safety during the Pandemic, we have put in place safe work procedures to uphold hygiene standards and comply with the safe management measures. We have stepped up on the following measures at our premises:

- Daily temperature screening of visitors;
- Regular disinfection of common spaces and equipment;
- Provision of hand sanitisers at common touch points;
- Safe distancing measures; and
- Contact tracing for visitors and employees.

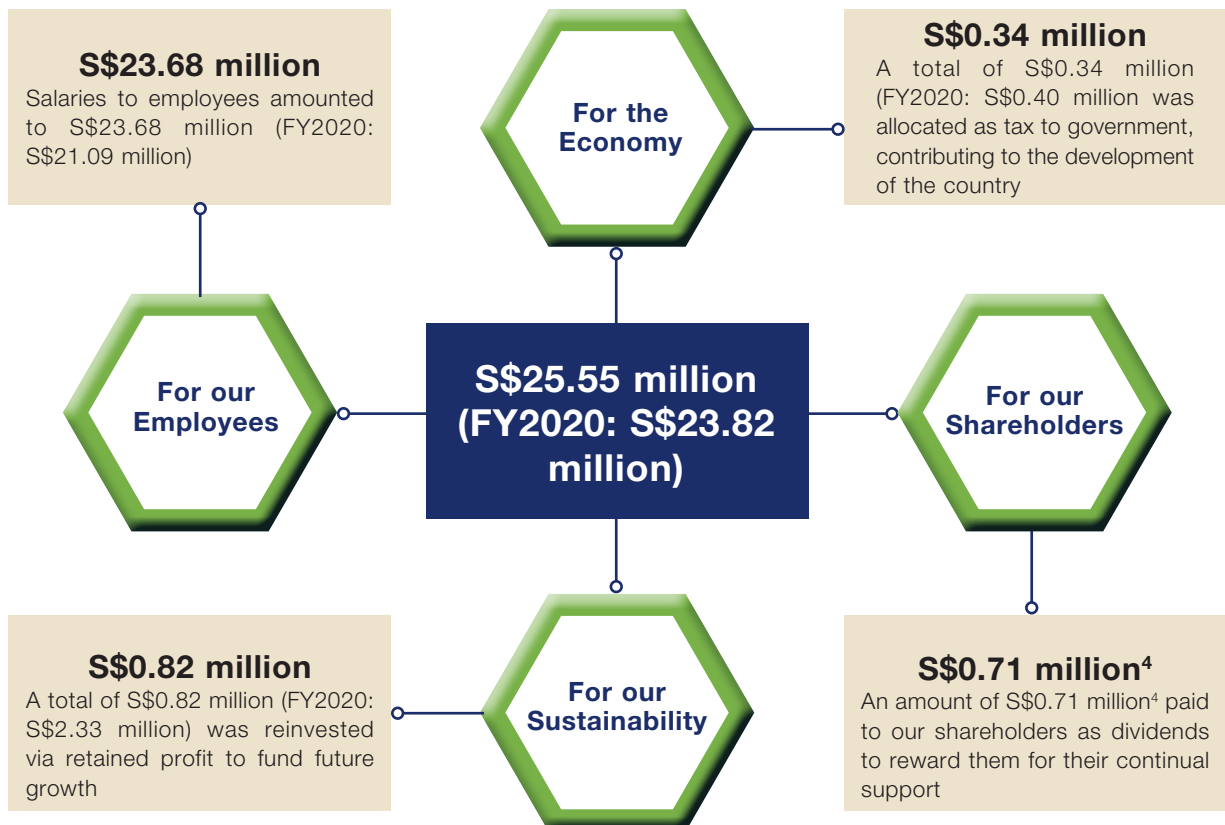
Target for FY2021	Performance in FY2021	Target for FY2022
Maintain or improve market presence subject to market conditions	Target met as follows: No material changes in our market presence	Maintain or improve market presence subject to market conditions

# SUSTAINABILITY REPORT

## 8.2 Sustainable business performance

We believe in creating long-term economic value for our shareholders whilst maintaining a healthy balance sheet for our sustainability.

Despite the negative impact of the Pandemic, we are able to provide value for various stakeholders through relevant and meaningful ways. Value created in FY2021 is distributed as follows to enable a more sustainable future:



To address the impact from the Pandemic, we have taken measures to be more cost efficient in the conduct of our business.

Details of the Group's economic performance can be found in the financial contents and audited financial statements of this Annual Report.

Target for FY2021	Performance in FY2021	Target for FY2022
Improve or maintain our financial performance subject to market conditions	Target met as follows: Total economic value provided increased from previous financial year	Improve or maintain total economic value provided subject to market conditions

<sup>4</sup> Dividend paid to shareholders comprises the first and final dividend paid in respect of dividend declared in the preceding financial year. No comparative data is presented as the first dividend post our initial public offer was proposed in FY2020.

# SUSTAINABILITY REPORT

## 8.3 Energy conservation

To run our operations, we rely on electricity to operate essential equipment such as medical equipment, refrigerator, lighting and air conditioning in our clinics, warehouse and offices.

Key statistics on electricity consumption during the Reporting Period are as follows:

Energy	Energy consumption (kWh)	
	FY2021	FY2020
Electricity	443,073	441,867

We track and review spending on energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns. We constantly remind our staff on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use and enabling power saving modes.

Target for FY2021	Performance in FY2021	Target for FY2022
— <sup>5</sup>	Total electricity consumption increased slightly mainly due to additional office and storage space added during the Reporting Period	Maintain or reduce energy consumption rate

## 8.4 Responsible waste management

We believe that responsible waste management helps to preserve the environment in which we operate in. Accordingly, we are committed to improve the management of waste generated in operations.

Our businesses are subject to various environmental laws and regulations on proper disposal of medical waste. We have established internal policies and implemented systems designed to comply with such requirements, including guidelines in relation to the handling of equipment, needle-sticks, sharp objects and medical wastes.

During the Reporting Period, all of our biohazard waste is disposed by licensed waste collectors and there is no reported non-compliance incident with environmental laws and/or regulations which resulted in significant monetary fines<sup>6</sup>, non-monetary sanctions or cases brought through dispute resolution mechanisms for non-compliance (FY2020: zero incident).

Target for FY2021	Performance in FY2021	Target for FY2022
Maintain zero incident of non-compliance incident with environmental laws and/or regulations which resulted in significant monetary fines, non-monetary sanctions or cases brought through dispute resolution mechanisms for non-compliance	Target met as follows: Maintained zero incident of non-compliance incident with environmental laws and/or regulations which resulted in significant monetary fines, non-monetary sanctions or cases brought through dispute resolution mechanisms for non-compliance	Maintain zero incident of non-compliance incident with environmental laws and/or regulations which resulted in significant monetary fines, non-monetary sanctions or cases brought through dispute resolution mechanisms for non-compliance

<sup>5</sup> Not applicable as this is a newly disclosed sustainability factor added in this Report.

<sup>6</sup> Significant monetary fines refer to those in excess of S\$10,000.

# SUSTAINABILITY REPORT

## 8.5 Commitment to data privacy and cybersecurity

Data privacy is of utmost importance to us as our business is required to handle, store and manage personal information pertaining to our patients, as well as transmit personal, confidential and proprietary information, such as customers' credit card details, over public networks.

In Singapore, we are required to abide by the Personal Data Protection Act ("PDPA"), which comprises various rules governing collection, use, disclosure and care of personal information.

We adopt the following strategies to protect personal information:

### Proactive management of personal data

In line with our commitment to data privacy, we have implemented the following measures:

- Set up internal rules requiring our employees to maintain strict confidentiality of medical and personal information gathered in the course of our operations; and
- The email address of our data protection officer is published on the Company's website to provide an avenue for reporting data breaches and answering of enquiries, as well as for updating and deleting personal data.

### Implement cybersecurity measures to protect our data

To protect our proprietary platforms and safeguard customer privacy, all our proprietary IT systems are developed based on a three-tier infrastructure, with each tier equipped with its own firewall protocols and antivirus software. Third party access to our network is protected by cybersecurity controls which include intrusion detection and protection measures such as IP whitelisting. On a regular basis, we also conduct patch management based on the updates provided by our external IT system vendors. Our sensitive data is stored at an external data centre maintained by a reputable service provider.

During the Reporting Period, there are no reported substantiated complaints<sup>7</sup> concerning breaches of data privacy and losses of personal data (FY2020: zero).

Target for FY2021	Performance in FY2021	Target for FY2022
Maintain zero incident of substantiated complaint concerning breaches of data privacy and losses of personal data	Target met as follows: Maintained zero incident of substantiated complaint concerning breaches of customer privacy and loss of customer data	Maintain zero incident of substantiated complaint concerning breaches of data privacy and losses of personal data

## 8.6 Commitment to product quality and safety

We are committed to deliver quality and safe products to our customers as we distribute pharmaceutical products to hospitals, pharmacies and clinics in Singapore and other overseas markets under our pharmaceutical services segment.

Key measures adopted to manage product quality and safety are as follows:

### Adoption of market standards

We operate under a wholesaler's license issued by Health Science Authority ("HSA") under the Health Product Act. As a licensed wholesaler, we are required to ensure all our health products distributed in Singapore meet the required standards on safety, quality and efficacy. To meet the required standards, we have implemented a quality management system that is designed to meet the requirements of the Guidance Notes on Good Distribution Practice (the "Guidance Notes") issued by the HSA to ensure that our products are properly stored, handled and transported.

<sup>7</sup> A substantiated complaint refers to a complaint that has been investigated by the Personal Data Protection Commission and violation of regulations has been established.



# SUSTAINABILITY REPORT

## Implementation of standard operating procedures

We have also put in place stringent procedures to ensure that the products are properly handled, stored, transported and in compliance with the requirements of the HSA.

Target for FY2021	Performance in FY2021	Target for FY2022
Maintain our wholesaler’s license issued by the HSA	Target met as follows: Maintained our wholesaler’s license issued by the HSA	Maintain our wholesaler’s license issued by the HSA

### 8.7 Equality and diversity in the workplace

To develop our people, we strive to provide a work environment that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender and age. Accordingly, we are committed to the goals of diversity and equal opportunity in employment. The total number of full-time employees in the Group as at 30 June 2021 is 225 (FY2020: 201).

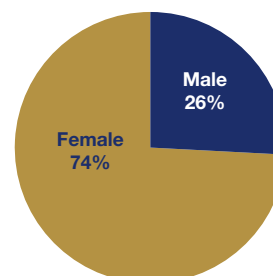
For gender diversity, 74% (FY2020: 76%) of our workforce is made up of female employees whilst the percentage of female managers is approximately 40% (FY2020: 41%) of total managers.

Matured workers are valued in the Group for their experience, knowledge and skills. As at 30 June 2021, 36% (FY2020: 38%) of our workforce is at least 40 years old.

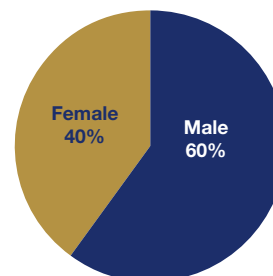
To promote equal opportunity, we established various human resource related processes as follows:

- A human resource policy is in place to select employees based on merit and competency;
- A code of business conduct policy and respectful workplace policy are in place to foster an environment with mutual respect and inclusiveness;
- Staff recruitment advertisements do not state age, race, gender or religion preferences as requirement; and
- Staff assessment is performed regularly to evaluate the performance of employees and their remuneration is adjusted where justifiable.

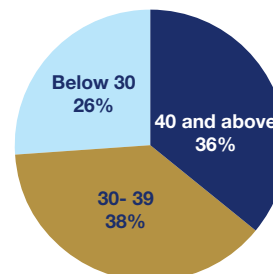
#### Gender diversity (full-time employees)



#### Gender diversity (managers)



#### Age diversity (full-time employees)



# SUSTAINABILITY REPORT

As at 30 June 2021, we have no (FY2020: zero) reported incident of unlawful discrimination against employees.

Target for FY2021	Performance in FY2021	Target for FY2022
Move towards a more balanced or maintain existing gender and age diversity ratios	Target met as follows: No material changes in the gender and age diversity ratios	Maintain zero reported incident of unlawful discrimination against employees

## 8.8 Employee development and well-being

We place a high priority on the competency development of our employees as we believe that well trained employees are vital to the long-term success of any business.

Under the Continuing Medical Education Programme administered by the Singapore Medical Council (of which we are an accredited member), medical practitioners in Singapore are required to continually upgrade their knowledge and skills in order to maintain their competency to practise. Our medical specialists are encouraged to attend workshops and seminars both locally and overseas to keep abreast of developments in the medical sector and their areas of specialty.

On a quarterly basis, we conduct in-house continuing medical education for doctors operating the “My Family” Clinics. They are also required to undergo orientation to familiarise themselves with our corporate vision, service standards, policies and procedures.

Staff assessments are performed regularly to evaluate the performance of employees and this helps to encourage them to take self-initiated enrichment actions to improve themselves.

Target for FY2021	Performance in FY2021	Target for FY2022
Continuously identify opportunities to upskill workforce	Target met as follows: Provided various training opportunities for our employees	Continuously identify opportunities to upskill workforce

## 8.9 Safe working environment

A safe working environment allows our employees to work safely without the fear of getting injured. This helps to build loyalty amongst our employees and support the sustainability of the Group. Accordingly, we are committed to prioritise on maintaining a safety and security conscious culture amongst our employees of all levels. We attained bizSAFE Level 3 certification issued by the Workplace Safety and Health Council. This certification recognises our continuous efforts to embed a positive health and safety culture in our operations.

Key measures adopted to manage health and safety in the workplace environment are as follows:

- A set of safety rules and regulations is in place;
- Safety management officers are assigned to conduct regular inspection on safe work practices;
- Employees are briefed on safety procedures regularly; and
- First aid kits are placed at key locations with easy access.

We recorded no incident of non-fatal workplace injuries<sup>8</sup> (FY2020: zero) which resulted in any man-day lost during the Reporting Period. Nonetheless, we remain committed to maintain a safe working environment and ensure that lessons from the workplace accidents are shared across business units to prevent recurrence. We will continuously work towards reducing both the occurrence and severity of workplace accidents.

<sup>8</sup> A workplace injury is defined as one whereby an employee is injured in a work accident resulting in (i) hospitalisation of at least 24 hours and/or (ii) an issuance of a medical certificate of more than 3 days (need not be consecutive).

# SUSTAINABILITY REPORT

In view of the Pandemic and that our medical practitioners are on the frontline of the Pandemic, we raise our employees' awareness of the Pandemic by practicing a stringent infection control protocols to prevent person-to-person contamination, such as providing proper guidance for our medical practitioners on the use of personal protective equipment and introducing requirements to keep records of the contact details of patients to facilitate contact tracing. To further ensure the well-being of our employees, work-from-home, split team and flexible work arrangements and safe distancing measures are in place. A business continuity policy ("BCP") is in place and annual training on business continuity measures is conducted to ensure that employees are prepared to recover critical business processes in a timely and effective manner during the Pandemic.

Target for FY2021	Performance in FY2021	Target for FY2022
_9	Maintained zero incident of work-related injury	Maintain zero incident of work-related injury

## 8.10 Ongoing community engagement

We strive to set a good example and encourage our employees to embrace the spirit of giving as we recognise that the long-term success of our business is closely related with the health and prosperity of the community which we operate in. During the Reporting Period, we engaged in the following initiatives to help the communities:

### Participation in the Public Health Preparedness Clinic ("PHPC") scheme

As part of serving and engaging the community at large, all our GP clinics are designated as PHPC to support the nation's response to various public health emergencies such as the influenza pandemic, haze, anthrax outbreak and the Pandemic. The general function of the PHPC is to serve the primary healthcare needs of Singaporeans in times of national need.

### Social Partnership

We teamed up with The Youth Collective in its community outreach initiatives to the communities in Clementi. Motivated with unified values and a mission to inspire underserved children to learn and reach their full potential, The Youth Collective created the Clementi Mentoring Programme to holistically elevate the potentials of these children in academic skills and character, through mentoring, academic coaching and after school enrichment activities.

The Youth Collective is a non-profit, ground-up social community group, led by a group of Anglo-Chinese School (Independent) ("ACSI") students who aspire to put values into active volunteerism. We seek to create value in the nurturing of our youth volunteers and young children, providing consistent stakeholder support in their learning and aspirations with a reciprocal benefit to the developing social community in Singapore.

### Festive Cheers with a Heart

We share a dedication to giving back to our communities, engaging in corporate responsibilities and harnessing diversity. During the Ramadan period, together with The Youth Collective and the People's Association, our staff participated in packing and distributing festive food packs to beneficiaries in Clementi neighbourhood to mark the Hari Raya celebration and to communicate the porridge distribution initiative to heighten awareness for Ramadan.

Organised by the People's Association, the outreach programme aims to share the awareness of Ramadan and Hari Raya, strengthen social cohesion, multiculturalism and foster the spirit of giving across all faith and ethnicities.

<sup>9</sup> Not applicable as this is a newly disclosed sustainability factor added in this Report.

# SUSTAINABILITY REPORT

## Back to school care packs

We are committed to foster a sense of purpose and collective pride in our workplace, upheld by strong ethos of employee volunteerism. We encourage our employees to volunteer and contribute to a good cause. Through our recent Corporate Match Giving activity, our employees shown incredible support to our young beneficiaries by contributing generously to our back to school care packs.

Target for FY2021	Performance in FY2021	Target for FY2022
Initiate community engagement campaigns	Target met as follows: Initiated, involved and/or participated in community engagement campaigns	Initiate, involve and/or participate in community engagement campaigns

### 8.11 Corporate governance framework

We are committed to high standards of corporate governance and believe that a high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interests and maximising long-term shareholder's value.

We have a whistle blowing policy to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others. In FY2021, no serious offence<sup>10</sup> complaint is received or reported via the whistle blowing channel (FY2020: zero complaint).

The Group adopts a zero-tolerance approach towards fraud, bribery and corruption. As such, we have the following policies in place to ensure that the Group's business is conducted in an ethical manner:

- Code of business conduct policy;
- Anti-bribery and corruption policy; and
- Conflict of interest policy.

Refer to the Corporate Governance Report of the Annual Report for details on our corporate governance practices.

Target for FY2021	Performance in FY2021	Target for FY2022
Maintain high standards of corporate governance and transparency	Target met as follows: Maintained zero incident of serious offence complaint received or reported via the whistle blowing channel	Maintain zero incident of serious offence

<sup>10</sup> A serious offence is defined as one that involves fraud or dishonesty amounting to not less than S\$100,000 and punishable by imprisonment for a term of not less than 2 years which is being or has been committed against the Company by officers or employees of the Company.

# SUSTAINABILITY REPORT

## 9. SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

We have incorporated the SDGs under the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our Sustainability Factors relate to these SDGs:

SDG	Our effort (Sustainability Factor)
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p>We implement measures to ensure that the environment our employees work in is both safe and secure. <b>(Section 8.9 Safe working environment)</b></p>
 <p><b>4</b> QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities</p>	<p>We empower our employees by investing in training, education and development to enhance our business competencies <b>(Section 8.8 Employee development and well-being)</b></p>
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>We implement measures to reduce our energy consumption as not only does it help to improve energy efficiency, it also helps us to reduce our carbon footprint. <b>(Section 8.3 Energy conservation)</b></p>
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> <li>■ We place heavy emphasis on quality healthcare and customer experience as part of our strategy for the continued success of our business. <b>(Section 8.1 Quality healthcare and customer experience)</b></li> <li>■ We contribute to economic growth through creating long-term value for our stakeholders. <b>(Section 8.2 Sustainable business performance)</b></li> </ul>
 <p><b>10</b> REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p>	<p>We ensure equal opportunity for all regardless of age and gender, by establishing various human resource related policies and processes to facilitate this target. <b>(Section 8.7 Equality and diversity in the workplace)</b></p>

# SUSTAINABILITY REPORT

SDG	Our effort (Sustainability Factor)
 <p>Ensures sustainable consumption and production patterns</p>	<p>We manage and dispose our medical waste responsibly in compliance with health and safety standards <b>(Section 8.4 Responsible waste management)</b></p>
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> <li>■ We maintain commercially reasonable physical, electronic and procedural safeguards to protect personal data in accordance with the requirements of data protection legislation. <b>(Section 8.5 Commitment to data privacy and cybersecurity)</b></li> <li>■ We ensure our pharmaceutical products meet necessary quality and safety standards. <b>(Section 8.6 Commitment to product quality and safety)</b></li> <li>■ We are committed to high standards of corporate governance and believe that a high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interests and maximising long-term shareholder's value. <b>(Section 8.11 Corporate governance framework)</b></li> </ul>

## 10. GRI CONTENT INDEX

GRI standard & disclosure title	Section reference	Page
<b>Organisational profile</b>		
102-1 Name of the organisation	Corporate Profile	–
102-2 Activities, brands, products, and services	<ul style="list-style-type: none"> <li>• Corporate Profile</li> <li>• Operations and Financial Review</li> <li>• Sustainability Report &gt; Our Business</li> <li>• Financial Contents &gt; Notes to the Financial Statements &gt; General</li> <li>• Financial Contents &gt; Notes to the Financial Statements &gt; Financial Information by Operating Segments</li> <li>• Financial Contents &gt; Notes to Financial Statements &gt; Investment in Subsidiaries</li> </ul>	– 06-09 20-21 76-77 88-92 102-104
102-3 Location of headquarters	<ul style="list-style-type: none"> <li>• Corporate Information</li> <li>• Financial Contents &gt; Notes to Financial Statements &gt; General</li> </ul>	– 76-77
102-4 Location of operations	<ul style="list-style-type: none"> <li>• List of Clinics</li> <li>• Financial Contents &gt; Notes to the Financial Statements &gt; Financial Information by Operating Segments</li> <li>• Financial Contents &gt; Notes to Financial Statements &gt; Investment in Subsidiaries</li> </ul>	10-11 88-92 102-104
102-5 Ownership and legal form	<ul style="list-style-type: none"> <li>• Corporate Structure</li> <li>• Notes to Financial Statements &gt; General</li> <li>• Financial Contents &gt; Notes to Financial Statements &gt; Investment in Subsidiaries</li> <li>• Statistics of Shareholdings</li> </ul>	13 76-77 102-104 122-123

# SUSTAINABILITY REPORT

GRI standard & disclosure title	Section reference	Page
102-6 Markets served	<ul style="list-style-type: none"> <li>• Sustainability Report &gt; Material Factors &gt; Quality Healthcare and Customer Experience</li> <li>• Financial Contents &gt; Notes to Financial Statements &gt; Financial Information by Operating Segments</li> </ul>	26-27 88-92
102-7 Scale of the organisation	<ul style="list-style-type: none"> <li>• Operations and Financial Review</li> <li>• Sustainability Report &gt; Material Factors &gt; Equality and Diversity in the Workplace</li> <li>• Sustainability Report &gt; Material Factors &gt; Sustainable Business Performance</li> <li>• Financial Contents &gt; Consolidated Statement of Profit or Loss and Other Comprehensive Income</li> <li>• Financial Contents &gt; Statements of Financial Position</li> </ul>	06-09 31-32 28 71 72
102-8 Information on employees and other workers	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	31-32
102-9 Supply chain	<ul style="list-style-type: none"> <li>• Sustainability Report &gt; Our Business</li> <li>• Sustainability Report &gt; Material Factors &gt; Quality Healthcare and Customer Experience</li> </ul>	20-21 26-27
102-10 Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> <li>• Chairman's Message</li> <li>• Operations and Financial Review</li> </ul>	04-05 06-09
102-11 Precautionary Principle or approach	None	–
102-12 External initiatives	Sustainability Report > Supporting the UN Sustainable Development Goals	35-36
102-13 Membership of associations	None	–
<b>Strategy</b>		
102-14 Statement from senior decision-maker	Sustainability Report > Board Statement	18-19
<b>Ethics and integrity</b>		
102-16 Values, principles, standards, and norms of behaviour	<ul style="list-style-type: none"> <li>• Corporate Profile</li> <li>• Sustainability Report &gt; Material Factors &gt; Corporate Governance Framework</li> <li>• Corporate Governance Report</li> </ul>	– 34 40-64
<b>Governance</b>		
102-18 Governance structure	<ul style="list-style-type: none"> <li>• Sustainability Report &gt; Policy, Practice and Performance Reporting &gt; Reporting Structure</li> <li>• Sustainability Report &gt; Material Factors &gt; Corporate Governance Framework</li> <li>• Corporate Governance Report</li> </ul>	23 34 40-64
<b>Stakeholder engagement</b>		
102-40 List of stakeholder groups	Sustainability Report > Stakeholder Engagement	22
102-41 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	–
102-42 Identifying and selecting stakeholders	Sustainability Report > Stakeholder Engagement	22

# SUSTAINABILITY REPORT

GRI standard & disclosure title	Section reference	Page
102-43 Approach to stakeholder engagement	Sustainability Report > Stakeholder Engagement	22
102-44 Key topics and concerns raised	<ul style="list-style-type: none"> <li>• Sustainability Report &gt; Stakeholder Engagement</li> <li>• Sustainability Report &gt; Material Factors &gt; Quality Healthcare and Customer Experience</li> </ul>	22 26-27
<b>Reporting practice</b>		
102-45 Entities included in the consolidated financial statements	<ul style="list-style-type: none"> <li>• Corporate Structure</li> <li>• Financial Contents &gt; Notes to the Financial Statements &gt; Investment in Subsidiaries</li> </ul>	13 102-104
102-46 Defining report content and topic Boundaries	Sustainability Report > Policy, Practice and Performance Reporting > Sustainability Reporting Processes	23
102-47 List of material topics	Sustainability Report > Material Factors	24-34
102-48 Restatements of information	None	–
102-49 Changes in reporting	Sustainability Factor added: <ul style="list-style-type: none"> <li>• Sustainability Report &gt; Material Practice &gt; Energy Conservation</li> <li>• Sustainability Report &gt; Material Factors &gt; Safe Working Environment</li> </ul>	29 32-33
102-50 Reporting period	Sustainability Report > Reporting Period and Scope	20
102-51 Date of most recent report	Annual Report 2020 > Sustainability Report	–
102-52 Reporting cycle	Sustainability Report > Reporting Period and Scope	20
102-53 Contact point for questions regarding the report	Sustainability Report > Feedback	20
102-54 Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> <li>• Sustainability Report &gt; Reporting Framework</li> <li>• Sustainability Report &gt; GRI Content Index</li> </ul>	19 36-39
102-55 GRI content index	Sustainability Report > GRI Content Index	36-39
102-56 External assurance	We may seek external assurance in the future	–
<b>Management approach</b>		
103-1 Explanation of the material topic and its Boundary	Sustainability Report > Material Factors	24-34
103-2 The management approach and its components	<ul style="list-style-type: none"> <li>• Sustainability Report &gt; Board Statement</li> <li>• Sustainability Report &gt; Policy, Practice and Performance Reporting</li> <li>• Sustainability Report &gt; Material Factors</li> </ul>	18-19 23-24 24-34
103-3 Evaluation of the management approach	Sustainability Report > Material Factors	24-34
<b>Category: Economic</b>		
201-1 Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>• Operations and Financial Review</li> <li>• Sustainability Report &gt; Material Factors &gt; Sustainable Business Performance</li> <li>• Financial Contents &gt; Consolidated Statement of Profit or Loss and Other Comprehensive Income</li> <li>• Financial Contents &gt; Statements of Financial Position</li> </ul>	06-09 28 71 72



# SUSTAINABILITY REPORT

GRI standard & disclosure title	Section reference	Page
<b>Category: Environmental</b>		
302-3 Energy intensity	Sustainability Report > Material Factors > Energy Conservation	29
306-5 Waste directed to disposal	Sustainability Report > Material Factors > Responsible Waste Management	29
307-1 Non-compliance with environmental laws and regulations	Sustainability Report > Material Factors > Responsible Waste Management	29
<b>Category: Social</b>		
403-9 Work-related injuries	Sustainability Report > Material Factors > Safe Working Environment	32-33
404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Report > Material Factors > Employee Development and Well-being	32
405-1 Diversity of governance bodies and employees	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	31-32
406-1 Incidents of discrimination and corrective actions taken	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	31-32
413-1 Operations with local community engagement, impact assessments, and development programs	Sustainability Report > Material Factors > Ongoing Community Engagement	33-34
416-1 Assessment of the health and safety impacts of product and service categories	Sustainability Report > Material Factors > Commitment to Product Quality and Safety	30-31
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report > Material Factors > Commitment to Data Privacy and Cybersecurity	30

# CORPORATE GOVERNANCE REPORT

The board of directors (the “Board”) of Alliance Healthcare Group Limited (the “Company” and together with its subsidiaries, the “Group”) is committed to achieving high standards of corporate governance practices.

This corporate governance report outlines the Company’s corporate governance processes and activities that were in place for the financial year ended 30 June 2021 (the “FY2021”), with specific reference to the principles and provisions of the Singapore Code of Corporate Governance 2018 (the “Code”) and the disclosure guide (the “Guide”) developed by the SGX-ST.

The Company is generally in compliance with the principles and provisions set out in the Code and the Guide. Where there are deviations from the Code and Guide, the Board has considered and is of the view that the alternative practices adopted are sufficient to meet the underlying objectives of the Code and Guide. Appropriate explanations have been provided in the relevant sections where there are deviations.

The Board is pleased to confirm that for FY2021, the Group has adhered to the principles and provisions as outlined in the Code except for the following where the deviations and explanations have been provided:

- (i) Provision 3.1 – Chairman and Chief Executive Officer are Separate Persons
- (ii) Provision 8.1 – Disclosure on Remuneration

## BOARD MATTERS

### Principle 1: The Board’s Conduct of Affairs

**The Company is headed by an effective Board which is collectively responsible and works with management for the long-term success of the Group.**

The Board is entrusted with the responsibility for the overall governance, performance and strategic direction of the Group. As at the date of this report, the Board comprises five directors, three of whom are independent, as follows:

Dr. Barry Thng Lip Mong (“Dr. Thng”)	Executive Chairman and Chief Executive Officer (“CEO”)
Dr. Mok Kan Hwei, Paul (“Dr. Mok”)	Executive Director
Wong Hin Sun, Eugene (“Mr. Wong”)	Lead Independent Director
Lim Heng Chong Benny (“Mr. Lim”)	Independent Director
Dr. Leong Peng Kheong Adrian Francis (“Dr. Leong”)	Independent Director

The profile of each director can be found on pages 14 and 15 of the Annual Report.

The duties and responsibilities of the Board are:

- to supervise and approve strategic direction of the Group;
- to review management performance of the Group;
- to review business practices and risk management of the Group;
- to review financial plans and performance of the Group;
- to approve matters beyond the authority of the management;
- to ensure that there are policies and safeguards in the internal controls system to preserve the integrity of the assets;
- to ensure compliance with legal and regulatory requirements;
- to deliberate on and approve recommendations made by the Audit and Risk Management Committee (the “ARMC”), Nominating Committee (the “NC”) and Remuneration Committee (the “RC”); and
- to consider sustainability issues such as environmental and social factors, as part of the Group’s strategic formulation.

Certain functions of the Board have been delegated to the board committees, namely ARMC, NC and RC, which are chaired by Mr. Wong, Mr. Lim and Dr. Leong respectively.

# CORPORATE GOVERNANCE REPORT

Each committee has its own written terms of reference, with actions reported to and monitored by the Board. The names of the members of the Board committee, the key terms of reference and a summary of the committees' activities, are set out in this report.

There are key matters that are reserved for the Board's decision, such as:

- the setting-up of the corporate strategies;
- the making of any decision to cease, to operate all or any material part of the business of the Group or to extend the Group's activities into new business;
- the approval of any material acquisition or disposal of any investment, asset or business by the Company or any of its subsidiaries;
- the approval of any changes relating to the Company's share capital structure, including share issues and reduction of capital;
- the approval of material unbudgeted capital expenditures;
- the approval of material capital borrowings and financial commitments;
- the approval of interested person transactions of the Group;
- the approval of the Company's financial results and audited financial statements;
- the recommendation of the payment of any dividend;
- the appointment or removal of a director from the Board;
- the appointment or removal of a company secretary;
- the approval of remuneration packages of key executives of the Company recommended by the RC;
- the convene of shareholders' meetings; and
- any matter required to be considered or approved by the Board as a matter of law or regulation.

The Board has put in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company.

Each Board member is encouraged to constantly keep abreast of developments in regulatory requirements, corporate governance and accounting standards that are of relevance to the Group. Such updates are given at Board meetings and where necessary via presentations by the Company's external professionals, auditors and management. The directors are encouraged to undergo external training seminars and courses. The costs incurred for seminars and trainings shall be borne by the Company.

The management recognises the importance of circulating information on a timely basis to ensure that the Board has adequate time to review the materials to facilitate a constructive and effective discussion during the meeting.

To assist the Board on discharging its duties, board papers are distributed in advance of Board meetings so that the directors would have sufficient time to understand the matters which are to be discussed.

In addition, the Board is also provided with annual budget and reports for corporate exercises on a timely basis. It has direct access to the management, sponsor, external auditors and company secretaries and will request for additional information as and when needed.

# CORPORATE GOVERNANCE REPORT

The attendance record of the directors at the 2020 Annual and Extraordinary General Meetings, Board and committee meetings held during FY2021 is as follows:

	Annual General Meeting	Extraordinary General Meeting	Board	ARMC	NC	RC
<b>Number of meetings held</b>	1	1	2	4	2	1
<b>Name of Directors</b>	<b>No. of Meeting Attended</b>					
Dr. Barry Thng Lip Mong	1	1	2	4*	1*	–
Dr. Mok Kan Hwei, Paul	1	1	2	1*	1*	–
Wong Hin Sun, Eugene	1	1	2	4	2	1
Dr. Leong Peng Kheong Adrian Francis	1	1	2	4	2	1
Lim Heng Chong Benny	1	1	2	4	2	1

\* By invitation

The Company's Constitution allows a Board meeting to be conducted by way of telephone or video conference. The Company holds at least two Board meetings every year and additional meetings will be convened as and when necessary. At every meeting of the Board, all directors are free to speak and openly challenge the views presented by management and other directors.

During the year under review, the Board met two times to approve, amongst others, the Group's half-yearly results announcements and various Board reserved matters, include potential acquisitions. The sponsor, external auditor, company secretaries and other professionals were invited to join these Board meetings.

Where Board meetings are not convened, the Board may use circular resolution in writing to sanction certain decisions. Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict.

The Board has direct access to management and holds management accountable for the performance of the Group. The Board may also communicate directly with the sponsor, external auditor, internal auditor and company secretaries on all matters as and when they deem necessary, to ensure adherence to the Board procedures and relevant rules and regulations which are applicable to the Group. Any director may, on a case-to-case basis, propose to the Board for independent and professional advice, at the Company's expense.

Independent directors are always available to provide guidance to management on business issues and in areas which they specialise. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company.

The company secretaries assist the Chairman and the Chairman of each Board committee in the development of the agenda for the various meetings. The company secretaries attend Board and committee meetings and prepare minutes of meetings. They are also responsible for, among others, ensuring that Board procedures are observed and that the Companies Act and relevant regulations are generally complied with. The appointment and the removal of a company secretary is a matter for the Board as a whole.

## Principle 2: Board Composition and Guidance

**The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.**

The Company endeavours to maintain a strong and independent element on the Board. The Board is led by Dr. Thng, the Chairman and CEO and in compliance with Provision 2.2 and Provision 2.3 of the Code, independent non-executive directors make up a majority of the Board.

# CORPORATE GOVERNANCE REPORT

As set out under the Code, an independent director is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Company. The NC deliberates annually to determine the independence of a director bearing in mind the salient factors set out under Provision 2.1 of the Code as well as all other relevant circumstances and facts. To facilitate the NC in its review of the independent status of the directors, each non-executive director will confirm his/her independence on a yearly basis. Executive Directors are considered non-independent. None of the independent directors has any relationships or circumstances which may affect their judgement and ability to discharge their duties and responsibilities as independent directors. Please also refer to Principle 4 below for details.

All Board appointments are made based on merit, in the context of skills, experience, core competencies, independence and other relevant factors, having due regard for the benefits of diversity on the Board and the contribution that the selected candidates bring to the Board. The Company provides a formal letter to the newly appointed directors upon their appointment setting out their statutory duties and responsibilities as executive or independent director. The directors are reminded of their fiduciary duties to act objectively in the best interests of the Company. In addition, new directors are also provided with background information about the Group's history and core values, its strategic direction and industry specific knowledge.

The Board and Board committees are of an appropriate size and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity, so as to avoid groupthink and foster constructive debate.

The core competencies and gender of the Board members are set out below:

	Number of Directors	Proportion of Board
<b>Core Competencies</b>		
Accounting or related finance management expertise or experience	2	40%
Legal or corporate governance	1	20%
Relevant industry knowledge or experience	3	60%
Strategic planning experience	3	60%
Customer based experience or knowledge	3	60%
<b>Gender</b>		
Male	5	100%
Female	0	0%

The Board has yet to achieve the gender diversity for the Board but it possesses balance and diversity of expertise in other disciplines. The NC conducts annual review to assess if the existing attributes of the Board members are complementary and is satisfied that the Board comprises directors who as a group provide core competencies such as accounting or finance, legal, business or management experience and industry knowledge which are required for the Board to function effectively. At the committee meeting held in August 2021, the NC has reviewed the Board composition and is of the view that the current composition possess balance and diversity although it does not achieve gender diversity. It was resolved that the Board composition is subject to annual review.

The independent directors provide, amongst others, strategic guidance to the Company based on their professional knowledge, in particular, assisting to constructively develop proposals on business strategy. The independent directors also help to review the performance of the management in meeting goals and objectives and monitor their performance.

The independent directors meet without the presence of the management as and when required. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

During FY2021, the independent directors had met with the external and internal auditors without the presence of the management.

# CORPORATE GOVERNANCE REPORT

## Principle 3: Chairman and CEO

**There is a clear division of responsibilities between the leadership of the Board and management, and no one individual has unfettered powers of decision-making.**

Under Provision 3.1 of the Code, the Chairman and the CEO are to be separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making. As Dr. Thng is the Executive Chairman and also the CEO of the Company, the Company has not complied with Provision 3.1 during FY2021. The role of the Chairman and CEO is not separate as the Board is of the view that it is in the best interests of the Company to adopt a single leadership structure to ensure that the decision-making process of the Company would not be unnecessarily impeded as well as to ensure that the Company is able to grasp business opportunities efficiently and promptly. Although the roles are not separated, the Board committees are chaired by independent directors. In addition, the Board believes that there are sufficient safeguards and checks in place to ensure that the process of decision making by the Board is independent and based on collective decisions, without any individual or group of individuals exercising any considerable concentration of power or influence. All major decisions are made in consultation with the Board as a whole.

The Board has established and set out in writing the division of responsibilities between the role of Chairman and the role of CEO notwithstanding that these roles are assumed by the same person.

As the Executive Chairman, Dr. Thng is responsible for, amongst others:

- (a) leading the Board to ensure its effectiveness on all aspects of its role, scheduling meetings of the Board and setting the Board meeting agenda in consultation with the management;
- (b) exercising control over quality, quantity and timeliness of the flow of information between management and the Board;
- (c) ensuring the Board meets the management for informal meeting as and when needed;
- (d) assisting in ensuring compliance with the Company's guidelines on corporate governance;
- (e) ensuring effective communication with shareholders;
- (f) encouraging constructive relations between the Board and management as well as between executive directors and independent directors;
- (g) facilitating the effective contribution of independent directors; and
- (h) promoting high standards of corporate governance and assisting in ensuring compliance of the Company's guidelines on corporate governance.

The responsibilities of the CEO are set out in a service agreement entered into between the Company and the CEO. The CEO is responsible for the development and expansion of the Group's business and is responsible for the Group's entire operations, strategic planning, major decision-making, as well as developing the business and vision of the Group.

Given that the Executive Chairman and the CEO is the same person and part of the management team, Mr Wong has been appointed as Lead Independent Director in accordance with Provision 3.3 of the Code. Mr. Wong is available to shareholders should they have concerns which cannot be resolved through the normal channels of the Chairman for which such contact is inappropriate. He acts as a counter-balance in the decision-making process. The Lead Independent Director is also responsible for leading the meetings of independent directors without presence of the other directors, as and when required. Feedback will be given to the Chairman after such meetings.

Mr. Wong's other specific roles as Lead Independent Director are to:

- (a) lead the independent directors to provide non-executive perspectives in circumstance where it would be inappropriate for the Chairman to serve in such capacity and to contribute a balanced viewpoint to the Board; and
- (b) advise the Chairman as to the quality, quantity and timeliness of the information provided and/or submitted by management that is necessary or appropriate for the independent directors to effectively and efficiently perform their duties.

# CORPORATE GOVERNANCE REPORT

## Principle 4: Board Membership

**The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

All the NC members are independent directors. The NC members comprise the following directors:

Lim Heng Chong Benny	Chairman and Independent Director
Wong Hin Sun, Eugene	Lead Independent Director
Dr. Leong Peng Kheong Adrian Francis	Independent Director

The NC is established for, inter alia, the purposes of ensuring that there is a formal and transparent process for all Board appointments, taking into account the need for progressive renewal of the Board. It has adopted written terms of reference defining its membership, administration and duties.

The salient terms of reference of the NC includes:

- (a) to review and decide whether or not a director is able to and has been adequately carrying out his duties as director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments;
- (b) to review the directors' mix of skills, experience, core competencies and knowledge of the Group that the Board requires to function competently and efficiently;
- (c) to review and recommend the Board on the appointment of directors and key management including re-nomination of existing directors for re-election, having regard to the Director's contribution and performance;
- (d) to review and approve the employment of persons related to the directors and/or substantial shareholders and proposed terms of their employment;
- (e) to determine annually whether or not a director is independent;
- (f) to review the training and professional development programs for the Board;
- (g) to review succession plans for directors, the CEO and key management;
- (h) to determine and recommend to the Board the maximum number of listed company board representations which any director may hold;
- (i) to make recommendation to the Board the performance criteria and appraisal process to be used for evaluation of the effectiveness of the Board as a whole, its committees and directors; and
- (j) to address how the Board has enhanced long-term shareholders' value and to assess the contribution of each director to the effectiveness of the Board.

The criteria of independence are based on the definition given in the SGX-ST Listing Manual Section B: Rules of Catalist of SGX-ST (the "Catalist Rules") and the Code. Under Provision 2.1 of the Code, an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

The independence of directors shall be reviewed by the NC annually, in accordance with the Code's and Catalist Rules' definition of independence.

Mr. Wong, Mr. Lim and Dr. Leong, the independent directors of the Company, have each confirmed that they and their immediate family members are not employed or have been employed by the Company or any of its related corporations for the current and any of the past three financial years and whose remuneration is determined by the RC. They have also confirmed that they do not have any relationship with the Company, its related companies, its substantial shareholders or its officers or face any circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement with a view to the best interests of the Group.

# CORPORATE GOVERNANCE REPORT

As of the date of this report, there is no independent director who has served for an aggregate period of nine years or more from the date of his first appointment.

At the NC meeting held in August 2021, the NC has reviewed and is satisfied that all three independent directors of the Company are independent and further, that no individual or small group of individuals dominate the Board's decision-making process. None of the independent directors has a relationship as stated in the Code that would otherwise deem such director not to be independent.

The NC has resolved that a director of the Company who is a professional director with no full-time employment shall have appointments in no more than five listed companies and a director with full-time employment shall have appointments in no more than three listed companies. During FY2021 and as at the date of this report, none of the Company's directors has exceeded the aforementioned number of listed company directorships relevant to each of them. The company directorships and principal commitments of each director are set out at the last section of Principle 4.

The NC is of the view that despite some of the directors having multiple board representations, it is satisfied that these directors are able to and have adequately carried out their duties as directors of the Company. The Board has experienced minimal competing time commitments among its members as meetings are planned and scheduled well in advance of the meeting dates. The NC would review the board representations of each director, from time to time to ensure that the directors continue to meet the demands of the Group and are able to discharge their duties adequately. The NC has reviewed the time spent and attention given by each of the directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the directors, and is satisfied that all directors have discharged their duties adequately for FY2021. During the year under review, all members of the Board Committees attended the meetings held.

The process for the shortlisting, selection and appointment of new directors is spearheaded by the NC. The NC would first consider the needs of the Board before determining the appropriate criteria and/or desired competencies used to identify and select potential candidates. In the selection and nomination of new directors, the NC taps on the resources of the directors' personal contacts for recommendations of candidates. External help (for example, Singapore Institute of Directors, search consultants) could be used to source for potential candidates. Interviews are set up with potential candidates so that the NC is able to assess each prospective candidate before a decision is made for recommendation to the Board for final approval. The NC ensures that new directors are aware of their duties and obligations. It also decides if a director is able to and has been adequately carrying out his duties as a director of the Company.

During FY2021, the NC met to review and/or approve, amongst others, the re-appointment of directors who are subject to retirement at the forthcoming annual general meeting. All NC members participated in the meetings and discussion.

The Constitution of the Company states that one-third of the directors have to retire and subject themselves for re-election by the shareholders at each annual general meeting of the Company. In addition, each director of the Company shall retire from office and subject themselves for re-nomination and re-appointment at least once every three years.

When an existing director chooses to retire or is required to retire from office by rotation, the NC takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a director and making its recommendations to the Board. Accordingly, the NC has assessed and recommended to the Board, and the Board has endorsed the re-election of the directors who have offered themselves for re-election as directors of the Company by shareholders at the forthcoming annual general meeting.



# CORPORATE GOVERNANCE REPORT

Dr. Mok Kan Hwei, Paul and Mr. Wong Hin Sun, Eugene are the Directors seeking re-election at the forthcoming annual general meeting. Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the retiring Directors as set out in the Appendix 7F of the Catalist Rules is disclosed below:

	<b>Dr. Mok Kan Hwei, Paul</b>	<b>Wong Hin Sun, Eugene</b>
<b>Date of Appointment</b>	28 March 2019	28 March 2019
<b>Date of last re-appointment</b>	24 October 2019	24 October 2019
<b>Age</b>	54	53
<b>Country of principal residence</b>	Singapore	Singapore
<b>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</b>	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Dr. Mok for re-election as director of the Company and concluded that Dr. Mok possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the NC, with Mr. Wong abstaining from the discussion and decision making, and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Wong for re-election as director of the Company and concluded that Mr. Wong possesses the experience, expertise knowledge and skills to contribute towards the core competencies of the Board.
<b>Whether appointment is executive, and if so, the area of responsibility</b>	Executive  Dr. Mok assists Dr. Thng with the overall corporate strategy and strategic planning of the Group and oversees the specialist care services business segment of the Group. As Head of the Specialist Care Services business segment, Dr. Mok also oversees the strategic direction and day-to-day management of this segment.	Non-Executive and Independent
<b>Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)</b>	Executive Director	Lead Independent Director ARMC Chairman NC Member RC Member

# CORPORATE GOVERNANCE REPORT

	<b>Dr. Mok Kan Hwei, Paul</b>	<b>Wong Hin Sun, Eugene</b>
<b>Professional qualifications</b>	<p>Bachelor of Medicine and Bachelor of Surgery, National University of Singapore ("NUS")</p> <p>Certificate of Specialist Accreditation – Otorhinolaryngology, Ministry of Health, Republic of Singapore</p> <p>Fellow – Diploma of Fellowship from the Royal College of Surgeons and Physicians of Glasgow</p>	<p>Bachelor of Business Administration (First Class Honours), NUS</p> <p>Owner President Management Program, Harvard Business School</p> <p>Chartered Financial Analyst, Association for Investment Management &amp; Research</p> <p>Chartered Valuer and Appraiser, Institute of Valuers and Appraisers, Singapore</p> <p>Chartered Director, Institute of Directors, United Kingdom</p> <p>Fellow – Australian Institute of Company Directors</p> <p>Master of Business Administration in Management, University of London, Imperial College of Science, Technology and Medicine</p>
<b>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries</b>	No	No
<b>Conflict of Interest (including any competing business)</b>	No	No
<b>Working experience and occupation(s) during the past 10 years</b>	<p>Dr. Mok was appointed the Head of the ENT department at Alexandra Health Pte. Ltd. from 2006 to 2013. He was the Deputy Chairman of the Medical Board at Alexandra Health Pte. Ltd. from 2013 to 2015. He joined the Group as Medical Director of My ENT Specialist Pte. Ltd. in 2015.</p>	<p>Mr. Wong was previously an Independent Director of Q &amp; M Dental Group (Singapore) Limited and TMC Education Corporation Ltd. (now known as Global Dragon Limited), the Non-executive Chairman of Crimsonlogic Pte Ltd. and also the Non-executive Director of companies such as Ajisen (China) Holdings Limited, Singapore Kitchen Equipment Limited and Neo Group Limited.</p> <p>He is currently the Chairman of NTUC Learninghub Pte Ltd, an Independent Director of APAC Realty Limited, the Non-executive Vice Chairman of Japan Foods Holding Ltd. and a Non-executive Director of several companies, such as Singapore Cruise Centre Pte. Ltd. and Jason Marine Group Limited.</p>

# CORPORATE GOVERNANCE REPORT

	Dr. Mok Kan Hwei, Paul	Wong Hin Sun, Eugene
<b>Undertaking submitted to the listed issuer in the form of Appendix 7H (Catalist Rule 720(1))</b>	Yes	Yes
<b>Shareholding interest in the listed issuer and its subsidiaries</b>	Direct Interest – 6,598,960 Ordinary Shares in the Company	Direct Interest – 100,000 Ordinary Shares in the Company
<b>Other Principal Commitments* Including Directorships</b>		
<b>Notes:</b>		
* “Principal Commitments” has the same meaning as defined in the Code		
<b>Past (for the last 5 years)</b>	Alliance ENT Pte. Ltd. (struck-off)	Ajisen (China) Holdings Limited Agri-Food & Veterinary Authority Q & M Dental Group (Singapore) Limited Global Dragon Limited Neo Group Limited SCC Travel Services Pte. Ltd. Singapore Kitchen Equipment Limited Sirius Capital Management Pte. Ltd. (dissolved in a members' voluntary winding-up) Sirius Growth Partners I Pte. Ltd. (dissolved in a members' voluntary winding-up) Superdog Pte. Ltd. (dissolved in a creditors' voluntary winding-up) Agfunder Asia Pte. Ltd. Agfunder Rocket Seeder Pte Ltd Agfunder Grow Asia FundPte Ltd Cargo Community Network Pte. Ltd. Crimsonlogic Pte. Ltd. Gets Global Pte. Ltd. Hargol FoodTech Ltd. Sirius Angel Fund Pte. Ltd. Sirius Investment Inc.
<b>Present</b>	My ENT Specialist Pte. Ltd. Alliance Specialist Group Pte. Ltd. ENTDoctors Pte. Ltd.	APAC Realty Limited Japan Foods Holding Ltd. Jason Marine Group Limited Sirius Venture Capital Pte. Ltd. Sirius SME Growth Partners I Limited Singapore Cruise Centre Pte. Ltd. Dining Collective Pte Ltd Mekhala Pte Ltd Aerospring Gardens Pte. Ltd. NTUC Learninghub Pte Ltd

# CORPORATE GOVERNANCE REPORT

	Dr. Mok Kan Hwei, Paul	Wong Hin Sun, Eugene
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.</p>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

# CORPORATE GOVERNANCE REPORT

	Dr. Mok Kan Hwei, Paul	Wong Hin Sun, Eugene
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:	No	No
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

# CORPORATE GOVERNANCE REPORT

	Dr. Mok Kan Hwei, Paul	Wong Hin Sun, Eugene
<p><b>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere</b></p> <p><b>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</b></p>	No	No
<p><b>(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</b></p>	No	No

Mr. Wong, upon re-election as a director of the Company, shall remain as Chairman of the ARMC and a member of the NC and RC. The Board considers Mr Wong to be independent for the purpose of Rule 704(7) of the Catalist Rules. He has no relationship including immediate family relationships between himself and the other directors, the Company and its substantial shareholders, or relationship that could interfere or to be reasonably perceived to interfere with the exercise of independent judgment.

# CORPORATE GOVERNANCE REPORT

The key information of the directors as at the date of this report is set out below:

Name of Directors	Date of Initial Appointment as Director and Date of Last Re-election/Re-appointment as Director	Directorship in Other Listed Companies		Principal Commitments
		Current	Past 3 Years	
Dr. Barry Thng Lip Mong (Executive Chairman and CEO)	6 Jun 2006 /28 Oct 2020	-	-	<ul style="list-style-type: none"> <li>Subsidiary(ies) of Alliance Healthcare Group (Executive Director)</li> </ul>
Dr. Mok Kan Hwei, Paul (Executive Director)	28 Mar 2019 /24 Oct 2019	-	-	<ul style="list-style-type: none"> <li>Subsidiary(ies) of Alliance Healthcare Group (Executive Director)</li> <li>ENTDoctors Pte. Ltd. (Executive Director)</li> </ul>
Wong Hin Sun, Eugene (Lead Independent Director)	28 Mar 2019 /24 Oct 2019	<ul style="list-style-type: none"> <li>Japan Foods Holding Ltd. (Non-executive Vice Chairman)</li> <li>Jason Marine Group Limited (Non-executive Director)</li> <li>APAC Realty Limited (Independent Director)</li> </ul>	-	<ul style="list-style-type: none"> <li>Sirius Venture Capital Pte. Ltd. (Managing Director)</li> <li>Sirius SME Growth Partners I Limited (Non-executive Director)</li> <li>Singapore Cruise Centre Pte. Ltd. (Non-executive Director)</li> <li>Dining Collective Pte. Ltd. (Non-executive Director)</li> <li>Mekhala Pte Ltd (Non-executive Director)</li> <li>Aerospring Gardens Pte. Ltd. (Non-executive Director)</li> <li>NTUC Learninghub Pte. Ltd. (Chairman)</li> </ul>
Lim Heng Chong Benny (Independent Director)	28 Mar 2019 /24 Oct 2019	<ul style="list-style-type: none"> <li>China Sunshine Chemical Holdings Ltd (Independent Director)</li> </ul>	-	<ul style="list-style-type: none"> <li>Chris Chong &amp; C T Ho LLP (Partner)</li> <li>Fund Services Network Pte Ltd (Non-executive Director)</li> </ul>
Dr. Leong Peng Kheong Adrian Francis (Independent Director)	27 Feb 2019 /28 Oct 2020	-	-	-

Currently, none of the directors appoint any alternate director to the Board of the Company.

# CORPORATE GOVERNANCE REPORT

## Principle 5: Board Performance

**The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board committees and individual directors.**

The NC has established an appraisal process to assess the performance and effectiveness of the Board (including all Board Committees) and individual director on a yearly basis with inputs from the Chairman and other Board members. The appraisal process has been endorsed by the Board.

The evaluation for Board as a whole focuses on a set of criteria which include Board's structure, information to the Board, Board processes, risk management and internal controls, accountability of CEO and top management and standards of conduct. The performance criteria for individual director's assessment covers Board contribution and knowledge, strategy and risk management, preparedness, participation and commitment, responsibility and accountability and interaction. The performance criteria are not expected to be changed from year to year except when deemed necessary and justifiable.

As part of the process, all directors will complete appraisal forms which will be collated by the company secretaries. The results of the performance evaluation will be provided to the NC for review. All NC members will abstain from the voting or review process of any matters in connection with the assessment of his own performance.

The NC has established the methodology for reviewing the effectiveness of the Board as a whole (including all Board Committees) and individual director assessment. The review of the Board and Board Committees' performance as well as individual director will be conducted by the NC annually. As at the date of this report, the NC has completed its evaluation in respect of FY2021.

No external facilitator has been engaged for the purposes to assess the Board's performance for FY2021.

## REMUNERATION MATTERS

### Principle 6: Procedures for Developing Remuneration Policies

**The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

### Principle 7: Level of Mix of Remuneration

**The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.**

The RC comprises the following members:

Dr. Leong Peng Kheong Adrian Francis	Chairman and Independent Director
Wong Hin Sun, Eugene	Lead Independent Director
Lim Heng Chong Benny	Independent Director

All RC members are independent directors. The RC has access to internal and external expert and/or professional advice on human resource, whenever there is a need for such consultation.

The RC is established for, *inter alia*, the purposes of ensuring that there is a formal and transparent procedure for fixing the remuneration packages of individual directors. The overriding principle is that no director should be involved in deciding his own remuneration. The RC has adopted written terms of reference that defines its membership, roles and functions and administration.



# CORPORATE GOVERNANCE REPORT

The key terms of reference of the RC includes:

- (a) to advise the Board on the framework of remuneration policies for the directors and key executives;
- (b) to determine the specific remuneration package of the CEO and executive directors;
- (c) to review and ensure that the remuneration of non-executive directors is appropriate to the level of contribution by them, taking into account factors such as effort and time spent, and responsibilities of the directors;
- (d) to review the remuneration packages of all managerial staff that are related to any of the directors, substantial shareholders and the CEO, if any;
- (e) to recommend to the Board the key executives' and other employees' share option schemes or any long-term incentive scheme, if any; and
- (f) to review the Company's obligation arising in the event of termination of the executive directors and key executives' contract of services, to ensure that such contract of services contain fair and reasonable clauses which are not overly generous.

The annual review covers all aspects of remuneration including salaries, fees, allowances, bonuses, options and benefits-in-kind, taking into consideration the long-term interests of the Group. In setting remuneration packages, the RC will take into account the performance of the Group as well as the executive directors and key executives aligning their interests with those of shareholders and linking rewards to corporate and individual performance as well as industry benchmarks. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the Company. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. No director shall participate in decisions on his own remuneration. The payment of directors' fees is subject to the approval of the Company's shareholders.

Remuneration matters of the directors and CEO are the responsibility of the RC who will review and make necessary recommendations to the Board for approval. In respect of remuneration matters relating to senior management level, the CEO will make recommendations for the RC's consideration and review. The role of RC also includes the review of executive directors and key executives' contracts to ensure that such contracts of services contain reasonable termination clauses.

The remuneration of the independent directors is in the form of a fixed fee which is fixed after taking into consideration factors such as effort, time spent and responsibilities of the directors. Independent directors' fees are subject to shareholders' approval at the annual general meeting.

Annual reviews are carried out by the RC to ensure that the directors and key executives are appropriately rewarded, having due regard to the financial and commercial health and business needs of the Group.

The Company does not have any contractual provisions which allow it to reclaim incentives from the executive directors and key executives in certain circumstances. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward-looking results) as well as the actual performance of its executive directors and key executives, "claw-back" provisions in the service agreements may not be relevant or appropriate.

There was no remuneration consultant engaged for FY2021.

## **Principle 8: Disclosure on Remuneration**

**The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationships between remuneration, performance and value creation.**

The Group adopts a remuneration policy for staff comprising both fixed and variable components. The fixed component is in the form of a base salary and the variable component is in the form of a variable bonus that is linked to the Company's and individual's performance. Certain employees are also entitled to other benefits. The management moderates and allocates the variable bonus based on the individual performance of employees and their contributions towards the achievement of the Group's performance.

# CORPORATE GOVERNANCE REPORT

The remuneration package of executive directors and key executives consists of:

- (1) Fixed salary – Fixed salary is determined based on the complexity of the required responsibilities and tasks, along with data on market and sector comparatives and includes employer’s contributions to CPF.
- (2) Bonus and incentives – Variable remuneration depends on revenue/profit targets, sales incentives and other relevant performance indicators.
- (3) Other benefits – Other benefits comprise of transport allowances and benefits-in-kind.

The independent directors are entitled to director’s fees.

Provision 8.1 and Practice Guidance 8 of the Code states that remuneration disclosures for individual directors and the CEO should specify the names, amounts and breakdown of remuneration. The Board is of the opinion that it is in the best interest of the Company to maintain confidentiality of the exact remuneration details of the executive directors. As such, the Company has not complied with Provision 8.1 of the Code. The breakdown of remuneration of the directors (in percentage terms) for FY2021 is set out below:

Remuneration Band and Name of Director <sup>(1)</sup>	Salary %	Bonus %	Fees %	Other Benefits %	Total %
<b>S\$750,001 to S\$900,000</b>					
Dr. Barry Thng Lip Mong	84.27	15.73	–	–	100.00
Dr. Mok Kan Hwei, Paul	59.31	38.98	–	1.71	100.00
<b>Up to S\$60,000</b>					
Wong Hin Sun, Eugene	–	–	100.00	–	100.00
Lim Heng Chong Benny	–	–	100.00	–	100.00
Dr. Leong Peng Kheong Adrian Francis	–	–	100.00	–	100.00

**Note:**

- (1) The remuneration disclosed in the table above includes all forms of remuneration from the Company and its subsidiaries. In deciding whether an item or benefit is to be included in the remuneration, regard has been given to the taxability of such item.

The Company has entered into service agreements with each of Dr. Thng and Dr. Mok in relation to their appointment as executive directors on 28 March 2019 and 1 December 2018, respectively. Subject to and in compliance with all applicable rules of the SGX-ST and all applicable Singapore laws and regulations, their service agreements are for a minimum period of 6 years commencing from 31 May 2019 (being the date of listing of the Company on the Catalist board of the SGX-ST) and shall automatically continue thereafter, unless otherwise agreed in writing between the parties or terminated in accordance with the respective service agreements, provided always that such employment shall terminate automatically upon the executive director ceasing to hold office as a director.

The directors’ fees for FY2021 are as follows:

Name	Amount (S\$)
Wong Hin Sun, Eugene	60,000
Lim Heng Chong Benny	45,000
Dr. Leong Peng Kheong Adrian Francis	45,000

The aforesaid directors’ fee has been approved by Shareholders of the Company in AGM of the Company held in 2020.

# CORPORATE GOVERNANCE REPORT

Provision 8.1 and Practice Guidance 8 of the Code states that remuneration disclosures for the top 5 key management personnel (who are not directors or the CEO) should specify the names, amounts and breakdown of remuneration in bands no wider than S\$250,000. The Company has identified 5 key management personnel. The breakdown of remuneration of such personnel (in percentage terms) for FY2021 is set out below:

Remuneration Band and Name of Executive Officer <sup>(1)</sup>	Salary %	Bonus %	Fees %	Other Benefits %	Total %
<b>S\$250,001 to S\$500,000</b>					
Mr. Wong Chien Yeh	50.12	43.81	6.07	–	100.00
<b>Up to S\$250,000</b>					
Mr. Phillip Lim Lian Teng <sup>(2)</sup>	100.00	–	–	–	100.00
Ms. Neo Lay Fen <sup>(3)</sup>	76.54	14.46	–	9.00	100.00
Ms. Jenny Oh	86.75	13.11	–	0.14	100.00
Ms. Ong Kai Koon, Karen	81.88	15.31	–	2.81	100.00

#### Notes:

- (1) The remuneration disclosed in the table above includes all forms of remuneration from the Company and its subsidiaries. In deciding whether an item or benefit is to be included in the remuneration, regard has been given to the taxability of such item.
- (2) Mr Phillip Lim Lian Teng, who was appointed as Chief Financial Officer of the Company on 8 January 2021, ceased to be the Chief Financial Officer on 30 September 2021.
- (3) Ms Neo Lay Fen resigned as the Chief Financial Officer of the Company on 7 January 2021.

	Amount (S\$)
Aggregate of the total remuneration paid or payable to the top key management personnel (who are not directors of the Group or the CEO)	976,240

The performance conditions used to determine the entitlement of the executive directors and key executives comprise of qualitative and quantitative conditions. Examples of quantitative conditions are target revenue, target profit and years of service. Examples of qualitative conditions are on the job performance, leadership, teamwork, etc. The performance conditions are set by the RC. The RC has reviewed and is satisfied that the performance conditions of the Directors and key executives were met for FY2021.

During FY2021, the Group does not have any employee who is an immediate family member of a director, the CEO or a substantial shareholder.

The directors, the Chairman and the CEO and key management personal are not entitled to any benefits upon termination, retirement or post-employment. The Company currently does not have any share option scheme or performance share plan.

Further information on the directors and key management personnel is on pages 14 to 16 of this Annual Report.

#### Principle 9: Risk Management and Internal Controls

**The Board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.**

The Board is responsible for the overall risk governance, risk management and internal control framework of the Group and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets and to manage risks. The Board acknowledges that no system of internal controls can provide absolute assurance against the occurrence of human and system errors, poor judgment in decision-making, losses, fraud or other irregularities. The Board has approved a Group's risk management framework for the identification of key risks within the business which is aligned with the ISO 31000:2018 risk management framework. In compliance with Provision 9.1 of the Code, the roles of risk management have been delegated to the ARMC.

# CORPORATE GOVERNANCE REPORT

Based on the internal controls and risk management framework established by the Group, its assessment of work performed by the external auditor and the internal auditor, the Board, with the concurrence of the ARMC, is of the view that the Group's internal controls in addressing the financial, operational, compliance and information technology risks and the Group's risk management systems are effective and adequate for FY2021. The Board and ARMC did not identify any major concern on the Group's internal controls or risk management systems for FY2021.

The system provides reasonable assurance against material financial misstatements or loss and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practices and the identification and management of business risks.

For the financial year under review, the Company's CEO and Chief Financial Officer have provided assurance to the Board on the integrity of the financial statements of the Company and the Group. Further, the Board has received written assurance from the Company's CEO and Chief Financial Officer that:

- (i) The financial records of the Company and the Group have been properly maintained and the financial statements for FY2021 give a true and fair view of the Group's operations and finances; and
- (ii) The system of risk management and internal controls in place within the Group are adequate and effective in addressing the risks in the Group in its current business environment including financial, operational, compliance and information technology risks.

## Principle 10: Audit and Risk Management Committee

### The Board has an ARMC which discharges its duties objectively.

The ARMC comprises three members, all of whom are independent. None of the ARMC members were previous partners or directors of the Company's external audit firm within the last two years and none of them hold any financial interest in the external audit firm. At least two members, including the ARMC Chairman, have recent and relevant accounting or related financial management expertise or experience.

The members of the ARMC are:

Wong Hin Sun, Eugene	Chairman and Lead Independent Director
Lim Heng Chong Benny	Independent Director
Dr. Leong Peng Kheong Adrian Francis	Independent Director

The role of the ARMC is to, inter alia, assist the Board in discharging its responsibilities to safeguard the Company's assets, maintain adequate accounting records, develop and maintain effective systems of internal controls. The Board is of the opinion that the members of the ARMC have sufficient accounting and financial management expertise and experience in discharging their duties and responsibilities.

The Company confirms that it complies with Rules 712 and 715 of the Catalist Rules. All the subsidiaries which are incorporated in Singapore are audited by RSM Chio Lim LLP ("RSM"). Alliance Medinet (M) Sdn. Bhd., which is incorporated in Malaysia is audited by Messrs. ASQ PLT.

The main functions and responsibilities of the ARMC include the following:

- (a) to assist the Board in the discharge of its responsibilities on financial and reporting matters;
- (b) to review, with the internal and external auditor, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response, and results of the audits compiled by the internal and external auditor, and shall review at regular intervals with the management on the implementation by the Group of the internal control recommendations made by the internal and external auditor;
- (c) to review the periodic financial statements of the Company and results announcements of the Company, focusing, in particular, on changes in policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards, the Catalist Rules and any other statutory/regulatory requirements, as well as concerns and issues arising from the audit, including any matters which the auditor may wish to discuss in the absence of the management, where necessary, before submission to the Board for approval;

# CORPORATE GOVERNANCE REPORT

- (d) to review at least annually, the effectiveness and adequacy of the internal controls, including financial, operational, compliance and information technology controls and risk management systems;
- (e) to review the adequacy, effectiveness, independence, scope of results and objectivity of the external audit and the internal audit function as well as consider and make recommendations to the Board on (i) the proposals to the shareholders on the appointment or re-appointment and removal of internal and external auditor and (ii) the remuneration and terms of engagement of the internal and external auditor;
- (f) to review the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on; and to ensure that the Company publicly discloses, and clearly communicates to its employees, the existence of a whistle-blowing policy and procedures for raising such concerns;
- (g) to review and discuss with the internal and external auditor any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations which has or is likely to have a material impact on the Group's results of operations or financial position, and the management's response;
- (h) to review the financial risk areas, with a view to providing an independent oversight of the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, if the findings are material, to be immediately announced via SGXNET;
- (i) to review the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels as determined by the Board;
- (j) to review the statements to be included in the annual report concerning the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational and compliance controls as well as IT controls;
- (k) to review the cooperation given by the management to the internal and external auditor;
- (l) to review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (m) to review any potential conflicts of interest and set out a framework to resolve or mitigate any potential conflicts of interest;
- (n) to review and approve all hedging policies and instruments (if any) to be implemented by the Group;
- (o) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the ARMC;
- (p) to review the cash management processes of the Group;
- (q) to review and establish procedures for receipt, retention and treatment of complaints received by the Group involving, among others, criminal offences involving the Group or its employees and questionable accounting, auditing, business, safety or other matters that impact negatively on the Group and ensuring that there are arrangements in place for independent investigation and follow-up action(s);
- (r) to review at least annually, compliance by the Group with all applicable laws, regulations, rules and guidance (including, but not limited to, the Private Healthcare Facilities and Services Act, 1998 (Act 586) of Malaysia ("PHFSA")) that are material to the Group's business and operations in Malaysia (the "Existing Malaysian Law and Regulations") in the event: (i) that Malaysia becomes a reportable geographical segment (in accordance with Singapore Financial Reporting Standards (International) (I)) in the Group's financial statements; and/or (ii) there are changes to the Existing Malaysian Law and Regulations, or new laws, regulations, rules and guidance are introduced in Malaysia that require compliance by the Group (including any specific requirements that companies (such as Alliance Medinet Pte Ltd, a subsidiary of the Company) which are neither incorporated under the Companies Act of Malaysia nor a foreign-incorporated company registered under the Companies Act of Malaysia) are to be registered as a "Managed Care Organisation", whether under the PHFSA or otherwise);

# CORPORATE GOVERNANCE REPORT

- (s) to review at least annually, in consultation with the Board, relevant fee schedules for claims processing as a medical network administrator for corporations and insurance companies to take into consideration the applicable Singapore Medical Council guidelines and advisories;
- (t) to undertake generally such other functions and duties as may be required by statute or the Catalyst Rules, and by such amendments made thereto from time to time; and
- (u) to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on the Group's results of operations and/or financial position. Each member of the ARMC shall abstain from voting on any resolutions in respect of matters in which he is interested.

In discharging the above duties, the ARMC confirms that it has full access to and co-operation from management and is given full discretion to invite any director to attend its meetings. In addition, the ARMC has also been given reasonable resources to enable it to perform its functions properly. The Board considers Mr. Wong well qualified to chair the ARMC.

The ARMC also reviews all non-audit services provided by the external auditor to ensure that the provision of these services does not affect the independence of the auditor. The ARMC has reviewed the non-audit services provided by RSM during FY2021 and is satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditor and accordingly, has recommended the re-appointment of RSM as auditor of the Company at the forthcoming annual general meeting.

The Company has put into place a whistle-blowing framework, endorsed by the ARMC, where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters. The committee, upon receipt of complaints or allegations from any employee, determines if an investigation is necessary. If an investigation should be carried out, it will direct an independent investigation to be conducted on the complaint received. The ARMC and the Board will receive a report on that complaint and findings of investigation as well as a follow-up report on actions taken. During FY2021, there were no reported incidents under the whistle-blowing framework.

The ARMC is kept abreast by the management and the professionals engaged by the Company (including the external auditor) of changes to accounting standards, Catalyst Rules and other regulations which could have an impact on the Group's business and financial statements. During the year, the ARMC was briefed of the new financial reporting standards, Conflict of Interest Policy, Code of Business Conduct and Gift and Entertainment Policy and scope of coverage of outsourced service provider assurance review (the "OSPAR"). The scope of review of OSPAR includes logical security, physical security, business plan and disaster recovery, network and security management, security incident response, system vulnerability assessment and technology refresh management.

The management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measure to control and mitigate these risks. Management reviews all significant control policies and procedures and highlights all significant matters to the ARMC and Board.

The ARMC has deliberated the key audit matters identified by the external auditor. Details of the key audit matters for FY2021 are provided in the key audit matters section of the Independent Auditor's Report of the Annual Report.

The ARMC is responsible for the appointment, termination, evaluation and compensation of the performance of the internal auditor. The Group has appointed Yang Lee & Associates ("YLA" or "IA") as its internal auditor to assist the ARMC to assess and evaluate that the Group maintains a robust and effective system of internal controls by regular monitoring of key controls, conducting audits of high-risk areas and undertaking investigations as directed by the ARMC.

YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains a diverse outsourced internal audit portfolio of SGX-ST listed companies across different industries including distribution, manufacturing, services, food & beverage, trading, retail and property development industries. YLA is a corporate member of the Institute of Internal Auditors Singapore and is staffed with professionals with relevant qualifications such as the Certified Internal Auditor qualification with the Institute of Internal Auditors. The Group's engagement with YLA stipulates that its work shall be guided by the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

The internal auditor's primary line of reporting is to the Chairman of the ARMC. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the ARMC, and has appropriate standing within the Company to discharge its duties effectively.

# CORPORATE GOVERNANCE REPORT

On an annual basis, the internal auditor prepares and executes a risk-based audit plan, so as to review the adequacy and effectiveness of the system of internal controls of the Group. Key audit findings are presented to the ARMC and the results of the findings are also shared with the external auditor.

YLA completed one review during FY2021 in accordance with the risk-based audit plan approved by the ARMC. The Management has adopted key recommendations of the IA set out in the IA's report.

The IA engagement team comprises two Directors, a Senior Manager, an Assistant Manager and supported by two Associates. Each of the two Directors has more than 20 years of relevant experience whilst the Senior Manager has approximately 15 years of relevant experience.

The ARMC annually reviews the scope and results of the internal audit and ensures that the internal audit function is adequately resourced. The ARMC is satisfied that the internal auditor is independent, effective, qualified and adequately resourced.

During FY2021, the committee has met with the the internal auditor and the external auditor once respectively, without the presence of Management.

## SHAREHOLDER RIGHTS AND RESPONSIBILITIES

### Principle 11: Shareholder Rights and Conduct of General Meetings

**The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives its shareholders a balanced and understandable assessment of its performance, position and prospects.**

### Principle 12: Engagement with Shareholders

**The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.**

The Company has established an investors relations policy and endeavors to communicate regularly, effectively and fairly with its shareholders. In line with the continuous disclosure obligations under the relevant rules, the Board ensures that shareholders are promptly informed of all major developments that may have a material impact on the Group in a timely manner. Information is released to shareholders and investors on a timely basis, through SGXNET as well as the Company's corporate website <https://www.alliancehealthcare.com.sg>.

In presenting the annual financial statements and announcements of financial results to shareholders, the Board has a responsibility to present a fair assessment of the Group's financial performance and position including the prospects of the Group. The Board is mindful of the obligation to provide timely and fair disclosure of material information and price sensitive and trade sensitive information. The Board is accountable to the shareholders while the management is accountable to the Board.

The Company has an internal investor relations team, led by the Chief Financial Officer, who is responsible for the Company's communication with shareholders. Any shareholder who has queries may send an email to the Company at [investor.relations@alliancehealthcare.com.sg](mailto:investor.relations@alliancehealthcare.com.sg). The Company has also engaged an external investor relations firm which assists to organise meetings with investors and shareholders so as to actively engage and promote regular, effective and fair communication. It releases investor presentations periodically through SGXNET to keep shareholders informed of the Group's developments and updates.

The annual general meeting is the principal forum for dialogue with shareholders. The annual general meeting provides an open question and answer session at which shareholders may raise questions or share their views regarding the proposed resolutions and the Group's businesses and affairs. The Board encourages shareholders to attend general meetings if possible to ensure a greater level of shareholders' participation and to meet with the Board and the key management personnel so as to stay informed of the Group's developments and to raise issues and ask the directors or the management questions regarding the Group's business and operations. The directors and the management as well as external auditors will be present at general meetings to address shareholders' queries regarding amongst others the conduct of audit and the auditors' report. All directors of the Company attended the annual general meeting ("AGM") and extraordinary general meeting ("EGM") of the Company held in 2020.

# CORPORATE GOVERNANCE REPORT

Due to the outbreak of COVID-19, the Company's AGM and EGM held on 28 October 2020 were conducted by way of electronic means. Physical copies of the notice of meetings, proxy forms, annual report (together with the Sustainability Report) and Circular to Shareholders (in relation to the proposed adoption of the share buyback mandate of the Company) were not sent to shareholders, but were published on the SGXNET and the Company's website. Shareholders participated in the AGM and EGM via electronic means, and were directed to pre-register online and submit questions related to the meetings in advance of the meetings. The Company published the responses to the substantial queries and relevant comments from shareholders and Securities Investors Association (Singapore) on SGXNet and the Company's website 2 days before the AGM and EGM.

As the AGM and EGM were held by electronic means, voting at the meetings was conducted by proxy only. Shareholders who wished to vote on any or all of the resolutions at the meetings had appointed the Chairman of the AGM and EGM as their proxy by completing the proxy form for each of the AGM and EGM, and submitting the proxy forms by post or by email to the Company seventy-two (72) hours before the respective meetings.

With the COVID-19 infection rate rising rapidly in Singapore and the tightening of COVID-19 restrictions, the Company's AGM for FY2021 will continue to be held via electronic means. Shareholders will not be able to attend the AGM in person, but may observe the proceedings of the AGM by audio or audio-visual means. Shareholders may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM. Please refer to the notice of the FY2021 AGM and announcement dated 6 October 2021 for more information on the forthcoming AGM.

The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, inter alia, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration. Please refer to "Dividends" section on page 63 for further information.

Separate resolutions on each distinct issue are tabled at general meetings. "Bundling" of resolutions are kept to a minimum and done only where the resolutions are interdependent as to form one significant proposal and only where there are reasons and material implications involved. Where the resolutions are "bundled", the Company shall explain the reasons and material implications in the notice of such general meeting. All resolutions are put for vote by poll in accordance to the Catalist Rules. The Board has decided not to implement absentia-voting methods by mail, e-mail or fax, until issues on security and integrity are satisfactorily resolved. The Company's Constitution allows a member of the Company who is not a relevant intermediary to appoint not more than two proxies to attend and vote at general meetings. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at general meetings. For the time being, the Board is of the view that two proxies for each non-intermediary member is adequate to enable Shareholders to participate in general meetings of the Company. All shareholders have the opportunity to participate effectively in and vote at general meetings.

Under Provision 11.5 of the Code, the Company should publish the minutes of general meetings of shareholders on its corporate website as soon as practicable and such minutes shall record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and management. The minutes of general meetings of the Company for FY2020 were published on SGXNET and the Company's corporate website within one month after the general meetings, for the information of the shareholders.

The voting results of each of the resolutions tabled are announced on the same day after the meeting. The total numbers of votes cast for or against the resolutions are also announced after the meetings via SGXNET.

## Principle 13: Engagement with Stakeholders

**The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

The Group has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations as provided in the Group's 2021 Sustainability Report, the Company has regularly engaged its stakeholders through various channels to ensure that the business interests of the Group are aligned with those stakeholders, to understand and address the concerns so as to improve services and products standards, as well as to sustain business operations for long-term growth. The Company takes a pragmatic approach in managing stakeholders' expectations to support its long-term strategy. Pertinent information and news are regularly conveyed to the stakeholders through SGXNET.

Stakeholders of the Company will be able to communicate with the Company through the contact information provided in its corporate website.



# CORPORATE GOVERNANCE REPORT

## DIVIDENDS

The Company does not have a fixed dividend policy. The declaration and payment of future dividends may be recommended by the Board at their discretion after considering a number of factors, including level of cash and reserves, results of operations, business prospects, capital requirements and surplus, general financial condition, contractual restrictions, the absence of any circumstances which might reduce the amount of reserves available to pay dividends, and other factors considered relevant by the Board, including the Group's expected financial performance and the impact of COVID-19 pandemic.

As stated in the Company's offer document issued in connection with its initial public offering ("IPO") dated 24 May 2019 ("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 FY2020 and for FY2021. The foregoing statements are merely statements of the Board's present intention and shall not constitute legally binding obligations on the Company or legally binding statements in respect of future dividends (including those proposed for FY2020 and FY2021), which may be subject to modification (including reduction or non-declaration thereof) in the Board's sole and absolute discretion.

For FY2021, the Board has recommended a final tax exempt (one-tier) dividend of 0.23 Singapore cent per ordinary share for shareholders' approval at the forthcoming annual general meeting.

## RISK MANAGEMENT

The Company regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. All significant control policies and procedures are reviewed by management and all significant matters are tabled to the ARMC and Board for review and deliberation.

## DEALINGS IN SECURITIES

The Company has set out guidelines to the directors, officers and staff of the Group in relation to dealings in the Company's securities. These guidelines prohibit the Company, its directors, its officers and staff from dealing in the listed securities of the Company while in possession of material and/or price sensitive or trade-sensitive unpublished information and during the period one month before the announcement of the Company's half-year and full-year financial results and ending on the date of announcement of the relevant financial results. The Company, its directors and officers are also advised not to deal in the Company's securities on short-term considerations.

The Company, directors and officers of the Company are also advised to observe insider trading laws at all times even when dealing in the Company's securities within the permitted trading period.

All directors, officers and staff of the Group are required to comply with the provisions of the Securities and Futures Act, the Companies Act, the Catalist Rules and any other relevant regulations with regard to their securities transactions.

In view of the processes in place, in the opinion of the Board, the Company has complied with Rule 1204(19) of the Catalist Rules on dealings in securities.

## INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for review and approval.

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 FY2021.

# CORPORATE GOVERNANCE REPORT

## MATERIAL CONTRACTS

There were no material contracts of the Company or any of its subsidiary companies involving the interests of the CEO, each director or controlling shareholder of the Company, either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.

## NON-SPONSOR FEES

There were no non-sponsor fees paid to the Company's former sponsor, CIMB Bank Berhad, Singapore Branch for FY2021.

## FEES PAID TO AUDITORS

In accordance with Rule 1204(6)(a) of the Catalist Rules, the aggregate amount of fees paid to the Company's auditor, RSM, broken down into audit and non-audit services during FY2021 are as follows:

Nature of services	Fees (S\$)
<b>Non-Audit</b>	
Tax Compliance Work	50,511
Out-sourced Service Providers Assurance Review (OSPAR)	28,000
Special Audit on Purchase Price Allocation	9,000
<b>Audit</b>	<b>212,459</b>
<b>Total</b>	<b>299,970</b>

## UTILISATION OF IPO PROCEEDS

As at the date of this report, the status on the use of the proceeds raised from the IPO 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	1,980	<b>1,020</b>
(ii) To invest in technology systems as part of the digital transformation of the delivery of healthcare services	500	500	–
(iii) To expand pharmaceutical services business	200	200	–
(iv) For general working capital requirements <sup>(1)(2)</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	–
<b>Gross proceeds from IPO</b>	<b>6,400</b>	<b>5,380</b>	<b>1,020</b>

### 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.

## SUSTAINABILITY REPORT

The Company's Sustainability Report for FY2021 can be found in on pages 18 to 39 of this Annual Report.

# STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 30 June 2021.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

## 2. Directors

The directors of the company in office at the date of this statement are:

Dr. Barry Thng Lip Mong  
 Dr. Mok Kan Hwei, Paul  
 Wong Hin Sun, Eugene  
 Lim Heng Chong Benny  
 Dr. Leong Peng Kheong Adrian Francis

## 3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
	<u>Number of ordinary shares</u>			
<u>The company</u>				
Dr. Barry Thng Lip Mong	7,428,223	7,428,223	133,450,000	133,450,000
Dr. Mok Kan Hwei, Paul	6,598,960	6,598,960	–	–
Wong Hin Sun, Eugene	100,000	100,000	–	–
Lim Heng Chong Benny	100,000	100,000	–	–
Dr. Leong Peng Kheong Adrian Francis	741,370	741,370	–	–
<u>Parent company</u>				
Alpine Investment Holdings Pte. Ltd.				
Dr. Barry Thng Lip Mong	973,890	973,890	–	–

By virtue of section 7 of the Act Dr. Barry Thng Lip Mong is deemed to have an interest in the company and in all the related body corporates of the company.

The directors' interests as at 21 July 2021 were the same as those at the end of the reporting year.

# STATEMENT BY DIRECTORS

## 4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

## 5. Options

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

## 6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

## 7. Report of audit and risk management committee

The members of the audit and risk management committee ("ARMC") at the date of this report are as follows:

Wong Hin Sun, Eugene (Chairman of ARMC)  
Lim Heng Chong Benny  
Dr. Leong Peng Kheong Adrian Francis

The ARMC performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalyst).

Other functions performed by the ARMC are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The ARMC has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the company.

# STATEMENT BY DIRECTORS

## 8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the group, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the ARMC and the board are of the opinion that the group's internal controls and risk management systems, addressing financial, operational, compliance and information technology risks, are adequate and effective as at the end of the reporting year 30 June 2021.

## 9. Directors' opinion on the adequacy of internal controls

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 27 August 2021, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

.....  
Dr. Barry Thng Lip Mong  
Director

.....  
Dr. Mok Kan Hwei, Paul  
Director

4 October 2021

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIANCE HEALTHCARE GROUP LIMITED

## Report on the audit of the financial statements

### Opinion

We have audited the accompanying financial statements of Alliance Healthcare Group Limited (the “company”) and its subsidiaries (the “group”), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 30 June 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (“the Act”) and Singapore Financial Reporting Standards (International) (“SFRS (I)”) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- Assessment of impairment of goodwill

Please refer to Note 2 on accounting policies, Note 2C on critical judgements, assumptions and estimation uncertainties and Note 17 on goodwill.

As at the end of the reporting year, the group has goodwill of \$5,190,858, which amounts to approximately 10.6% of the group’s total assets as at 30 June 2021. Goodwill is assessed annually for impairment. Management used the value in use method to determine the recoverable amount of goodwill. The value in use method required management to estimate the future cash flows expected to arise from each of the cash-generating units as well as a suitable discount rate in order to measure the recoverable amount. In estimating the future cash flows of the cash-generating units, management forecasted the revenue, growth rates, margins based on presently available information.

With the assistance of our in-house valuation specialist, we compared the valuation methodology to generally acceptable market practices and evaluated management’s inputs to the valuation through discussions with management, verified to supporting documents where applicable as well as compared the inputs against available industry data and performed sensitivity analysis on the outcome of the calculations.

We evaluated the adequacy of the disclosures included in the financial statements.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIANCE HEALTHCARE GROUP LIMITED

## Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLIANCE HEALTHCARE GROUP LIMITED

## Auditor's responsibilities for the audit of the financial statements (Cont'd)

- e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Paul Lee Seng Meng.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

4 October 2021

Engagement partner – effective from reporting year ended 30 June 2017



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2021

	Notes	Group	
		2021 \$	2020 \$
Revenue	5	46,415,719	42,783,548
Interest income		7,743	8,367
Other income and gains	6	2,137,570	1,981,350
Consumables and medical supplies used		(15,967,942)	(14,593,533)
Employee benefits expense	7	(23,681,454)	(21,088,356)
Depreciation and amortisation expense	13,14,17	(2,860,372)	(2,435,079)
Other losses	6	(43,248)	(5,786)
Finance costs	8	(263,464)	(278,860)
Other expenses	9	(3,395,752)	(3,373,429)
<b>Profit before tax</b>		<b>2,348,800</b>	2,998,222
Income tax expense	10A	(337,422)	(403,591)
<b>Profit net of tax</b>		<b>2,011,378</b>	2,594,631
<b>Other comprehensive (loss)/income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange differences on translating foreign operations, net of tax	24B	(1,495)	62
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>(1,495)</b>	62
<b>Total comprehensive income</b>		<b>2,009,883</b>	2,594,693
Profit attributable to owners of the parent, net of tax		1,531,579	2,334,635
Profit attributable to non-controlling interests, net of tax		479,799	259,996
<b>Profit net of tax</b>		<b>2,011,378</b>	2,594,631
Total comprehensive income attributable to owners of the parent		1,530,084	2,334,697
Total comprehensive income attributable to non-controlling interests		479,799	259,996
<b>Total comprehensive income</b>		<b>2,009,883</b>	2,594,693
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Earnings per share currency unit			
Basic and diluted	12	0.74	1.12

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	Group		Company	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	13	6,962,723	6,887,885	150,036	316,701
Right-of-use assets	14	3,067,050	2,872,693	57,218	57,974
Investment properties	15	–	–	3,930,116	3,569,376
Investment in subsidiaries	16	–	–	5,877,632	5,877,632
Intangible assets	17	5,867,760	6,009,680	–	–
Deferred tax assets	10C	47,392	75,677	–	–
<b>Total non-current assets</b>		<b>15,944,925</b>	<b>15,845,935</b>	<b>10,015,002</b>	<b>9,821,683</b>
<b>Current assets</b>					
Inventories	18	2,268,151	2,848,885	4,100	4,100
Financial assets – derivatives	19	8,276	8,276	–	–
Trade and other receivables	20	13,568,570	9,810,220	8,701,831	5,723,909
Income tax receivables		6,647	84,787	–	–
Other non-financial assets	21	606,442	620,981	34,237	50,080
Cash and cash equivalents	22	16,733,771	16,336,400	3,326,376	5,411,103
<b>Total current assets</b>		<b>33,191,857</b>	<b>29,709,549</b>	<b>12,066,544</b>	<b>11,189,192</b>
<b>Total assets</b>		<b>49,136,782</b>	<b>45,555,484</b>	<b>22,081,546</b>	<b>21,010,875</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	23	14,684,250	14,684,250	14,684,250	14,684,250
Retained earnings		9,817,622	8,992,863	1,404,571	1,046,277
Other reserves	24	(4,714,838)	(4,653,493)	–	–
<b>Equity, attributable to owners of the parent</b>		<b>19,787,034</b>	<b>19,023,620</b>	<b>16,088,821</b>	<b>15,730,527</b>
Non-controlling interests		1,278,761	862,287	–	–
Other reserve	29A	(526,136)	(526,136)	–	–
<b>Total equity</b>		<b>20,539,659</b>	<b>19,359,771</b>	<b>16,088,821</b>	<b>15,730,527</b>
<b>Non-current liabilities</b>					
Financial liabilities – lease liabilities	14	1,556,046	1,373,634	18,703	20,462
Loans and borrowings	25	5,008,343	5,481,560	2,346,928	2,214,953
Deferred tax liabilities	10C	114,661	138,788	–	–
<b>Total non-current liabilities</b>		<b>6,679,050</b>	<b>6,993,982</b>	<b>2,365,631</b>	<b>2,235,415</b>
<b>Current liabilities</b>					
Income tax payable		552,685	527,368	–	–
Trade and other payables	26	17,658,316	14,879,571	3,354,283	2,795,147
Provision	27	155,000	135,000	–	–
Other non-financial liabilities	28	172,544	1,301	–	–
Financial liabilities – lease liabilities	14	1,581,868	1,558,654	39,201	38,429
Loans and borrowings	25	1,797,660	2,099,837	233,610	211,357
<b>Total current liabilities</b>		<b>21,918,073</b>	<b>19,201,731</b>	<b>3,627,094</b>	<b>3,044,933</b>
<b>Total liabilities</b>		<b>28,597,123</b>	<b>26,195,713</b>	<b>5,992,725</b>	<b>5,280,348</b>
<b>Total equity and liabilities</b>		<b>49,136,782</b>	<b>45,555,484</b>	<b>22,081,546</b>	<b>21,010,875</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2021

Group:	Attributable to owners of the parent						
	Total equity \$	Sub-total \$	Share capital \$	Retained earnings \$	Other reserves \$	Non-controlling interests \$	Other reserves <sup>#A</sup> \$
<b>Current year:</b>							
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)
<b>Changes in equity:</b>							
Total comprehensive income/(loss) for the year	2,009,883	1,530,084	-	1,531,579	(1,495)	479,799	-
Dividends paid (Note 11)	(706,820)	(706,820)	-	(706,820)	-	-	-
Dividends paid to non-controlling interests in subsidiaries	(113,175)	-	-	-	-	(113,175)	-
Acquisition of non-controlling interest without a change in control (Note 29B)	(10,000)	(59,850)	-	-	(59,850)	49,850	-
<b>Closing balance at 30 June 2021</b>	<b>20,539,659</b>	<b>19,787,034</b>	<b>14,684,250</b>	<b>9,817,622</b>	<b>(4,714,838)</b>	<b>1,278,761</b>	<b>(526,136)</b>
<b>Previous year:</b>							
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	2,594,693	2,334,697	-	2,334,635	62	259,996	-
Dividends paid to non-controlling interests in subsidiaries	(64,500)	-	-	-	-	(64,500)	-
Acquisition of subsidiary (Note 29A)	505,754	-	-	-	-	1,031,890	(526,136)
<b>Closing balance at 30 June 2020</b>	<b>19,359,771</b>	<b>19,023,620</b>	<b>14,684,250</b>	<b>8,992,863</b>	<b>(4,653,493)</b>	<b>862,287</b>	<b>(526,136)</b>

#A: This amount relates to a reserve for an obligation which arose from a put option written with certain non-controlling shareholders of Jaga-Me Pte. Ltd. ("Jaga-Me") arising from the acquisition of Jaga-Me during the previous reporting year as disclosed in Note 29A.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2021

	Total equity \$	Share capital \$	Retained earnings \$
<b>Company</b>			
<b>Current year:</b>			
Opening balance at 1 July 2020	15,730,527	14,684,250	1,046,277
<b>Changes in equity:</b>			
Total comprehensive income for the year	1,065,114	–	1,065,114
Dividends paid (Note 11)	(706,820)	–	(706,820)
<b>Closing balance at 30 June 2021</b>	<b>16,088,821</b>	<b>14,684,250</b>	<b>1,404,571</b>
<b>Previous year:</b>			
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	940,946	–	940,946
<b>Closing balance at 30 June 2020</b>	<b>15,730,527</b>	<b>14,684,250</b>	<b>1,046,277</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2021

	Group	
	2021	2020
	\$	\$
<b>Cash flows from operating activities</b>		
Profit before tax	2,348,800	2,998,222
Adjustments for:		
Depreciation of property, plant and equipment	877,056	830,280
Depreciation of right-of-use assets	1,841,396	1,520,736
Amortisation of intangible assets	141,920	84,063
Gain on disposal of plant and equipment	(206)	(3,807)
Plant and equipment written off	2,095	–
Lease modification	(489)	–
Interest expense	148,655	153,519
Lease interest expense	114,809	125,341
Rental rebates	(272,472)	(327,022)
Interest income	(7,743)	(8,367)
Operating cash flows before changes in working capital	5,193,821	5,372,965
Inventories	580,734	(1,417,076)
Trade and other receivables	(3,758,350)	104,426
Other non-financial assets	14,539	6,252
Trade and other payables	2,741,246	396,866
Other non-financial liabilities	171,243	(54,186)
Provision	–	81,380
Net effect of exchange rate changes in consolidating foreign operations	(1,467)	134
Net cash flows from operations	4,941,766	4,490,761
Income tax paid	(229,807)	(319,522)
Net cash flows from operating activities	4,711,959	4,171,239
<b>Cash flows from investing activities</b>		
Interest received	7,743	8,367
Disposal of property, plant and equipment	329	6,451
Acquisition of non-controlling interest without a change in control (Note 29B)	(10,000)	–
Acquisition of subsidiaries (net of cash acquired) (Note 29A)	–	(1,324,339)
Purchase of property, plant and equipment (Notes 13 and 22B)	(934,143)	(1,030,107)
Net cash flows used in investing activities	(936,071)	(2,339,628)
<b>Cash flows from financing activities</b>		
Cash restricted in use	–	(25,000)
Lease liabilities – principal and interest paid	(1,671,972)	(1,260,157)
Movements in amount due to related parties	(84,101)	(125,370)
Movements in amount due to directors	75,000	33,750
Increase in borrowings	368,000	2,450,000
Decrease in other financial liabilities	(1,028,587)	(633,441)
Finance lease repayments	(68,207)	(34,104)
Dividends paid to equity holders of the company	(706,820)	–
Dividends paid to non-controlling interests	(113,175)	(64,500)
Interest paid	(148,655)	(153,519)
Net cash flows (used in)/from financing activities	(3,378,517)	187,659
<b>Net increase in cash and cash equivalents</b>	<b>397,371</b>	<b>2,019,270</b>
Cash and cash equivalents, statement of cash flows, beginning balance	16,311,400	14,292,130
<b>Cash and cash equivalents, statement of cash flows, ending balance (Note 22A)</b>	<b>16,708,771</b>	<b>16,311,400</b>

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 1. GENERAL

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as “parent”) and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the company is that of investment holding and health related services.

The company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activities of the subsidiaries are described in the notes to financial statements below.

The registered office is: 25 Bukit Batok Crescent #07-12 The Elitist, Singapore 658066. The company is situated in Singapore.

### Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS (I) INT”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

### Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

### Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

### Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group’s ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group’s and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 1. GENERAL (CONT'D)

### Basis of presentation (Cont'd)

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

### Uncertainties relating to the Covid-19 pandemic

The Covid-19 pandemic and the aftermath of the pandemic have caused and continue to cause disruptions resulting in uncertainties surrounding the reporting entity's business, including affecting its relationships with its existing and future customers, suppliers and employees, and which had and may continue to have an adverse effect on its financial position, financial performance of operations, cash flows and prospects for the foreseeable future. There is significant uncertainty around the medium to long term impact of the Covid-19 pandemic. Other entities are also evolving and assets held by them may have material uncertainties and/or disclaimers regarding the impact of Covid-19. These uncertainties gave rise to difficulties in making an accurate assessment by management of the future financial impacts on the reporting entity. Management will continue to closely monitor the further economic development and its impact.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 2A. Significant accounting policies

#### Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset.

Sale of goods – Revenue from the sale of consumables and medical supplies, pharmaceutical products (including medicines and healthcare supplements) as well as medical devices, are recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods.

Services – Revenue from the rendering of medical services and managed healthcare solutions is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

#### Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (Cont'd)

#### Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee. For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

#### Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

#### Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

#### Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.



# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (Cont'd)

#### Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

#### Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The useful lives are as follows:

Leasehold properties	–	44 to 59 years
Computers and office equipment	–	2 to 3 years
Warehouse equipment	–	3 years
Furniture and fittings	–	3 years
Medical equipment	–	3 years
Motor vehicles	–	6 years
Renovation	–	3 years
Website and IT software	–	3 to 10 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (Cont'd)

#### Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rate of depreciation is as follows:

Office space, clinic premises and warehouses – 2 to 5 years

#### Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

#### Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

#### Investment properties

Investment properties are properties (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes only, the fair values are measured periodically on a systematic basis by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The useful lives are as follows:

Leasehold properties – Over the remaining leasehold period of between 36 to 44 years from initial recognition

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (Cont'd)

#### Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives is as follows:

Customer relationship	–	5 years
Unpatented technology	–	7 years

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

#### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

#### Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (Cont'd)

#### Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

#### Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (Cont'd)

#### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

#### Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2A. Significant accounting policies (Cont'd)

#### Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL unless the derivative is designated and effective as a hedging instrument.

#### Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

### 2B. Other explanatory information

#### Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2B. Other explanatory information (Cont'd)

#### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

#### Put option financial liability

Where the group writes put options with non-controlling shareholders of subsidiaries, entitling the non-controlling shareholders concerned to sell their equity interests in the subsidiaries back to the group for settlement in cash or another financial asset within a stipulated period upon the occurrence of specified conditions or events, the group recognises a liability based on the present value of the redemption amount of the put options. Subsequent to initial recognition of the financial liability, the group has adopted an accounting policy to recognise the changes in the present value of the put option financial liabilities in equity. If the put option expires unexercised, then the put option financial liability is derecognised, with a corresponding credit to equity.

### 2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

#### Assessment of impairment of goodwill:

The amount of goodwill is tested annually for impairment. This annual impairment test is significant and the process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. As a result, judgement is required in evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted revenue growth and profit margins. The disclosures about goodwill are included in Note 17, which explains that small changes in the key assumptions used could give rise to an impairment of the goodwill balance in the future. Actual outcomes could vary from these estimates.

#### Allowance for trade receivables:

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined accordingly. In addition for the larger amounts with customers, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the note on trade and other receivables.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

### 2C. Critical judgements, assumptions and estimation uncertainties (Cont'd)

Income tax amounts:

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

Useful lives of plant and equipment:

The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset at the end of the reporting year affected by the assumption is \$6,962,723 (2020: \$6,887,885).

Put option liability payable consideration:

The group has put options with certain non-controlling shareholders of Jaga-Me Pte. Ltd. ("Jaga-Me"). The put option provides the non-controlling shareholders concerned the right to require the group to acquire shares owned by the non-controlling shareholders concerned. This right is exercisable in between 2021 to 2023 and may be exercised when certain conditions are met. The conditions of the put options are as disclosed in Note 29A.

The group has recognised a put option liability payable consideration of \$878,562 since FY2020 as disclosed in Note 26 based on the probability assessed by management on Jaga-Me achieving the conditions of the put options. This involves the management making assumptions of the forecasted revenue growth and profitability of Jaga-Me. Actual outcomes could vary from these estimates.

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

### 3A. Members of a group:

Name	Relationship	Country of incorporation
Alpine Investment Holdings Pte. Ltd.	Parent company and ultimate parent company	Singapore

Related companies in these financial statements include the members of the above group of companies.

The ultimate controlling party is Dr. Barry Thng Lip Mong, a director and significant shareholder.



# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

### 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

#### 3B. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Group	
	2021	2020
	\$	\$
<u>Related parties:</u>		
Professional fees expenses	2,966,873	2,863,255
Rental expenses	47,025	36,000

The professional fee expenses were paid/payable to entities controlled by certain directors or shareholders of the company's subsidiaries.

#### 3C. Key management compensation:

	2021	2020
	\$	\$
<u>Group:</u>		
Salaries and other short-term employee benefits	2,752,365	2,278,811

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	2021	2020
	\$	\$
<u>Group:</u>		
Fees to directors of the company	150,000	150,000
Remuneration of directors of the company	1,626,125	1,346,883

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

### 3D. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Group and company Directors	
	2021	2020
	\$	\$
Other payables:		
At beginning of the year	(75,000)	(41,250)
Amounts paid in and settlement of liabilities on behalf of the group	(150,000)	(150,000)
Amounts paid out and settlement of liabilities on behalf of directors	75,000	116,250
At end of the year (Note 26)	<u>(150,000)</u>	<u>(75,000)</u>

	Group Related parties	
	2021	2020
	\$	\$
Other payables:		
At beginning of the year	(97,730)	(121,000)
Amounts paid in and settlement of liabilities on behalf of the group	-	(97,730)
Amounts paid out and settlement of liabilities on behalf of related parties	37,500	121,000
Other adjustments	1	-
At end of the year (Note 26)	<u>(60,229)</u>	<u>(97,730)</u>

	Company Subsidiaries	
	2021	2020
	\$	\$
Other receivables:		
At beginning of the year	945,000	-
Amounts paid in and settlement of liabilities on behalf of the company	2,300,000	-
Amounts paid out and settlement of liabilities on behalf of subsidiaries	(210,000)	945,000
At end of the year (Note 20)	<u>3,035,000</u>	<u>945,000</u>

The related parties' other payables amount are owing to non-controlling interests of certain subsidiaries and shareholders of the ultimate parent company.

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

### 4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4A. Information about reportable segment profit or loss, assets and liabilities (Cont'd)

For management purposes the reporting entity is organised into the following major strategic operating segments that offer different products and services:

- (1) GP clinic services;
- (2) Specialist care services;
- (3) Managed healthcare solutions;
- (4) Pharmaceutical services;
- (5) Mobile and digital health services; and
- (6) Others

These operating segments are reported in a manner consistent with internal reporting provided to Dr. Barry Thng Lip Mong, Chief Executive Officer, who is responsible for allocating resources and assessing performance of the operating segments.

Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

The GP clinic services segment is in the business of provision of primary healthcare medical services by general practitioners.

The specialist care services segment is in the business of provision of medical services by specialists.

The managed healthcare solutions segment is in the business of providing managed healthcare solutions to corporations and insurance companies by establishing an extensive network of medical service providers to deliver healthcare services to the employees of corporations, or as the case may be, insured members of policyholders of insurance companies or by providing direct medical services to the employees of corporations concerned.

The pharmaceutical services segment is in the business of wholesale of pharmaceutical products services (including medicines and health supplements) as well as medical devices.

The mobile and digital health services segment is in the business of making medical care within reach through mobile and home care services.

The others segment is in the business of investment holding and provision of administrative and management services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The management reporting system evaluates performances based on a number of factors. However the primary financial performance measurement to evaluate segment's operating results comprises one major financial indicator: earnings before interest expense, tax, depreciation and amortisation ("EBITDA"). The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4B. Primary analysis by business segment

	GP clinic services	Specialist care services	Managed healthcare solutions	Pharmaceutical services	Mobile and digital health services	Others	Eliminations	Group
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2021</b>								
<b>Revenue by segment</b>								
External sales	14,090,442	9,782,323	4,918,093	13,183,622	4,441,239	-	-	46,415,719
Inter-segment sales	25,257	809	334,234	2,241,216	57,269	4,500,746	(7,159,531)	-
Total revenue	14,115,699	9,783,132	5,252,327	15,424,838	4,498,508	4,500,746	(7,159,531)	46,415,719
<b>EBITDA</b>								
Finance costs	2,339,358	1,796,032	(58,373)	1,427,257	611,792	(643,430)	-	5,472,636
Depreciation and amortisation	(111,661)	(21,407)	(528)	(11,977)	(88,753)	(29,138)	-	(263,464)
	(1,437,842)	(507,725)	(130,484)	(182,368)	(317,493)	(284,460)	-	(2,860,372)
Profit (loss) before tax	789,855	1,266,900	(189,385)	1,232,912	205,546	(957,028)	-	2,348,800
Income tax expense								(337,422)
<b>Profit, net of tax</b>								2,011,378
<b>Segment assets</b>	12,452,294	3,908,146	15,827,724	5,405,675	7,912,247	20,303,316	(16,672,620)	49,136,782
<b>Segment liabilities</b>	(7,566,918)	(2,351,855)	(14,028,000)	(2,333,510)	(7,106,374)	(5,992,728)	10,782,262	(28,597,123)
<b>Other material items and reconciliations</b>								
Expenditures for property, plant and equipment	52,103	25,813	105,738	106,554	170,683	493,252	-	954,143

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4B. Primary analysis by business segment (Cont'd)

	GP clinic services \$	Specialist care services \$	Managed healthcare solutions \$	Pharmaceutical services \$	Mobile and digital health services \$	Others \$	Eliminations \$	Group \$
<b>2020</b>								
<b>Revenue by segment</b>								
External sales	15,538,065	8,934,419	4,894,683	12,263,657	1,152,724	–	–	42,783,548
Inter-segment sales	1,070	–	136,770	2,573,598	–	3,561,458	(6,272,896)	–
Total revenue	15,539,135	8,934,419	5,031,453	14,837,255	1,152,724	3,561,458	(6,272,896)	42,783,548
<b>EBITDA</b>								
Finance costs	2,563,590	1,331,387	713,418	1,442,418	(262,091)	(76,561)	–	5,712,161
Depreciation and amortisation	(144,873)	(35,486)	(1,239)	(4,269)	(68,920)	(24,073)	–	(278,860)
Profit (loss) before tax	(1,245,094)	(506,991)	(165,720)	(73,169)	(130,060)	(314,045)	–	(2,435,079)
Income tax expense	1,173,623	788,910	546,459	1,364,980	(461,071)	(414,679)	–	2,998,222
<b>Profit, net of tax</b>								
								(403,591)
<b>Segment assets</b>	11,439,096	3,772,949	9,443,340	7,272,280	6,155,097	19,240,308	(11,767,586)	45,555,484
<b>Segment liabilities</b>	(7,518,876)	(2,303,643)	(7,135,145)	(4,249,147)	(5,574,442)	(5,280,350)	5,865,890	(26,195,713)
<b>Other material items and reconciliations</b>								
Expenditures for property, plant and equipment	132,414	74,498	150,257	163,767	448,818	297,753	–	1,267,507

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

### 4C. Geographical information

	Revenue		Non-current assets	
	2021	2020	2021	2020
	\$	\$	\$	\$
Singapore	<b>43,701,806</b>	40,623,810	<b>15,934,891</b>	15,819,972
Others <sup>(1)</sup>	<b>2,713,913</b>	2,159,738	<b>10,034</b>	25,963
Total	<b>46,415,719</b>	42,783,548	<b>15,944,925</b>	15,845,935

(1) "Others" include countries from Europe and Asia Pacific Region.

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located.

### 4D. INFORMATION ABOUT MAJOR CUSTOMERS

The major customers of the group by revenue are as follows:

	2021	2020
	\$	\$
Top 1 customer	<b>1,836,541</b>	1,679,400
Top 2 customer	<b>1,677,839</b>	1,408,397
Top 3 customer	<b>1,503,724</b>	1,181,767

## 5. REVENUE

	Group	
	2021	2020
	\$	\$
Rendering of services		
– Medical services	<b>23,872,765</b>	24,472,484
– Managed healthcare solutions services	<b>4,918,093</b>	4,894,683
– Mobile and digital health services	<b>4,441,239</b>	1,152,724
Sale of goods	<b>13,183,622</b>	12,263,657
Total revenue	<b>46,415,719</b>	42,783,548

The revenue from rendering of medical services (including the sale of consumable and medical supplies), managed healthcare solutions services, mobile and digital health services (including the sale of consumable and medical supplies) and sale of goods comprising pharmaceutical products (including medicines and health supplements) as well as medical devices, are recognised based on point in time. The customers are medical services providers, insurance companies, corporate entities and individuals.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 6. OTHER INCOME AND GAINS AND (OTHER LOSSES)

	Group	
	2021	2020
	\$	\$
Allowance of allowance for impairment on trade receivables	(1,153)	(4,289)
Bad debts written off trade receivables	–	(1,010)
Foreign exchange transaction gains	69,993	42,481
Government grants	417,537	451,532
Government grants from job support scheme #a	1,366,296	1,152,356
Gain on disposal of plant and equipment	206	3,807
Other income	11,066	4,152
Other losses	(40,000)	(487)
Plant and equipment written off	(2,095)	–
Rental rebates	272,472	327,022
Net	<u>2,094,322</u>	<u>1,975,564</u>
Presented in profit and loss as:		
Other income and gains	2,137,570	1,981,350
Other losses	(43,248)	(5,786)
Net	<u>2,094,322</u>	<u>1,975,564</u>

#a. The purpose of the Job Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19.

## 7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2021	2020
	\$	\$
Short term employee benefits expense	21,566,397	19,348,801
Contributions to defined contribution plan	1,676,164	1,511,599
Other benefits	438,893	227,956
Total employee benefits expense	<u>23,681,454</u>	<u>21,088,356</u>

Employee benefits expense includes fees paid to locum doctors for medical services rendered and professional fees for medical services rendered.

## 8. FINANCE COSTS

	Group	
	2021	2020
	\$	\$
Interest expense	148,655	153,519
Lease interest expense	114,809	125,341
	<u>263,464</u>	<u>278,860</u>

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 9. OTHER EXPENSES

The major components include the following:

	Group	
	2021	2020
	\$	\$
Advertising and marketing expenses	516,374	427,124
IT maintenance and licensing expenses	290,018	158,811
Short-term rental charges	72,280	400,378
Provision of estimated legal fees and possible penalties <sup>(1)</sup>	320,000	–

(1) On 29 June 2021, the company announced that the group's subsidiaries, namely My Family Clinic (Hougang Central) Pte. Ltd., My Family Clinic (RV) Pte. Ltd. and My Family Clinic (TH) Pte. Ltd. had received summons in relation to the investigation by the Ministry of Manpower concerning a locum doctor. On 22 September 2021, the company announced that the court has adjourned further mentions of the court proceedings to 21 October 2021.

## 10. INCOME TAX

### 10A. Components of tax expense recognised in profit or loss include:

	Group	
	2021	2020
	\$	\$
Current tax expense:		
Current tax expense	466,873	433,915
Over adjustments to current tax in respect of prior period	(133,609)	(37,260)
Subtotal	333,264	396,655
Deferred tax expense:		
Deferred tax expense	4,158	6,936
Subtotal	4,158	6,936
Total income tax expense	337,422	403,591

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2020: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2021	2020
	\$	\$
Profit before tax	2,348,800	2,998,222
Income tax expense at the above rate	399,296	509,698
Income not subject to tax	(232,503)	(189,490)
Expenses not deductible for tax purposes	90,034	32,464
Unrecognised deferred tax assets	380,429	235,165
Tax exemptions and incentives	(159,526)	(157,289)
Over adjustments to tax in respect of prior periods	(133,609)	(37,260)
Others	(6,699)	10,303
Total income tax expense	337,422	403,591



# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 10. INCOME TAX (CONT'D)

### 10B. Deferred tax expense recognised in profit or loss includes:

	Group	
	2021	2020
	\$	\$
Excess of book over tax depreciation on plant and equipment	12,808	(1,235)
Excess of tax over book depreciation on plant and equipment	(88,366)	(40,034)
Intangible assets arising from acquisition of subsidiaries	(29,507)	–
Productivity innovation credits	–	39,803
Tax losses carryforwards	(257,500)	(195,605)
Others	(13,706)	(31,158)
Unrecognised deferred tax assets	380,429	235,165
Total deferred income tax expense recognised in profit or loss	4,158	6,936

### 10C. Deferred tax balance in the statement of financial position:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
<u>From deferred tax (liabilities) asset recognised in profit or loss:</u>				
Excess of net book value of plant and equipment over tax values	(41,837)	(29,029)	–	–
Excess of tax values over net book value of plant and equipment	370,992	282,626	221,862	187,876
Productivity innovation credits	361,364	361,364	361,364	361,364
Tax losses carryforwards	691,010	433,510	296,468	115,326
Others	58,083	44,377	–	–
Unrecognised deferred tax assets	(1,389,814)	(1,009,385)	(879,694)	(664,566)
Subtotal	49,798	83,463	–	–
<u>From deferred tax liabilities arising from acquisition of subsidiaries:</u>				
Intangible assets arising from acquisition of subsidiaries	(117,067)	(146,574)	–	–
Net total of deferred tax (liabilities) assets	(67,269)	(63,111)	–	–

	Group	
	2021	2020
	\$	\$
<u>Presented in statement of financial position as:</u>		
Deferred tax liabilities	(114,661)	(138,788)
Deferred tax assets	47,392	75,677
	(67,269)	(63,111)

Unrecognised deferred tax assets relates to the following items:

	Group	
	2021	2020
	\$	\$
Unused tax losses available	4,064,767	2,550,059
Unutilised capital allowances	2,125,671	2,125,671
Others	1,984,938	1,261,829
	8,175,376	5,937,559

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 10. INCOME TAX (CONT'D)

### 10C. Deferred tax balance in the statement of financial position: (Cont'd)

No deferred tax assets for the tax losses (including deductible temporary differences, unused tax losses and unused tax credits) has been recognised in respect of the remaining for the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised. The above are in respect of Singapore companies and the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

There are no income tax consequences of dividends to owners of the company.

## 11. DIVIDENDS ON EQUITY SHARES

	Rate per share – cents		2021 \$	2020 \$
	2021	2020		
Company:				
Final tax-exempt dividend paid	0.34	–	706,820	–
Total dividends paid in the year	0.34	–	706,820	–

The directors have proposed that a final tax-exempt dividend of 0.23 cents per ordinary share with a total of \$478,140 be paid for the financial year ended 30 June 2021. This dividend is subject to approval by shareholders at the next annual general meeting to be held on 21 October 2021 and has not been included as a liability in these financial statements.

## 12. EARNINGS PER SHARE

The following table illustrates the numerator and denominator used to calculate basic and diluted amount per share of no par value:

	2021 \$	2020 \$
Numerator:		
Profit attributable to owners of the parent, net of tax	1,531,579	2,334,635
Denominator: weighted average number of equity shares		
Basic	207,888,352	207,888,352

The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting year.

Diluted earnings per share are the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective reporting years.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 13. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold properties \$	Computers and office equipment \$	Warehouse equipment \$	Furniture and fittings \$	Medical equipment \$	Motor vehicles \$	Renovation \$	Website and IT software \$	Total \$
<b>Cost:</b>									
At 1 July 2019	6,335,169	1,928,450	-	574,350	414,768	145,881	929,201	1,896,642	12,224,461
Reclassification	-	(8,630)	8,630	-	-	-	-	-	-
Additions	-	348,550	33,578	45,964	82,513	70,764	142,357	543,781	1,267,507
Disposals	-	(22,540)	-	-	(2,046)	(64,192)	-	(1,110)	(89,888)
Acquisition of subsidiary	-	2,959	-	2,293	-	-	-	-	5,252
Foreign exchange adjustments	-	(139)	-	-	-	-	(88)	(34)	(261)
At 30 June 2020	6,335,169	2,248,650	42,208	622,607	495,235	152,453	1,071,470	2,439,279	13,407,071
Additions	460,000	107,618	25,790	60,209	47,233	-	74,529	178,764	954,143
Disposals	-	(1,097)	-	-	-	-	-	-	(1,097)
Write off	-	(98,517)	-	-	-	-	-	-	(98,517)
Foreign exchange adjustments	-	(134)	-	(13)	-	-	(78)	(30)	(255)
At 30 June 2021	<b>6,795,169</b>	<b>2,256,520</b>	<b>67,998</b>	<b>682,803</b>	<b>542,468</b>	<b>152,453</b>	<b>1,145,921</b>	<b>2,618,013</b>	<b>14,261,345</b>
<b>Accumulated depreciation:</b>									
At 1 July 2019	599,135	1,886,012	-	514,631	342,993	109,575	786,559	1,537,434	5,776,339
Reclassification	-	(7,430)	7,430	-	-	-	-	-	-
Depreciation for the year	132,654	189,858	7,175	45,831	60,896	19,512	132,425	241,929	830,280
Disposals	-	(22,540)	-	-	(512)	(64,192)	-	-	(87,244)
Foreign exchange adjustments	-	(120)	-	-	-	-	(49)	(20)	(189)
At 30 June 2020	731,789	2,045,780	14,605	560,462	403,377	64,895	918,935	1,779,343	6,519,186
Depreciation for the year	134,789	215,219	14,769	40,205	52,861	25,409	104,241	289,563	877,056
Disposals	-	(974)	-	-	-	-	-	-	(974)
Write off	-	(96,422)	-	-	-	-	-	-	(96,422)
Foreign exchange adjustments	-	(123)	-	(4)	-	-	(69)	(28)	(224)
At 30 June 2021	<b>866,578</b>	<b>2,163,480</b>	<b>29,374</b>	<b>600,663</b>	<b>456,238</b>	<b>90,304</b>	<b>1,023,107</b>	<b>2,068,878</b>	<b>7,298,622</b>
Carrying value:									
At 1 July 2019	5,736,034	42,438	-	59,719	71,775	36,306	142,642	359,208	6,448,122
At 30 June 2020	5,603,380	202,870	27,603	62,145	91,858	87,558	152,535	659,936	6,887,885
At 30 June 2021	<b>5,928,591</b>	<b>93,040</b>	<b>38,624</b>	<b>82,140</b>	<b>86,230</b>	<b>62,149</b>	<b>122,814</b>	<b>549,135</b>	<b>6,962,723</b>

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Computers and office equipment \$	Furniture and fittings \$	Renovation \$	IT software \$	Total \$
<u>Cost:</u>					
At 1 July 2019	1,042,473	225,850	287,634	823,300	2,379,257
Additions	271,595	12,478	13,680	–	297,753
Disposals	(3,700)	–	–	–	(3,700)
At 30 June 2020	1,310,368	238,328	301,314	823,300	2,673,310
Additions	33,252	–	–	–	33,252
Disposals	(12,548)	–	–	–	(12,548)
At 30 June 2021	<b>1,331,072</b>	<b>238,328</b>	<b>301,314</b>	<b>823,300</b>	<b>2,694,014</b>
<u>Accumulated depreciation:</u>					
At 1 July 2019	1,023,000	223,356	285,911	648,006	2,180,273
Depreciation for the year	99,776	2,626	2,617	75,017	180,036
Disposals	(3,700)	–	–	–	(3,700)
At 30 June 2020	1,119,076	225,982	288,528	723,023	2,356,609
Depreciation for the year	144,499	5,066	5,277	45,075	199,917
Disposals	(12,548)	–	–	–	(12,548)
At 30 June 2021	<b>1,251,027</b>	<b>231,048</b>	<b>293,805</b>	<b>768,098</b>	<b>2,543,978</b>
<u>Carrying value:</u>					
At 1 July 2019	19,473	2,494	1,723	175,294	198,984
At 30 June 2020	191,292	12,346	12,786	100,277	316,701
At 30 June 2021	<b>80,045</b>	<b>7,280</b>	<b>7,509</b>	<b>55,202</b>	<b>150,036</b>

The leasehold properties of the group at a carrying value of \$5,928,591 (2020: \$5,603,380) are mortgaged or pledged as security for bank facilities (see Note 25).

## 14. RIGHT-OF-USE ASSETS AND FINANCIAL LIABILITIES – LEASE LIABILITIES

The leases are for office space, clinic premises and warehouses. The lease contracts are usually for fixed periods of 3 to 5 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 14. RIGHT-OF-USE ASSETS AND FINANCIAL LIABILITIES – LEASE LIABILITIES (CONT'D)

The right-of-use assets and lease liabilities are in the statement of financial position. The movements are as follows:

	Group		Company	
	Right-of-use assets \$	Lease liabilities \$	Right-of-use assets \$	Lease liabilities \$
<u>Cost:</u>				
At 1 July 2019	2,535,397	2,535,397	100,420	100,420
Additions	1,826,976	1,826,976	–	–
Acquisition of a new subsidiary	31,056	31,056	–	–
Accretion of interest	–	125,341	–	2,684
Lease payment – principal and interest portion paid	–	(1,260,157)	–	(44,213)
Rental rebates	–	(327,022)	–	–
Other adjustments	–	697	–	–
At 30 June 2020	4,393,429	2,932,288	100,420	58,891
Additions	2,053,203	2,053,203	51,274	51,274
Disposal	(796,401)	–	(50,008)	–
Accretion of interest	–	114,809	–	1,875
Lease payment – principal and interest portion paid	–	(1,671,972)	–	(39,538)
Rental rebates	–	(272,472)	–	(14,598)
Other adjustments	(190)	(17,942)	–	–
At 30 June 2021	<b>5,650,041</b>	<b>3,137,914</b>	<b>101,686</b>	<b>57,904</b>
<u>Accumulated depreciation:</u>				
At 1 July 2019	–	–	–	–
Depreciation for the year	1,520,736	–	42,446	–
At 30 June 2020	1,520,736	–	42,446	–
Depreciation for the year	1,841,396	–	52,030	–
Disposal	(779,057)	–	(50,008)	–
Other adjustments	(84)	–	–	–
At 30 June 2021	<b>2,582,991</b>	<b>–</b>	<b>44,468</b>	<b>–</b>
<u>Carrying value:</u>				
At 1 July 2019	2,535,397	2,535,397	100,420	100,420
At 30 June 2020	2,872,693	2,932,288	57,974	58,891
At 30 June 2021	<b>3,067,050</b>	<b>3,137,914</b>	<b>57,218</b>	<b>57,904</b>

Lease liabilities are presented in the statement of financial position as follows:

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Lease liabilities, current	<b>1,581,868</b>	1,558,654	<b>39,201</b>	38,429
Lease liabilities, non-current	<b>1,556,046</b>	1,373,634	<b>18,703</b>	20,462
	<b>3,137,914</b>	2,932,288	<b>57,904</b>	58,891

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 14. RIGHT-OF-USE ASSETS AND FINANCIAL LIABILITIES – LEASE LIABILITIES (CONT'D)

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	Office space, clinic premises and warehouses	
	2021	2020
Group:		
Number of right-of-use assets	25	25
Remaining term – range	1 to 4 years	1 to 5 years
Remaining term – average	1.5 years	1.7 years
Number of leases with extension options	24	25
Weighted average incremental borrowing rate applied to lease liabilities	2.9% to 4.5%	4.5%
Number of leases with variable payments linked to an index	25	25
Number of leases with termination options	25	25

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

Group 2021:	Minimum payments \$	Finance charges \$	Present value \$
Minimum lease payments payable:			
Due within 1 year	1,661,860	(79,992)	1,581,868
Due within 2 to 5 years	1,593,832	(37,786)	1,556,046
Total	3,255,692	(117,778)	3,137,914

Group 2020:	Minimum payments \$	Finance charges \$	Present value \$
Minimum lease payments payable:			
Due within 1 year	1,648,178	(89,524)	1,558,654
Due within 2 to 5 years	1,420,453	(46,819)	1,373,634
Total	3,068,631	(136,343)	2,932,288

Company 2021:	Minimum payments \$	Finance charges \$	Present value \$
Minimum lease payments payable:			
Due within 1 year	40,237	(1,036)	39,201
Due within 2 to 5 years	18,877	(174)	18,703
Total	59,114	(1,210)	57,904

Company 2020:	Minimum payments \$	Finance charges \$	Present value \$
Minimum lease payments payable:			
Due within 1 year	39,842	(1,413)	38,429
Due within 2 to 5 years	20,608	(146)	20,462
Total	60,450	(1,559)	58,891

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 14. RIGHT-OF-USE ASSETS AND FINANCIAL LIABILITIES – LEASE LIABILITIES (CONT'D)

Total cash outflows for leases are shown in the statement of cash flows.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

Other disclosures on leases:

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	Group	
	2021	2020
	\$	\$
Expense relating to short-term leases included in other expenses	<u>72,280</u>	<u>400,378</u>
Total commitments on short-term leases at year end date	<u>23,416</u>	<u>23,364</u>

## 15. INVESTMENT PROPERTIES

	Company
	\$
<u>Cost:</u>	
At 1 July 2019 and 30 June 2020	4,233,069
Addition	<u>460,000</u>
At 30 June 2021	<u>4,693,069</u>
<u>Accumulated depreciation:</u>	
At 1 July 2019	566,567
Depreciation for the year	<u>97,126</u>
At 30 June 2020	663,693
Depreciation for the year	<u>99,260</u>
At 30 June 2021	<u>762,953</u>
<u>Carrying value:</u>	
At 1 July 2019	<u>3,666,502</u>
At 30 June 2020	<u>3,569,376</u>
At 30 June 2021	<u>3,930,116</u>

	Company	
	2021	2020
	\$	\$
Fair value for disclosure purposes only:		
Fair value at end of the year	<u>5,384,000</u>	<u>4,351,000</u>
Rental income from investment properties	<u>255,782</u>	<u>259,237</u>
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating properties	<u>65,148</u>	51,410
– Non-rental generating properties	<u>14,142</u>	11,160
	<u>79,290</u>	<u>62,570</u>

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 15. INVESTMENT PROPERTIES (CONT'D)

The fair value of the investment properties for the previous reporting year ended 30 June 2020 was determined by management based on a valuation made by PREMAS Valuers & Property Consultants Pte Ltd, a firm of independent professional valuers, in August 2019 based on the direct comparison method to reflect the actual market state and circumstances as of the end of the reporting year, and adjusted for the movement in the relevant property price index during the relevant period. Management determined that the direct comparison of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

For the current reporting year, management has assessed the fair value based on the valuation of a recently purchased unit in the same building. This valuation was made by CKS Property Consultants Pte Ltd, a firm of independent professional valuers in May 2021.

For fair value measurements categorised within the fair value hierarchy below, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	Leasehold properties at 25 Bukit Batok Crescent, Singapore 658066
Tenure:	60 years from 13 March 1997 (expiring 12 March 2057)
Fair value and fair value hierarchy – Level:	\$5,384,000 (2020: \$4,351,000). Level 3 (2020: Level 3)
Valuation technique for recurring fair value measurements:	Direct comparison method as adjusted for movement in the property price index (2020: Direct comparison method as adjusted for movement in the property price index)
Significant observable inputs:	Price per square foot. \$503 (2020: \$444)
Sensitivity on estimates – 10% variation from estimate	Impact – lower by \$538,400; higher by \$538,400 (2020: lower by \$435,100; higher by \$435,100)

The investment properties are mortgaged or pledged as security for bank facilities (see Note 25).

The leasehold properties located at 25 Bukit Batok Crescent, Singapore 658066, are classified as investment properties in the company's balance sheet as they are majority leased out to certain subsidiaries of the group. However, in the group's consolidated balance sheet, these leasehold properties are classified as property, plant and equipment (Note 13).

## 16. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	\$	\$
Movements during the year. At cost:		
At beginning and at end of the year	<u>5,877,632</u>	<u>5,877,632</u>
Carrying value in the books of the company comprising:		
Unquoted equity shares at cost	<u>5,877,632</u>	<u>5,877,632</u>
Cost at end of the year	<u>5,877,632</u>	<u>5,877,632</u>



# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 16. INVESTMENT IN SUBSIDIARIES (CONT'D)

The subsidiaries held by the company are listed below:

Name of subsidiaries	Effective percentage of equity held by group		Cost of investment	
	2021	2020	2021	2020
	%	%	\$	\$
Alliance Medinet Pte. Ltd. (a)	100	100	830,000	830,000
Alliance Specialist Group Pte. Ltd. (b)	100	100	1,729,740	1,729,740
Alliance Healthcare Pte. Ltd. (a)	100	100	8,000	8,000
Alliance Pharm Pte. Ltd. (c)	100	100	1,762,090	1,762,090
Alliance Medical Group Pte Ltd (b)	100	100	1,547,802	1,547,802
<u>Held through Alliance Medinet Pte. Ltd.</u>				
Alliance Medinet (M) Sdn. Bhd. (a) (d)	100	100		
<u>Held through Alliance Specialist Group Pte. Ltd.</u>				
Ho Kok Sun Colorectal Pte. Ltd. (e)	100	100		
Lim Jit Fong Colorectal Centre Pte. Ltd. (e)	100	100		
My ENT Specialist Pte. Ltd. (e)	100	100		
Elite Orthopaedics Pte. Ltd. (e)	51	51		
<u>Held through Alliance Healthcare Pte. Ltd.</u>				
Jaga-Me Pte. Ltd. (f)	55	55		
Jaga-Me Medical Pte. Ltd. (g) (j)	100	–		

Name of subsidiaries	Effective percentage of equity held by group	
	2021	2020
	%	%
<u>Held through Alliance Medical Group Pte Ltd</u>		
My Family Clinic (RV) Pte. Ltd. (e)	100	100
My Family Clinic (CCK) Pte. Ltd. (e)	100	100
My Family Clinic (WD) Pte. Ltd. (e)	100	100
My Family Clinic (TH) Pte. Ltd. (e)	100	100
My Family Clinic (PN) Pte. Ltd. (e)	100	100
My Family Clinic (SJ) Pte. Ltd. (e)	100	100
My Family Clinic (TPY) Pte. Ltd. (e)	100	100
My Family Clinic (Punggol Central) Pte. Ltd. (e)	100	100
My Family Clinic (Hougang Central) Pte. Ltd. (e)	75	75
My Family Clinic (Angsana Breeze@Yishun) Pte. Ltd. (e)	60	60
My Family Clinic (St George) Pte. Ltd. (e)	100	100
My Family Clinic (Clementi 325) Pte. Ltd. (e)	100	100
My Family Clinic (Woodlands Glen) Pte. Ltd. (e)	100	100
My Corporate Clinic Pte. Ltd. (e)	100	100
Alliance Health Investments Pte. Ltd. (b) (i)	80	75
<u>Held through Alliance Health Investments Pte. Ltd.</u>		
My Family Clinic (Clementi) Pte. Ltd. (e)	56	53
My Family Clinic (Segar) Pte. Ltd. (e)	80	75
My Family Clinic (Anchorvale) Pte. Ltd. (e)	48	45
My Family Clinic (Punggol Waterway Terrace) Pte. Ltd. (e) (h)	80	75

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 16. INVESTMENT IN SUBSIDIARIES (CONT'D)

All the subsidiaries are incorporated and operate in Singapore and are audited by RSM Chio Lim LLP except for Alliance Medinet (M) Sdn. Bhd. (incorporated in Malaysia).

- (a) The principal activities of these subsidiaries are the provision of managed healthcare solutions.
- (b) The principal activities of these subsidiaries are those of an investment holding company and provision of administrative and management services.
- (c) The principal activities of this subsidiary is wholesale of pharmaceutical products.
- (d) The subsidiary was audited by Messrs. ASQ PLT.
- (e) The principal activities of these subsidiaries are provision of medical services.
- (f) The principal activities of this subsidiary are the provision of home care medical services.
- (g) The principal activities of this subsidiary are the operation of clinics and the provision of other general western medical services.
- (h) The subsidiary has been dormant since 14 July 2018.
- (i) On 5 January 2021, Alliance Medical Group Pte. Ltd. acquired an additional 5% shareholding interest in Alliance Health Investments Pte. Ltd. ("AHI") from an existing shareholder of AHI for a cash consideration of \$10,000. Following this acquisition, the interest in AHI increased from 75% to 80%.
- (j) On 8 April 2021, Jaga-Me Pte. Ltd. incorporated a wholly-owned subsidiary in Singapore known as Jaga-Me Medical Pte. Ltd. ("Jaga-Me Medical") with a total paid-up capital of \$1.

## 17. INTANGIBLE ASSETS

Group	Goodwill \$	Customer relationship \$	Unpatented technology \$	Total \$
<u>Cost:</u>				
At 1 July 2019	2,606,563	131,027	–	2,737,590
Acquisition of a subsidiary	2,584,295	–	810,000	3,394,295
At 30 June 2020 and 30 June 2021	5,190,858	131,027	810,000	6,131,885
<u>Accumulated amortisation:</u>				
At 1 July 2019	–	38,142	–	38,142
Amortisation for the year	–	26,205	57,858	84,063
At 30 June 2020	–	64,347	57,858	122,205
Amortisation for the year	–	26,205	115,715	141,920
At 30 June 2021	–	<b>90,552</b>	<b>173,573</b>	<b>264,125</b>
<u>Carrying value:</u>				
At 1 July 2019	2,606,563	92,885	–	2,699,448
At 30 June 2020	5,190,858	66,680	752,142	6,009,680
At 30 June 2021	<b>5,190,858</b>	<b>40,475</b>	<b>636,427</b>	<b>5,867,760</b>

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 17. INTANGIBLE ASSETS (CONT'D)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating unit represents the group's investment in the following subsidiaries:

	Group	
	2021 \$	2020 \$
Name of subsidiary:		
"My Family Clinic"		
Alliance Medical Group Pte Ltd (a)	<b>1,101,541</b>	1,101,541
My Family Clinic (PN) Pte. Ltd.	<b>128,951</b>	128,951
My Family Clinic (Hougang Central) Pte. Ltd.	<b>780,000</b>	780,000
My Family Clinic (Clementi 325) Pte. Ltd.	<b>596,071</b>	596,071
Sub-total	<b>2,606,563</b>	2,606,563
Jaga-Me Pte. Ltd.	<b>2,584,295</b>	2,584,295
Sub-total	<b>2,584,295</b>	2,584,295
Total	<b>5,190,858</b>	5,190,858

(a) Alliance Medical Group Pte Ltd is an investment holding company that holds entities that operate under "My Family Clinic".

The goodwill for each of the cash generating unit was tested for impairment at the end of the reporting year. No impairment allowance was recognised because the carrying amount of each of the cash-generating units were lower than their estimated recoverable amounts.

The value in use for each cash generating unit was measured by management. The value in use is a recurring fair value measurement (Level 3). The quantitative information about the value in use measurement using significant unobservable inputs for the cash-generating units are consistent with those used for the measurement last performed, where relevant, and are set out as follows:

### CGU – Entities operating under "My Family Clinic"

#### Valuation technique and Unobservable inputs

##### Discounted cash flow method:

	2021	2020
1. Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs.	<b>12.5%</b>	12.5%
2. Cash flow forecasts derived from the most recent financial budgets and growth rates approved by management.	<b>5 years</b> <b>4 – 12%</b> <sup>(1)</sup>	5 years 4%
3. Terminal growth rates not exceeding the average long-term growth rate for the relevant markets.	<b>2%</b>	2%

(1) 2023 forecasted growth at 12% to normalise business to pre-COVID level

### CGU – Jaga-Me Pte Ltd

#### Valuation technique and Unobservable inputs

##### Discounted cash flow method:

	2021	2020
1. Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs.	<b>15%</b>	22%
2. Cash flow forecasts derived from the most recent financial budgets and growth rates approved by management.	<b>5 years</b> <b>11% – 56%</b>	5 years 40% – 62%
3. Terminal growth rates not exceeding the average long-term growth rate for the relevant markets.	<b>2%</b>	2%

Actual outcomes could vary from these estimates. If the revised estimated gross margin at the end of the reporting year had been 10% less favourable than management's estimates at the end of the reporting year, the estimated recoverable amount would still be higher than the carrying amount of goodwill. If the revised estimated pre-tax discount rate applied to the discounted cash flows had been 1 percent point less favourable than management's estimates, the estimated recoverable amount would still be higher than the carrying amount of goodwill.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 18. INVENTORIES

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Consumables and medical/pharmaceutical goods for resale	<u>2,268,151</u>	<u>2,848,885</u>	<u>4,100</u>	<u>4,100</u>
The write-downs of inventories charged to profit or loss included in consumables and medical supplies used	<u>72,561</u>	<u>13,928</u>	<u>-</u>	<u>-</u>

There are no inventories pledged as security for liabilities.

## 19. FINANCIAL ASSETS – DERIVATIVES

	Group	
	2021 \$	2020 \$
Derivatives not designated as hedging instruments:		
Call option asset	<u>8,276</u>	<u>8,276</u>
Movements during the year:		
At beginning of the year	<u>8,276</u>	<u>-</u>
Additions (Note 29A)	<u>-</u>	<u>8,276</u>
At end of the year	<u>8,276</u>	<u>8,276</u>

Details of the call option are included in Note 29A. The fair value of the call option was estimated using the Black-Scholes pricing model.

## 20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Trade receivables:				
Outside parties	<u>12,668,410</u>	<u>9,508,194</u>	<u>1,778,230</u>	<u>1,770,568</u>
Less allowance for impairment	<u>(5,759)</u>	<u>(4,606)</u>	<u>-</u>	<u>-</u>
Subsidiaries	<u>-</u>	<u>-</u>	<u>3,888,453</u>	<u>3,008,341</u>
Subtotal	<u>12,662,651</u>	<u>9,503,588</u>	<u>5,666,683</u>	<u>4,778,909</u>
Other receivables:				
Subsidiaries (Note 3)	<u>-</u>	<u>-</u>	<u>3,035,000</u>	<u>945,000</u>
Outside parties	<u>8,460</u>	<u>31,059</u>	<u>148</u>	<u>-</u>
Accrued income	<u>897,459</u>	<u>275,573</u>	<u>-</u>	<u>-</u>
Subtotal	<u>905,919</u>	<u>306,632</u>	<u>3,035,148</u>	<u>945,000</u>
Total trade and other receivables	<u>13,568,570</u>	<u>9,810,220</u>	<u>8,701,831</u>	<u>5,723,909</u>
Movements in above allowance on trade receivables:				
At beginning of the year	<u>4,606</u>	<u>317</u>	<u>-</u>	<u>-</u>
Charge for trade receivables to profit or loss included in other losses	<u>1,153</u>	<u>4,289</u>	<u>-</u>	<u>-</u>
At end of year	<u>5,759</u>	<u>4,606</u>	<u>-</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 20. TRADE AND OTHER RECEIVABLES (CONT'D)

The expected credit losses (ECL) on the above trade receivables are based on the simplified approach to measuring expected credit losses (ECL) which uses a lifetime ECL allowance approach for all trade receivables recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL. The allowance matrix is based on the historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates including the impact of the Covid-19 pandemic. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The ageing of the assets is as follows:

	Gross amount		Loss allowance	
	2021	2020	2021	2020
	\$	\$	\$	\$
<u>Group</u>				
Trade receivables:				
Current	<b>6,732,305</b>	5,850,346	-	-
1 to 60 days past due	<b>4,432,833</b>	2,083,486	-	-
61 to 90 days past due	<b>438,173</b>	741,408	-	-
Over 90 days past due	<b>1,065,099</b>	832,954	<b>5,759</b>	4,606
Total	<b>12,668,410</b>	9,508,194	<b>5,759</b>	4,606
<u>Company</u>				
Trade receivables:				
Current	<b>1,582,862</b>	1,325,792	-	-
1 to 60 days past due	<b>729,569</b>	1,058,100	-	-
61 to 90 days past due	<b>174,875</b>	666,065	-	-
Over 90 days past due	<b>3,179,377</b>	1,728,952	-	-
Total	<b>5,666,683</b>	4,778,909	-	-

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There is no collateral held as security and other credit enhancements for the trade receivables.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 30 days (2020: 30 days). But some customers take a longer period to settle the amounts. The balances include amounts due from credit card companies and NETS. For these, the average credit period generally granted is a few days.

Concentration of trade receivable customers as at the end of reporting year:

	Group		Company	
	2021	2020	2021	2020
	\$	\$	\$	\$
Top 1 customer	<b>1,890,406</b>	1,572,826	<b>2,378,470</b>	1,572,927
Top 2 customers	<b>3,428,849</b>	2,767,870	<b>3,917,015</b>	2,999,627
Top 3 customers	<b>4,757,486</b>	3,635,215	<b>5,170,022</b>	3,784,714

The other receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception they are recorded net of expected 12 month credit losses. At each reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. At the end of the reporting year, a loss allowance is recognised at an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition including the impact of the Covid-19 pandemic. No loss allowance was necessary.

Other receivables are normally with no fixed terms and therefore there is no maturity.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 21. OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Deposits to secure services	500,166	604,578	15,780	16,780
Prepayments	106,276	16,403	18,457	33,300
	<u>606,442</u>	<u>620,981</u>	<u>34,237</u>	<u>50,080</u>

## 22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
Not restricted in use	16,708,771	16,311,400	3,326,376	5,411,103
Cash pledged for bank facilities #a	25,000	25,000	–	–
Cash at end of the year	<u>16,733,771</u>	<u>16,336,400</u>	<u>3,326,376</u>	<u>5,411,103</u>

#a. This is for amounts held by the bankers as security for the Merchant Agreement between the bank and the group.

The interest earning balances are not significant.

### 22A. Cash and cash equivalents in the consolidated statement of cash flows

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

	Group	
	2021 \$	2020 \$
Amount as shown above	16,733,771	16,336,400
Less: Bank deposits pledged	<u>(25,000)</u>	<u>(25,000)</u>
Cash and cash equivalents for statement of cash flows purposes at the end of the year	<u>16,708,771</u>	<u>16,311,400</u>

### 22B. Non-cash transactions:

There were capitalisation of reinstatement costs of \$20,000 for the year under property, plant and equipment (2020: \$237,400 acquired by means of finance leases).

### 22C. Reconciliation of liabilities arising from financial activities:

	Group			
	2020 \$	Cash flows \$	Non-cash changes \$	2021 \$
Directors	75,000	75,000	–	150,000
Related parties	1,080,030	(84,101)	–	995,929
Loans and borrowings	6,395,801	(660,587)	–	5,735,214
Lease liabilities #a	2,932,288	(1,671,972)	1,877,598	3,137,914
Finance lease liabilities	<u>203,296</u>	<u>(68,207)</u>	<u>–</u>	<u>135,089</u>

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 22. CASH AND CASH EQUIVALENTS (CONT'D)

### 22C. Reconciliation of liabilities arising from financial activities: (Cont'd)

	2019 \$	Cash flows \$	Non-cash changes \$	2020 \$
Directors	41,250	33,750	–	75,000
Related parties	705,400	(125,370)	500,000	1,080,030
Loans and borrowings	4,579,242	1,816,559	–	6,395,801
Lease liabilities #a	2,535,397	(1,260,157)	1,657,048	2,932,288
Finance lease liabilities	–	(34,104)	237,400	203,296

#a. Lease liabilities relates to group's leases accounted under SFRS(I) 16 (Note 14).

## 23. SHARE CAPITAL

	Group and Company Number of shares issued	Share capital \$
--	--	------------------------

Ordinary shares of no par value:

At beginning of the year 1 July 2019 and at end of the year 30 June 2020 and end of the year 30 June 2021	<u>207,888,352</u>	<u>14,684,250</u>
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The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

### Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The group and company are in a net cash and cash equivalents position (borrowings less cash and cash equivalents) at the end of the current reporting year and for the previous reporting year, and there are significant borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

In order to maintain its listing on the SGX-ST, the company has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 24. OTHER RESERVES

	Group	
	2021	2020
	\$	\$
Capital reserves (Note 24A)	<b>(4,713,371)</b>	(4,653,521)
Foreign currency translation reserve (Note 24B)	<b>(1,467)</b>	28
	<u><b>(4,714,838)</b></u>	<u>(4,653,493)</u>

### 24A. Capital reserves

	Group	
	2021	2020
	\$	\$
At beginning of the year	<b>(4,653,521)</b>	(4,653,521)
Acquisition of a non-controlling interest without a change in control (Note 29B)	<b>(59,850)</b>	–
At end of the year	<u><b>(4,713,371)</b></u>	<u>(4,653,521)</u>

This is in respect of the acquisition or disposal of equity interests in subsidiaries without change in control. This is not available for cash dividends until realised.

### 24B. Foreign currency translation reserve

	Group	
	2021	2020
	\$	\$
At beginning of the year	<b>28</b>	(34)
Exchange differences on translating foreign operations	<b>(1,495)</b>	62
At end of the year	<u><b>(1,467)</b></u>	<u>28</u>



# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 25. LOANS AND BORROWINGS

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
<u>Non-current:</u>				
<u>Lease liabilities with fixed interest rates:</u>				
Lease liabilities (Note 25A)	<b>66,881</b>	135,096	<b>30,001</b>	89,999
<u>Loans with floating interest rates:</u>				
Term loans A (secured) (Note 25B)	<b>1,966,126</b>	2,124,954	<b>1,966,126</b>	2,124,954
Term loan B (secured) (Note 25C)	–	–	–	–
Term loan C (secured) (Note 25D)	<b>1,191,109</b>	1,309,918	–	–
Term loan D (secured) (Note 25E)	<b>1,433,426</b>	1,911,592	–	–
Term loan E (secured) (Note 25G)	<b>350,801</b>	–	<b>350,801</b>	–
Subtotal	<b>5,008,343</b>	5,481,560	<b>2,346,928</b>	2,214,953
<u>Current:</u>				
<u>Lease liabilities with fixed interest rates:</u>				
Lease liabilities (Note 25A)	<b>68,208</b>	68,200	<b>60,000</b>	60,000
<u>Loans with no interest:</u>				
Related parties (Note 3) (Note 25G)	<b>935,700</b>	982,300	–	–
<u>Loans with floating interest rates:</u>				
Term loans A (secured) (Note 25B)	<b>157,696</b>	151,357	<b>157,696</b>	151,357
Term loan B (secured) (Note 25C)	<b>25,180</b>	327,723	–	–
Term loan C (secured) (Note 25D)	<b>116,973</b>	106,668	–	–
Term loan D (secured) (Note 25E)	<b>477,989</b>	463,589	–	–
Term loan E (secured) (Note 25F)	<b>15,914</b>	–	<b>15,914</b>	–
Subtotal	<b>1,797,660</b>	2,099,837	<b>233,610</b>	211,357
Total	<b>6,806,003</b>	7,581,397	<b>2,580,538</b>	2,426,310
<u>The non-current portion is repayable as follows:</u>				
Due within two to five years	<b>2,823,180</b>	3,021,552	<b>926,207</b>	695,428
Due after five years	<b>2,185,163</b>	2,460,008	<b>1,420,721</b>	1,519,525
Total	<b>5,008,343</b>	5,481,560	<b>2,346,928</b>	2,214,953

	%	%	%	%
<u>The range of floating rate interest rates paid were as follows:</u>				
Term loans A (secured)	<b>2.1 – 3.0</b>	2.1 – 3.8	<b>2.1 – 3.0</b>	2.1 – 3.8
Term loan B (secured)	<b>2.8 – 2.9</b>	2.9 – 4.5	–	–
Term loan C (secured)	<b>1.3 – 2.8</b>	2.8	–	–
Term loan D (secured)	<b>2.9 – 3.6</b>	3.6	–	–
Term loan E (secured)	<b>1.5</b>	–	<b>1.5</b>	–

The fair values are reasonable approximation of the carrying amounts.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 25. OTHER FINANCIAL LIABILITIES (CONT'D)

### 25A. Lease liabilities

<b>Group:</b> <b>2021:</b>	<b>Minimum payments</b> \$	<b>Finance charges</b> \$	<b>Present value</b> \$
Minimum lease payments payable:			
Due within one year	75,300	(7,092)	68,208
Due within 2 to 5 years	77,292	(10,411)	66,881
Total	<u>152,592</u>	<u>(17,503)</u>	<u>135,089</u>
Net book value of equipment under finance lease			<u>92,539</u>

<b>Group:</b> <b>2020:</b>	<b>Minimum payments</b> \$	<b>Finance charges</b> \$	<b>Present value</b> \$
Minimum lease payments payable:			
Due within one year	75,292	(7,092)	68,200
Due within 2 to 5 years	147,691	(16,645)	131,046
Due more than 5 years	4,908	(858)	4,050
Total	<u>227,891</u>	<u>(24,595)</u>	<u>203,296</u>
Net book value of equipment under finance lease			<u>192,367</u>

<b>Company:</b> <b>2021:</b>	<b>Minimum payments</b> \$	<b>Finance charges</b> \$	<b>Present value</b> \$
Minimum lease payments payable:			
Due within one year	65,376	(5,376)	60,000
Due within 2 to 5 years	32,688	(2,687)	30,001
Total	<u>98,064</u>	<u>(8,063)</u>	<u>90,001</u>
Net book value of equipment under finance lease			<u>37,500</u>

<b>Company:</b> <b>2020:</b>	<b>Minimum payments</b> \$	<b>Finance charges</b> \$	<b>Present value</b> \$
Minimum lease payments payable:			
Due within one year	65,376	(5,376)	60,000
Due within 2 to 5 years	98,064	(8,065)	89,999
Total	<u>163,440</u>	<u>(13,441)</u>	<u>149,999</u>
Net book value of equipment under finance lease			<u>127,500</u>

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 25. OTHER FINANCIAL LIABILITIES (CONT'D)

### 25A. Lease liabilities (Cont'd)

There are leased assets under finance leases. All leases are on a fixed repayment basis and no arrangements have been entered into contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets. Other details are as follows:

	Group		Company	
	2021	2020	2021	2020
Average lease term, in years	5	5	3	3
Average effective borrowing rate per year	<u>5.68%</u>	<u>5.68%</u>	<u>5.66%</u>	<u>5.66%</u>

### 25B. Term loans A (secured)

The bank loans are secured by a first legal mortgage over certain of the group's leasehold properties (Note 13).

The bank loans are repayable by equal monthly instalments over 15 years from 19 April 2012 and over 20 years from 19 January 2018.

### 25C. Term loan B (secured)

The bank loan is covered by a corporate guarantee and secured by a memorandum of charge (third party) over the shares of wholly-owned subsidiaries, My Family Clinic (Clementi 325) Pte. Ltd. and My Family Clinic (St George) Pte. Ltd. or such other security over securities, shares stocks, bonds, notes, interest or units in mutual funds or unit trust schemes or other collective investment schemes, in form and substance acceptable to the bank as required by the bank from time to time whether quoted or otherwise.

The bank loan is repayable by equal monthly instalments over 3 years from 29 June 2018. The bank loan has been fully repaid on 1 July 2021.

### 25D. Term loan C (secured)

The bank loan is covered by a corporate guarantee and secured by a legal mortgage over the group's leasehold property at Blk 325 Clementi Avenue 5 #01-139 Singapore 120325.

The bank loan is repayable by equal monthly instalments over 15 years from 16 August 2018.

### 25E. Term loan D (secured)

The bank loan is covered by a corporate guarantee and secured by a memorandum of charge (first party) over the shares of a subsidiary, Jaga-Me Pte. Ltd. or such other financial instruments acceptable to the bank as required by the bank.

The bank loan is repayable by equal monthly instalments over 5 years from 8 April 2020.

### 25F. Term loan E (secured)

The bank loan is secured by a first legal mortgage over certain of the Group's leasehold property at 25 Bukit Batok Crescent, The Elitist, Singapore 658066.

The bank loan is repayable by equal monthly instalments over 20 years from May 2021.

### 25G. Related parties

The loans are from non-controlling interests of certain subsidiaries for working capital purposes. The loans are unsecured, interest-free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 26. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
<u>Trade payables:</u>				
Outside parties and accrued liabilities	<b>15,485,656</b>	13,073,586	<b>1,059,958</b>	813,046
Subsidiaries	–	–	<b>1,978,639</b>	1,766,613
Subtotal	<b>15,485,656</b>	13,073,586	<b>3,038,597</b>	2,579,659
<u>Other payables:</u>				
Other payables	<b>582,124</b>	239,183	<b>147,883</b>	122,685
Related parties (Note 3)	<b>60,229</b>	97,730	–	–
Directors (Note 3)	<b>150,000</b>	75,000	<b>150,000</b>	75,000
Deposits received	<b>501,745</b>	515,510	<b>17,803</b>	17,803
Put option liability payable consideration (Note 26A)	<b>878,562</b>	878,562	–	–
Subtotal	<b>2,172,660</b>	1,805,985	<b>315,686</b>	215,488
Total trade and other payables	<b>17,658,316</b>	14,879,571	<b>3,354,283</b>	2,795,147

### 26A. Put option liability payable consideration

	Group	
	2021 \$	2020 \$
At beginning of the year	<b>878,562</b>	–
Arising from the acquisition of Jaga-me Pte. Ltd. (Note 29A)	–	878,562
At end of the year	<b>878,562</b>	878,562

The put option liability relates to the ability of certain non-controlling interests of Jaga-Me Pte. Ltd. ("Jaga-Me") to sell their shares in Jaga-Me to the group at certain points in the future, commencing from 2021 to 2023. The expected redemption amount has been re-assessed at the end of the reporting year. Refer Note 29A for further details.

## 27. PROVISION

	Group	
	2021 \$	2020 \$
At beginning of the year	<b>135,000</b>	53,620
Additions	<b>20,000</b>	92,000
Utilisation	–	(10,620)
At end of the year	<b>155,000</b>	135,000

Provision for reinstatement costs is recognised when the group enters into a lease agreement for the premises. It includes the estimated cost of demolishing and removing all the leasehold improvements made by the group to the premises, where reinstatement is required. The premises shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements.

## 28. OTHER NON-FINANCIAL LIABILITIES

	Group	
	2021 \$	2020 \$
Customers advances	<b>172,544</b>	1,301

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 29. ACQUISITIONS OF INTEREST IN SUBSIDIARIES

### 29A. Acquisitions of interest in subsidiaries with change in control

On 3 January 2020, the group through its wholly-owned subsidiary Alliance Healthcare Pte. Ltd., acquired 55% of the share capital in Jaga-Me Pte. Ltd. ("Jaga-Me") and from that date the group gained control. The investee became a subsidiary (also see Note 16 for the principal activities). The transaction was accounted for by the acquisition method of accounting.

The consideration transferred was as follows:

	2020 \$
Cash paid	3,501,345
Fair value of put option #a	352,426
Fair value of call option #a	<u>(8,276)</u>
Total consideration	<u>3,845,495</u>

The expenses incurred of \$64,520 in relation to the acquisition have been included in profit or loss under other expenses.

#a. The group has call and put options with certain non-controlling shareholders of Jaga-Me. The call option provides the group the right to require the non-controlling shareholders concerned of Jaga-Me to sell the shares owned by them, and the put option provides the non-controlling shareholders concerned the right to require the group to acquire shares owned by them.

The put option is exercisable within 3 months from (each of) the date of Jaga-Me's audited accounts for financial years ended 30 June 2021, 2022 or 2023 if the following conditions are met:

- (i) Jaga-Me's net operating profit after tax ("NOPAT") is \$1.5 million or higher; exercisable at \$4.80 per ordinary share; or
- (ii) Jaga-Me's NOPAT is below \$1.5 million, but its operating revenue is \$4 million or higher; exercisable at \$3.00 per ordinary share.

The group recognised the put option liability at the present value of the expected redemption amount of \$878,562 (Note 26A) as at the end of the previous reporting year, based on the probability assessed by management on achieving the above conditions. The expected redemption amount has been re-assessed at the end of the reporting year.

The call option is exercisable within 3 months from (each of) the date of Jaga-Me's audited accounts for financial year ended 30 June 2021, 2022 or 2023 if the audited accounts indicates that Jaga-Me's NOPAT is \$1.5 million or higher. The exercise price is at \$4.80 per ordinary share.

The difference of \$526,136 arising between the fair value of the put option of \$352,426 and the put option liability payable of \$878,562 has been recognised as a reduction to non-controlling interests.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 29. ACQUISITIONS OF INTEREST IN SUBSIDIARIES (CONT'D)

### 29A. Acquisitions of interest in subsidiaries with change in control (Cont'd)

The fair values of Jaga-Me's identifiable assets acquired and liabilities assumed shown below were from a detailed report prepared by an independent external valuation specialist firm.

2020:	Pre-acquisition book value \$	Fair value adjustments \$	At fair value \$
Property, plant and equipment	5,252		5,252
Right-of-use asset	31,056		31,056
Unpatented technology (Note 17)	–	810,000	810,000
Inventories	4,687		4,687
Trade and other receivables	34,750		34,750
Cash and cash equivalents	2,177,006		2,177,006
Trade and other payables	(86,829)		(86,829)
Other non-financial liabilities	(13,379)		(13,379)
Loans and borrowings	(500,000)		(500,000)
Financial liabilities – lease liabilities	(31,753)		(31,753)
Deferred tax liabilities	–	(137,700)	(137,700)
Net assets	<u>1,620,790</u>		2,293,090
Attributable to non-controlling interests			<u>(1,031,890)</u>
Net assets acquired			<u>1,261,200</u>

The goodwill arising on acquisition was as follows:

	2020 \$
Consideration transferred	3,845,495
Fair value of net assets acquired	(2,293,090)
Non-controlling interests	<u>1,031,890</u>
Goodwill arising on acquisition (Note 17)	<u>2,584,295</u>

The net cash outflow on acquisition was as follows:

	2020 \$
Purchase consideration	3,845,495
Less: Non-cash consideration	<u>(344,150)</u>
Consideration settled in cash	3,501,345
Less: Cash and cash equivalents of subsidiary acquired	<u>(2,177,006)</u>
Net cash outflow for statement of cash flows purposes at end of the year	<u>1,324,339</u>

The goodwill is not deductible for tax purposes.

The contributions from the acquired subsidiary for the period between the date of acquisition and the end of the previous reporting year were as follows:

	From date of acquisition in 2020 \$	For the reporting year 2020 \$
Revenue	1,150,715	1,703,072
Profit/(loss) before income tax	<u>77,252</u>	<u>(201,910)</u>

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 29. ACQUISITIONS OF INTEREST IN SUBSIDIARIES (CONT'D)

### 29B. Acquisitions of interest in subsidiaries without a change in control

On 5 January 2021, Alliance Medical Group Pte. Ltd. acquired an additional 5% shareholding interest in Alliance Health Investments Pte. Ltd. ("AHI") from an existing shareholder of AHI for a cash consideration of \$10,000. Following this acquisition, the interest in AHI increased from 75% to 80%. Changes in the ownership interest in a subsidiary that do not result in losing control are accounted for as transactions with owners in their capacity as owners (as equity transactions). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent. The schedule below shows the effects of the changes.

Group:	Before \$	After \$	Change \$
Proportionate share of the carrying amount of the net liabilities of subsidiaries by non-controlling interests	(259,252)	(209,402)	49,850
Loss on acquisition included in other reserves	–	(59,850)	(59,850)

## 30. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2021 \$	2020 \$
Commitments to purchase property, plant and equipment	<u>34,980</u>	<u>218,930</u>

## 31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

### 31A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Financial assets:</b>				
Financial assets at amortised cost	<b>30,302,341</b>	26,146,620	<b>12,028,207</b>	11,135,012
Financial assets at fair value through profit or loss (FVTPL)	<b>8,276</b>	8,276	–	–
At end of the year	<u><b>30,310,617</b></u>	<u>26,154,896</u>	<u><b>12,028,207</b></u>	<u>11,135,012</u>
<b>Financial liabilities:</b>				
Financial liabilities at amortised cost	<b>26,723,671</b>	24,514,694	<b>5,992,725</b>	5,280,348
Financial liabilities at fair value through profit or loss (FVTPL)	<b>878,562</b>	878,562	–	–
At end of the year	<u><b>27,602,233</b></u>	<u>25,393,256</u>	<u><b>5,992,725</b></u>	<u>5,280,348</u>

Further quantitative disclosures are included throughout these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 31B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior staff.
4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

### 31C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

### 31D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counterparties are entities with acceptable credit ratings. For expected credit losses ("ECL") on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 22 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

### 31E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 90 days (2020: 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.



# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 31E. Liquidity risk – financial liabilities maturity analysis (Cont'd)

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

Group	Less than 1 year \$	2 to 5 years \$	More than 5 years \$	Total \$
Non-derivative financial liabilities:				
<u>2021:</u>				
Gross loans and borrowings	1,835,523	2,869,656	2,573,393	7,278,572
Gross lease liabilities	1,737,160	1,671,124	–	3,408,284
Trade and other payables	17,658,316	–	–	17,658,316
At end of the year	<u>21,230,999</u>	<u>4,540,780</u>	<u>2,573,393</u>	<u>28,345,172</u>
Non-derivative financial liabilities:				
<u>2020:</u>				
Gross loans and borrowings	2,264,563	3,639,628	3,024,018	8,928,209
Gross lease liabilities	1,723,616	1,567,998	4,908	3,296,522
Trade and other payables	14,879,571	–	–	14,879,571
At end of the year	<u>18,867,750</u>	<u>5,207,626</u>	<u>3,028,926</u>	<u>27,104,302</u>
Non-derivative financial liabilities:				
<u>2021:</u>				
Gross loans and borrowings	243,081	931,491	1,862,384	3,036,956
Gross lease liabilities	105,613	51,565	–	157,178
Trade and other payables	3,354,283	–	–	3,354,283
At end of the year	<u>3,702,977</u>	<u>983,056</u>	<u>1,862,384</u>	<u>6,548,417</u>
Non-derivative financial liabilities:				
<u>2020:</u>				
Gross loans and borrowings	282,653	1,068,745	2,040,930	3,392,328
Gross lease liabilities	105,218	118,672	–	223,890
Trade and other payables	2,795,147	–	–	2,795,147
At end of the year	<u>3,183,018</u>	<u>1,187,417</u>	<u>2,040,930</u>	<u>6,411,365</u>

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 90 days (2020: 90 days). The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 31. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

### 31E. Liquidity risk – financial liabilities maturity analysis (Cont'd)

Financial guarantee contracts – For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantors:

<u>Company</u>	2 to 5 years \$
Non-derivative financial liabilities:	
<u>2021:</u>	
Financial guarantee contracts – bank guarantee in favour of subsidiaries (Note 3)	<u>3,289,766</u>
At end of the year	<u>3,289,766</u>
<u>2020:</u>	
Financial guarantee contracts – bank guarantee in favour of subsidiaries (Note 3)	<u>4,168,351</u>
At end of the year	<u>4,168,351</u>

Bank facilities:

	Group and Company	
	2021	2020
	\$	\$
Undrawn borrowing facilities	<u>978,138</u>	<u>1,204,475</u>

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

### 31F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The interest from financial assets including cash balances is not significant.

### 31G. Foreign currency risk

There is no significant exposure to foreign currency risk as part of its normal business.

## 32. ITEMS IN PROFIT OR LOSS

	Group	
	2021	2020
	\$	\$
Audit fees to the independent auditor of the company	<u>212,459</u>	207,518
Audit fees to the other independent auditor	<u>2,577</u>	1,727
Other fees to the independent auditor of the company	<u>87,511</u>	<u>94,091</u>

## 33. EVENTS AFTER THE END OF THE REPORTING YEAR

In September 2021, the Group acquired 20% of the share capital in SG IMED Pte. Ltd. for an aggregate cash consideration of \$630,000 through a wholly-owned subsidiary, Alliance Healthcare Pte. Ltd..

# NOTES TO THE FINANCIAL STATEMENTS

FINANCIAL YEAR ENDED 30 JUNE 2021

## 34. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS (I) No.	Title
SFRS (I) 3	Definition of a Business – Amendments
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting
SFRS (I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments to
SFRS (I) 16	Covid-19 Related Rent Concessions – Amendment to (effective from 30 June 2020)

## 35. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS (I) 1-1 and SFRS (I) Practice Statement 2	Disclosure of Accounting Policies – Amendments	1 Jan 2023
SFRS (I) 1-8	Definition of Accounting Estimates – Amendments	1 Jan 2023
SFRS (I) 1-12, SFRS (I) 1 SFRS (I) 3	Deferred Tax related to Assets and Liabilities arising from Single Transaction	1 Jan 2023
SFRS (I) 1-16	Definition of a Business – Reference to the Conceptual Framework – Amendments	1 Jan 2022
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments	1 Jan 2022
SFRS (I) 1-37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments	1 Jan 2022
SFRS (I) 9	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 Jan 2022
Various	Annual Improvements to SFRS(I)s 2019-2020	1 Jan 2022

# STATISTICS OF SHAREHOLDINGS

As at 10 September 2021

No. of Shares Issued	: 207,888,352
Class of Shares	: Ordinary shares
Voting Rights	: One vote per share
No. of Treasury Shares and Subsidiary Holdings	: Nil

Size of Shareholders	No. of Shareholders	%	No. of Shares	%
1 – 99	–	–	–	–
100 – 1,000	52	16.05	48,700	0.02
1,001 – 10,000	99	30.56	578,100	0.28
10,001 – 1,000,000	160	49.38	15,514,558	7.46
1,000,001 and Above	13	4.01	191,746,994	92.24
Grand Total	324	100.00	207,888,352	100.00

## TOP TWENTY SHAREHOLDERS

No.	Name of Top Twenty Shareholders	No. of Shares	%
1	ALPINE INVESTMENT HOLDINGS PTE LTD	133,450,000	64.19
2	CITIBANK NOMINEES SINGAPORE PTE LTD	8,373,385	4.03
3	28 HOLDINGS PTE. LTD.	8,000,000	3.85
4	THNG LIP MONG	7,428,223	3.57
5	LIM JIT FONG	7,128,185	3.43
6	WONG CHIEN YEH (HUANG JIANYE)	6,630,860	3.19
7	MOK KAN HWEI PAUL	6,598,960	3.17
8	DBS NOMINEES PTE LTD	4,339,565	2.09
9	TAY HUAY HONG	2,954,400	1.42
10	RAFFLES NOMINEES (PTE) LIMITED	2,138,000	1.03
11	YUN KOK ONN	1,991,087	0.96
12	LOH CHER ZOONG	1,528,343	0.74
13	GOH CHEE HWEI (WU ZHIHU)	1,185,986	0.57
14	JIN SONGQIAO	1,000,000	0.48
15	LIM CHEOK PENG	1,000,000	0.48
16	GOH TIONG JIN	901,831	0.43
17	TAN EILEEN	800,000	0.38
18	LEONG PENG KHEONG ADRIAN FRANCIS	741,370	0.36
19	GOH KHOON LIM	716,000	0.34
20	YEO THOONT KIAT	431,157	0.21
		<b>197,337,352</b>	<b>94.92</b>

# STATISTICS OF SHAREHOLDINGS

As at 10 September 2021

## SUBSTANTIAL SHAREHOLDERS (AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Alpine Investment Holdings Pte Ltd	133,450,000	64.19	–	–
Thng Lip Mong <sup>(1)</sup>	7,428,223	3.57	133,450,000	64.19

Note:

(1) Dr Barry Thng Lip Mong is deemed to be interested in 133,450,000 ordinary shares of the Company held by Alpine Investment Holdings Pte. Ltd. by virtue of his holding more than 20% of the total issued shares in Alpine Investment Holdings Pte. Ltd..

## PUBLIC SHAREHOLDING

As at 10 September 2021, approximately 15.34% of the issued shares of Alliance Healthcare Group Limited is in the hands of the public. The Company has complied with Rule 723 of the SGX-ST Listing Manual Section B: Rules of the Catalist.

# NOTICE OF ANNUAL GENERAL MEETING

## ALLIANCE HEALTHCARE GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200608233K)

This Notice has been made available on the SGXNet and the Company's website on 6 October 2021. A printed copy of this Notice will not be despatched to Shareholders.

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be convened and held by electronic means on Thursday, 21 October 2021 at 2.30 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2021 and the Auditor's Report thereon. **(Resolution 1)**
2. To declare a first and final one-tier tax-exempt dividend of S\$0.0023 per ordinary share for the financial year ended 30 June 2021. **(Resolution 2)**
3. To re-elect Dr Mok Kan Hwei, Paul, who is retiring pursuant to Regulation 97 of the Constitution of the Company, as director of the Company. (See Explanatory Note 1) **(Resolution 3)**
4. To re-elect Mr Wong Hin Sun, Eugene, who is retiring pursuant to Regulation 97 of the Constitution of the Company, as director of the Company. (See Explanatory Note 2) **(Resolution 4)**
5. To approve Directors' fees of S\$150,000 for the financial year ending 30 June 2022. **(Resolution 5)**
6. To re-appoint RSM Chio Lim LLP as auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 6)**

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without any modifications:

#### 7. Authority to allot and issue shares and convertible securities **(Resolution 7)**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and the Constitution of the Company, authority be and is hereby given to the Directors to:

- (i) issue shares whether by way of rights, bonus or otherwise;
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (iii) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force, provided that:
  - (a) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) and Instruments to be issued pursuant to this resolution shall not exceed 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued (including shares to be issued pursuant to the Instruments) other than on a pro rata basis to existing shareholders shall not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (b) below);

# NOTICE OF ANNUAL GENERAL MEETING

- (b) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares (including shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (a) above, the percentage of shares that may be issued shall be based on the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution, after adjusting for (i) new shares arising from the conversion or exercise of the Instruments or any convertible securities; and (ii) any subsequent bonus issue, consolidation or sub-division of shares;
- (c) in exercising such authority, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (d) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until (i) the conclusion of the next annual general meeting of the Company; or (ii) the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. (See Explanatory Note 3)

## 8. The proposed renewal of Share Buyback Mandate

(Resolution 8)

That:

- (a) for the purposes of the Catalist Rules and the Act, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or acquire the issued and fully paid-up Shares of the Company representing not more than 10% of the total number of issued Shares of the Company (excluding Treasury Shares and subsidiary holdings, if any) as at the date of the AGM at which the proposed renewal of the Share Buyback Mandate is approved, unless the Company has at any time during the Relevant Period (as defined below) effected a reduction of its share capital in accordance with the applicable provisions of the Act, in which event the total number of issued Shares of the Company shall be the total number of issued Shares of the Company as altered, at such price(s) as may be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company from time to time, up to the Maximum Price (as defined below), whether by way of:
  - (i) an on-market purchase transacted on the SGX-ST through or any other securities exchange on which the Shares may for the time being listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback ("**Market Purchase**"); and/or
  - (ii) an off-market purchase (if effected otherwise than on a securities exchange) in accordance with an "equal access scheme" as defined in Section 76C of the Act ("**Off-Market Purchase**")

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorized and approved generally and unconditionally (the "**Share Buyback Mandate**");
- (b) purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the AGM at which the proposed renewal of Share Buyback Mandate is approved, up to:
  - (i) the conclusion of the next annual general meeting of the Company or the date by which such annual general meeting is held or required by law to be held;
  - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting,

whichever the earliest ("**Relevant Period**").

# NOTICE OF ANNUAL GENERAL MEETING

(c) in this Resolution:

**“Maximum Price”**, in relation to a Share to be purchased or acquired, means the purchase price per Share (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share purchased or acquired pursuant to the Share Buyback Mandate will be determined by the Directors, provided that such purchase price must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares, where:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days period and the day on which the purchases are made;

**“date of making of the offer”** means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution 8. (See Explanatory Note 4)

BY ORDER OF THE BOARD

Dr. Barry Thng Lip Mong  
Executive Chairman and Chief Executive Officer

6 October 2021

#### Explanatory Notes:

1. Dr Mok Kan Hwei, Paul will, upon re-election, remain as Executive Director of the Company. The detailed information of Dr Mok can be found under “Board of Directors” and “Corporate Governance Report” in the Company’s Annual Report 2021.
2. Mr Wong Hin Sun, Eugene will, upon re-election, remain as the Lead Independent Director of the Company and continue to serve as Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and Nominating Committee. He is considered independent for the purpose of Rule 704(7) of the Catalyst Rules. Mr Wong does not have any relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of his independent judgement with a view to the best interests of the Group. The detailed information of Mr Wong can be found under “Board of Directors” and “Corporate Governance Report” in the Company’s Annual Report 2021.
3. Resolution 7, if passed, will empower the directors, from the date of this annual general meeting until the next annual general meeting, to allot and issue new shares and/or convertible securities in the Company including a rights or bonus issue without seeking further approval from shareholders in general meeting for such purposes as the directors consider would be in the best interests of the Company. The maximum number of shares which the directors may issue pursuant to this Resolution shall not exceed the quantum set out in the Resolution 7.
4. Further details in relation to Resolution 8 can be found in the letter to Shareholders dated 6 October 2021 which is appended to the Notice of Annual General Meeting (“Appendix”). All capitalised terms used in Resolution 8 which are not defined herein shall have the same meanings ascribed to them in Appendix, unless otherwise defined herein or where the context otherwise requires.



# NOTICE OF ANNUAL GENERAL MEETING

## Important Notes:

### No Despatch of documents and information relating to the AGM

**Documents and information relating to the AGM (including the Annual Report 2021, Notice of AGM, letter to Shareholders set out as Appendix to the Notice of AGM and the Proxy Form) have been uploaded to the SGXNet on 6 October 2021 and may be accessed via SGXNet, the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/and> AGM website at <https://conveneagm.com/sg/alliancehealthcare>. Printed copies of these documents will not be sent to Shareholders.**

### Pre-registration for AGM

The annual general meeting (the "AGM") will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in the Company's announcement dated 6 October 2021 which has been uploaded together with this Notice of AGM on SGXNet on the same day. The announcement and this Notice of AGM may also be accessed at the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/>.

A shareholder will be able to participate at the AGM by watching the AGM proceeding via a 'live' audio-visual webcast via mobile phones, tablets or computers or listening to the proceeding through a 'live' audio-only stream. In order to do so, a shareholder must register by sending the following details: their full name (as per CDP/SRS account records), NRIC/passport/company registration no., contact number and email address to [investor.relations@alliancehealthcare.com.sg](mailto:investor.relations@alliancehealthcare.com.sg) or register at <https://conveneagm.com/sg/alliancehealthcare>, **no later than 2.30 p.m. on 18 October 2021**.

Shareholders who do not receive a confirmation email from the Company by 6.00 p.m. on 19 October 2021, but have registered by the pre-registration deadline as stated above, should send an email to the Company at [investor.relations@alliancehealthcare.com.sg](mailto:investor.relations@alliancehealthcare.com.sg) with the full name of the member and his/her identification number by 12.00 p.m. on 20 October 2021.

Investors who hold their shares through relevant intermediaries as defined in Section 181 of the Act (other than The Central Provident Fund and Supplementary Retirement Scheme) and who wish to participate in the AGM by (a) observing and/or listening the AGM proceeding through "live" audio-visual webcast; (b) submitting questions in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM, should approach their respective relevant intermediaries through which they hold such shares at least seven working days before the AGM in order to make the necessary arrangements for them to participate in the AGM.

### Submission of Questions prior to AGM

A shareholder who pre-registers to watch the "live" audio-visual webcast or listen to the "live" audio-only stream may also submit questions relating to the resolutions to be tabled for approval at the AGM by **10.00 a.m. on 13 October 2021** via email to the Company at [investor.relations@alliancehealthcare.com.sg](mailto:investor.relations@alliancehealthcare.com.sg) or via <https://conveneagm.com/sg/alliancehealthcare>.

When sending in the questions, please provide full name, identification/registration number and the manner in which the shares of the Company are held for verification purpose, failing which, the submission will be treated as invalid.

The Company's responses to the shareholders' questions will be published at the SGXNet and the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/>.

### Submission of Proxy Form

A shareholder will not be able to attend the AGM in person. If a shareholder wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM (the "Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.

If a shareholder wishes to exercise his/her/its voting rights at the AGM, the proxy form appointing the Chairman must be submitted to the Company in the following manner **no later than 2.30 pm on 18 October 2021**:

- (a) If submitted electronically, be submitted via email to the Company at [investor.relations@alliancehealthcare.com.sg](mailto:investor.relations@alliancehealthcare.com.sg); or
- (b) If submitted via AGM website, at <https://conveneagm.com/sg/alliancehealthcare>; or
- (c) If in hard copy, be submitted by post/courier/hand to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00 Singapore 068898.

The shareholder may download the Proxy Form from SGXNet or the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/>.

The proxy form must be executed under the hand of the appointer or his or her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised. If the proxy form is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be deposited together with the proxy form, failing which, the instrument may be treated as invalid.

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointer, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by the Central Depository (Pte) Limited to the Company.

# NOTICE OF ANNUAL GENERAL MEETING

## **Personal Data Privacy**

Where a shareholder of the Company submits a proxy form appointing Chairman to vote at the AGM and/or any adjournment thereof, the shareholder (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines and (ii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

## **RECORD DATE AND DIVIDEND PAYMENT DATE FOR FIRST AND FINAL ONE-TIER TAX-EXEMPT DIVIDEND**

Subject to approval of shareholders of the Company being obtained for the first and final one-tier tax-exempt dividend of S\$0.0023 per ordinary share (the "**Dividend**") for the financial year ended 30 June 2021 at the Annual General Meeting, the Register of Members and Share Transfer Books of the Company will be closed on 3 November 2021 for the purpose of preparing dividend warrants.

Duly completed registrable transfers of shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 2 November 2021 will be registered to determine shareholders' entitlement to the Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 2 November 2021 will be entitled to the Dividend.

Payment of the Dividend, if approved by Shareholders at the Annual General Meeting of the Company, will be made on 11 November 2021.

**ALLIANCE HEALTHCARE GROUP LIMITED**

(Incorporated in the Republic of Singapore)  
 (Company Registration No.: 200608233K)

**IMPORTANT:**

- Shareholders, CPF/SRS investors who have used their CPF/SRS monies to buy Alliance Healthcare Group Limited's shares may download the annual report and proxy form from SGXNet and the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/> and AGM website at <https://conveneagm.com/sg/alliancehealthcare>.
- This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

**Personal Data Privacy:**

By submitting a proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 6 October 2021.

**PROXY FORM**

This Proxy Form has been made available on the SGXNet, the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/> and AGM website at <https://conveneagm.com/sg/alliancehealthcare>. A printed copy of this Proxy Form will not be despatched to Shareholders.

\*I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of Alliance Healthcare Group Limited (the "**Company**"), hereby appoint Chairman of the annual general meeting of the Company ("**Meeting**" or "**AGM**") as \*my/our \*proxy to vote for \*me/us on \*my/our behalf, at the AGM to be held by electronic means on Thursday, 21 October 2021 at 2.30 p.m. and at any adjournment thereof.

**Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against (or abstain from voting on) the resolutions as set out in the notice of Meeting. In the absence of specific directions, the appointment of the Chairman of the Meeting as proxy for that resolution(s) will be treated as invalid.**

No.	Ordinary Resolutions relating to:	For	Against	Abstain
<b>Ordinary Business</b>				
1.	To adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2021			
2.	To declare a first and final one-tier tax-exempt dividend of S\$0.0023 per ordinary share for the financial year ended 30 June 2021			
3.	To re-elect Dr Mok Kan Hwei, Paul as director of the Company			
4.	To re-elect Mr Wong Hin Sun, Eugene as director of the Company			
5.	To approve Directors' fees of S\$150,000 for the financial year ending 30 June 2022			
6.	To re-appoint RSM Chio Lim LLP as Auditors of the Company			
<b>Special Business</b>				
7.	To authorise the Directors to issue shares and convertible securities of the Company			
8.	To approve the renewal of Share Buyback Mandate			

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021

<b>Total Number of shares held in:</b>	
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
 Signature(s) of member(s)  
 or Common Seal of Corporate Shareholder

\*Delete where applicable.

**IMPORTANT: PLEASE READ NOTES OVERLEAF.**



1. The shareholder may download the Proxy Form from SGXNet or the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/>.
2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number of shares is inserted, this proxy form will be deemed to relate to all the shares held by you.
3. A shareholder will not be able to attend the AGM in person. A shareholder who wishes to vote on the resolutions must appoint the Chairman of the AGM (the "**Chairman**") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. If a shareholder wishes to exercise his/her/its voting rights at the AGM, the proxy form appointing the Chairman must be submitted to the Company in the following manner **no later than 2.30 pm on 18 October 2021**:
  - (a) If submitted electronically, be submitted via email to the Company at [investor.relations@alliancehealthcare.com.sg](mailto:investor.relations@alliancehealthcare.com.sg); or
  - (b) If submitted via AGM website, at <https://conveneagm.com/sg/alliancehealthcare>; or
  - (c) If in hard copy, be submitted by post/courier/hand to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00 Singapore 068898.
4. The proxy form must be executed under the hand of the appointor or his or her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised. If the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be deposited together with the proxy form, failing which, the instrument may be treated as invalid.
5. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy to vote on their behalf should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions at least seven working days before the AGM. Investors who hold their shares through relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 (other than CPF/SRS investors) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries through which they hold such shares as soon as possible in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to vote on their behalf.
6. Where a Shareholder appoints Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM, he/she/it must give specific instructions as to the voting, or abstentions from voting, in respect of the resolutions set out in the Proxy Form. In the absence of specific directions, the appointment of the Chairman of the Meeting as proxy for that resolution(s) will be treated as invalid.
7. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by the Central Depository (Pte) Limited to the Company.
8. By submitting a proxy form appointing the Chairman of the AGM as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 6 October 2021.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Dr. Barry Thng Lip Mong  
*Executive Chairman and CEO*

Dr. Mok Kan Hwei, Paul  
*Executive Director*

Mr. Wong Hin Sun, Eugene  
*Lead Independent Director*

Mr. Lim Heng Chong Benny  
*Independent Director*

Dr. Leong Peng Kheong Adrian Francis  
*Independent Director*

## AUDIT AND RISK MANAGEMENT COMMITTEE

Mr. Wong Hin Sun, Eugene, *Chairman*  
Dr. Leong Peng Kheong Adrian Francis, *Member*  
Mr. Lim Heng Chong Benny, *Member*

## NOMINATING COMMITTEE

Mr. Lim Heng Chong Benny, *Chairman*  
Dr. Leong Peng Kheong Adrian Francis, *Member*  
Mr. Wong Hin Sun, Eugene, *Member*

## REMUNERATION COMMITTEE

Dr. Leong Peng Kheong Adrian Francis, *Chairman*  
Mr. Lim Heng Chong Benny, *Member*  
Mr. Wong Hin Sun, Eugene, *Member*

## COMPANY SECRETARIES

Ms. Low Mei Wan, ACIS  
Ms. Lin Moi Heyang, ACIS

## REGISTERED OFFICE

25 Bukit Batok Crescent  
#07-12 The Elitist  
Singapore 658066  
Tel: +65 6697 7700  
Fax: +65 6697 7757  
Email: [investor.relations@alliancehealthcare.com.sg](mailto:investor.relations@alliancehealthcare.com.sg)

## SHARE REGISTRAR

Tricor Barbinder Share Registration Services  
(a division of Tricor Singapore Pte. Ltd.)  
80 Robinson Road  
#02-00  
Singapore 068898

## AUDITORS

RSM Chio Lim LLP  
8 Wilkie Road  
#04-08 Wilkie Edge  
Singapore 228095  
Partner-in-charge: Mr. Paul Lee Seng Meng  
(since reporting year ended 30 June 2017)

## PRINCIPAL BANKERS

DBS Bank Ltd.  
Oversea-Chinese Banking Corporation Limited  
United Overseas Bank Limited

## CATALIST SPONSOR

RHB Bank Berhad, through its Singapore branch  
90 Cecil Street  
#04-00 RHB Bank Building  
Singapore 069531

## INVESTOR RELATIONS

Gem Comm Pte Ltd  
1 Temasek Ave, Level 30  
Singapore 039192  
[www.gem-comm.com](http://www.gem-comm.com)



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