

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

**INCREASE IN SHAREHOLDING INTEREST IN
MY FAMILY CLINIC (ANGSANA BREEZE @ YISHUN) PTE LTD**

1. INTRODUCTION

The board of directors (the “**Board**”) of Alliance Healthcare Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that following a notice of withdrawal given by the Vendor (as defined below) on 4 March 2023, Alliance Medical Group Pte. Ltd. (“**AMG**”), a wholly-owned subsidiary of the Company has, on 28 December 2023, executed an instrument of transfer with Dr. Tan Yan Yuan (“**Dr. Tan**” or the “**Vendor**”) pursuant to which AMG has acquired 3,000 ordinary shares (the “**Sale Shares**”) of My Family Clinic (Angsana Breeze @ Yishun) Pte Ltd (“**MFC YSA**”), representing 30% of the issued and paid-up share capital in MFC YSA, from the Vendor for a cash consideration of S\$532,086.71 (the “**Purchase Consideration**”) (the “**Transaction**”).

The Transaction constitutes a “disclosable transaction” under Chapter 10 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

2. INFORMATION ON MFC YSA

MFC YSA is a company incorporated in Singapore on 9 May 2017. MFC YSA operates and manages a primary healthcare clinic under the style of “My Family Clinic (Angsana Breeze @ Yishun)” located at Blk 507 Yishun Ave 4, #01-05, Singapore 760507.

Immediately prior the Transaction, MFC YSA has an issued and paid-up share capital of S\$10,000 comprising 10,000 ordinary shares and no other outstanding share options or convertible instruments with AMG, Dr. Tan and Dr. Ang Corey Damien (“**Dr. Ang**”) (collectively, **MFC YSA’s Shareholders**) holding 6,000, 3,000 and 1,000 ordinary shares, or 60%, 30% and 10% of the issued and paid-up share capital in MFC YSA respectively.

Based on the audited financial statements of MFC YSA for the financial year ended 30 June 2023 (“**FY 2023**”), MFC YSA reported a net profit after tax of S\$503,974 and had a book value and net tangible assets of S\$570,282 as at 30 June 2023. For the avoidance of doubt, the latest available open market value of MFC YSA is not available as MFC YSA is not a publicly listed and traded entity. The Company and AMG did not commission any independent valuation of MFC YSA.

As a result of the Transaction, AMG’s shareholding interest in MFC YSA has increased from 60% to 90%. The remaining 10% of the shares in the capital of MFC YSA is held by Dr. Ang. As at the date of this announcement, the directors of MFC YSA are Dr Barry Thng Lip Mong and Dr. Ang.

3. PURCHASE CONSIDERATION

The Purchase Consideration was based on the valuation formula stipulated in the shareholders' agreement entered into by MFC YSA's Shareholders on 21 March 2017 (the "**Shareholders' Agreement**"), whereunder the valuation of the Sale Shares shall be 30% of the tangible net asset value plus goodwill element of MFC YSA.

The Company intends to use its working capital and bank loan to fund the Purchase Consideration.

4. RATIONALE FOR THE TRANSACTION

The Board believes that the Transaction is in the best interest of the Company as the increase in shareholdings in MFC YSA will allow the Group to have a greater control over the operation and corporate direction of MFC YSA in turn to support and supplement the business activities and initiatives rolled out by the Group in the future.

5. CHAPTER 10 OF THE CATALIST RULES

Based on the audited consolidated financial statements of the Group for FY2023, the relative figures for the Transaction computed on the relevant bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	8.17% ⁽¹⁾
(c)	The aggregate value of the consideration given or received compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	1.52% ⁽²⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not an acquisition of such assets	Not applicable

Notes:

- (1) As defined under Rule 1002 of the Catalist Rules, “net profits” means profit or loss before income tax, minority interests and extraordinary items.

Based on the audited consolidated financial statements of the Group for FY2023, the net profits of the Group were approximately S\$2.2 million.

Based on the audited financial statements of MFC YSA for FY2023, the net profits of MFC YSA were approximately S\$586,620.

- (2) The aggregate value of the consideration is computed based on the Purchase Consideration.

The Company’s market capitalisation of approximately S\$35.0 million was computed based on the volume weighted average price of S\$0.17 on 27 November 2023 (being the last full market day preceding the date of the instrument of transfer on which there was trading in the Company’s Shares) and the Company’s total number of issued shares excluding treasury shares of 205,748,352 Shares.

6. FINANCIAL EFFECTS OF THE TRANSACTION

For the purposes of illustration only, the following is an illustration of the pro forma financial effects of the Transaction on the net tangible assets per share (“**NTA**”) and earnings per share (“**EPS**”) based on the Group’s audited consolidated financial statements for FY2023 and MFC YSA’s audited financial statements for FY2023.

- (1) NTA

Purely for illustrative purposes only, assuming that the Transaction had been effected on 30 June 2023, the effect of the Transaction on the Group’s NTA per share as at 30 June 2023 would be as follows:

As at 30 June 2023	Before the Transaction	After the Transaction
NTA (S\$’000)	18,157	17,454
Number of Shares	205,748,352	205,748,352
NTA per Share (Singapore cents)	8.82	8.48

- (2) EPS

Purely for illustrative purposes only, assuming that the Transaction had been effected on 1 July 2022, the effect of the Transaction on the Group’s EPS for FY2023 would be as follows:

FY2023	Before the Transaction	After the Transaction
Net profit attributable to shareholders (S\$’000)	2,091	2,242
Weighted average number of Shares	205,810,818	205,810,818
EPS (Singapore cents)	1.02	1.09

7. SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Transaction.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Transaction, the Company, and its subsidiaries, and the directors of the Company are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. DOCUMENTS FOR INSPECTION

A copy of the Shareholders' Agreement is available for inspection during normal business hours at the Company's registered office at 25 Bukit Batok Crescent, #07-12 The Elitist, Singapore 658066 for a period of 3 months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Dr Barry Thng Lip Mong
Executive Chairman and Chief Executive Officer

28 December 2023

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