

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

**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED
ON THE ANNOUNCEMENT DATED 7 NOVEMBER 2019**

The board of directors (“**Board**”) of Alliance Healthcare Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 8 November 2019 in relation to the Company’s announcement titled “Investigation by Ministry of Manpower relating to a Locum Doctor” which was announced on 7 November 2019 (“**Announcement**”). The Company’s responses to the queries are set out below.

Unless otherwise defined, all terms and references used herein shall bear the same meaning ascribed to in the Announcement.

Query 1:

How material is the operation of MFC Hougang to the Group?

Company’s response:

As at the date of this announcement, MFC Hougang continues to operate its business as usual and the Board does not expect the business operation of MFC Hougang to be interrupted due to the investigation by the MOM.

Based on the Company’s audited consolidated financial statements for the financial year ended 30 June 2019, the contribution of MFC Hougang to the Group is as follows:

	Revenue	Profit before tax	Net assets
MFC Hougang	1,834,631	338,747 ¹	86,676 ²
The Group	36,511,557	1,250,497	16,323,824
Percentage (%)	5.0	27.09	0.5

The presentation in the table above is purely for illustrative purposes only. The Board would like to highlight that the above did not take into account amongst others intercompany transactions, allocation of holding company costs and other expenses as well as non-recurring charges (such as the IPO expenses). The Board is of the view that MFC Hougang is not material to the Group as a whole having considered inter alia that (i) the Group operates 15 other GP clinics; and (ii) the Group is also engaged in 3 other business segments, namely managed healthcare solutions, specialist care services and pharmaceutical services.

¹ No interco adjustment has been made and the numbers presented are as per statutory accounts.

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Query 2:

It is announced that “... and its current operations are also not dependent on manpower which requires work passes”. Please elaborate on the percentage of employees (split by full time or contract/locum staff) who require work passes.

Company’s response:

A breakdown of the Group’s employees under work passes, as at the date of this announcement, is as follows:

	Full Time	Contract
Employees under work passes (%)	6.9	-
Employees not under work passes (%)	93.1	100.0

Locum doctors are independent contractors and not employees of the Group. As at the date of this announcement, the Group does not have any locum doctor on work pass.

Query 3:

Please elaborate on the Company’s policy and circumstances under which it would hire locum staff.

Company’s response:

The Group has compiled a list of pre-approved locum doctors and made it compulsory for all its clinics to use this list when hiring any locum doctors. During the pre-approval process, only locum doctors who are Singaporeans/Permanent Residents with full registration under the Medical Registration Act are selected.

By Order of the Board

Dr Barry Thng Lip Mong
Executive Chairman and Chief Executive Officer
11 November 2019

This announcement has been reviewed by the Company’s sponsor, CIMB Bank Berhad, 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 Catalyst. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +6563375115.