



25 Years of Healthcare Delivery

Alliance Healthcare Group Limited
Annual Report 2019



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This annual report 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 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 Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.

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 GP and in-house specialist clinics, a healthcare organisation specialising in corporate health solutions, a wholesale pharmaceutical company facilitating timely access of medications to the region, and where our patients can count on their friendly family doctors and medical specialists to treat their health problems.

As a physician-led and physician-owned 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 patient data to provide cost-effective and efficient services for our patients and corporate clients. We believe that the intelligence from our data retrieved from healthcare users 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 on technology to provide a broad suite of healthcare services primarily in Singapore.

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

MILESTONE KEY EVENTS

2000

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 the holding company, Alliance Healthcare Group

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

2008

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

1990

2000

2005

2010

1994

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

1999

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

2005

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

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

MILESTONE KEY EVENTS

2013

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

2019

Listed on the Catalyst

Entered into arrangement with Cigna Europe Insurance Company S.A. - N.V. Singapore Branch and EQ Insurance Company Ltd to provide them with managed healthcare solutions

2016

Entered into arrangements with Aviva Ltd, an ISP provider, to provide them with managed healthcare solutions

2015**2015**

We developed and introduced our proprietary IT system, SIMS, to assist insurance companies in their hospital claims management, thereby enabling them to address the challenge of the escalating costs of private hospital admissions

2018

Acquisition of 100.0% of the shareholding interests in Lee Clinic PL (subsequently renamed "My Family Clinic (Clementi 325)"), and the assets and business of a GP clinic (which was subsequently renamed "My Family Clinic (St George)") operating at St George's Road

Entered into an arrangement with QBE Insurance (Singapore) Pte. Ltd., our eighth insurance company, to provide them with managed healthcare solutions

Awarded HRM Asia's Readers' Choice Award in the "Best Corporate – Healthcare Group" category

Opened specialist clinic, Elite Orthopaedics

2014

Incorporation of Alliance Specialist Group to provide specialist care services

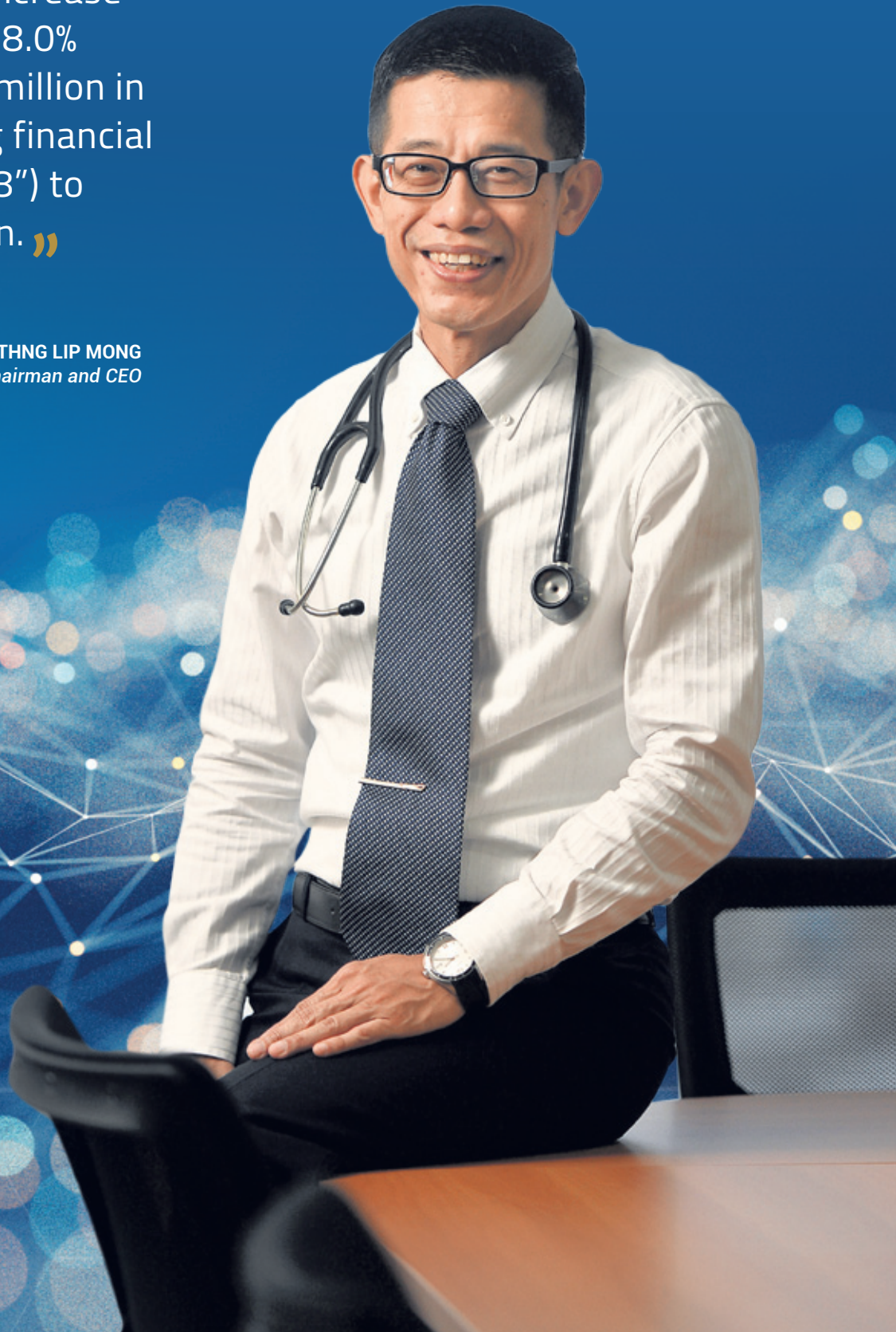
Acquisition of 100.0% equity interest in Ho Kok Sun Colorectal and Lim Jit Fong Colorectal

Incorporated My ENT Specialist, through which we established our first ENT clinics

CHAIRMAN'S MESSAGE

“ For FY2019, AHG achieved an increase in revenue of 8.0% from S\$33.8 million in the preceding financial year (“FY2018”) to S\$36.5 million. ”

DR. BARRY THNG LIP MONG
Executive Chairman and CEO



CHAIRMAN'S MESSAGE

Dear Shareholders,

I am pleased to present the first annual report of Alliance Healthcare Group Limited ("AHG") for the financial year ended 30 June 2019 ("FY2019"). FY2019 marked a momentous milestone in our corporate history: we celebrated our 25th year of being in business with our listing on the Catalist Board of the Singapore Exchange on 31 May 2019.

The listing on the Singapore Exchange provided us with greater access to capital markets to continue pursuing our growth strategy. As we pivot towards digitalisation, we are committed to developing new business solutions to ensure that quality healthcare remains affordable and accessible for both individuals and organisations.

FINANCIAL PERFORMANCE

For FY2019, AHG achieved an increase in revenue of 8.0% from S\$33.8 million in the preceding financial year ("FY2018") to S\$36.5 million. The increase in revenue was driven by our Managed Healthcare Solutions, GP Clinic Services and Specialist Care Services, but was offset by a decrease in revenue of our Pharmaceutical Services.

Our total operating expenses for FY2019 increased by 22.2% compared to the previous year, mainly due to the professional and listing fees of approximately S\$1.2 million incurred in relation to AHG's recent initial public offering ("IPO"), and an increase in employee benefit expenses by S\$2.9 million. The expansion of our clinics resulted in an increase in salaries and professional fees to the doctors and an increase in employee headcount.

In FY2019, the Profit before tax of our GP Clinic Services was reduced by S\$0.7 million, mainly due to operating

losses incurred by 2 new GP clinics. We closely monitor the financial performances of our GP clinics, especially the newly established ones, and will take decisive steps to streamline the business operations, including closing non-performing clinics. To this end, we have ceased operations of My Family Clinic Bukit Batok West in June 2019 as the flats within the catchment area of this clinic remained largely unoccupied for a long period.

As a result, in FY2019, AHG's net profit declined 89.7% to S\$0.3 million against S\$3.1 million in FY2018.

CHANGES IN KEY MANAGEMENT

We welcomed Ms. Jenny Oh onboard as our Chief Operating Office ("COO") in January 2019.

Ms. Oh is a veteran in the insurance industry and has held senior leadership positions in various international insurance companies. Besides being the key person responsible for the service delivery and operational capabilities in Corporate Solutions during her time with an insurance company, she was also involved in several transformational and digitalisation projects.

We look forward to tapping on Ms. Oh's insights and expertise to improve AHG's operational efficiency, and to her leadership in the execution of our digitalisation strategy.

LOOKING TO THE FUTURE

We continue to believe in our integrated approach towards meeting the healthcare needs of patients. This includes actively seeking opportunities to expand the provision of specialist care services in Singapore, as well as pursuing investment opportunities in other healthcare-related business which complement our existing business.

We will also continue to pursue our digitalisation journey in order to develop new business solutions, improve operational efficiency, and enhance our customers' journey and experience with our services.

DIVIDEND

We did not declare any dividends for FY2019. However, 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 of the financial years ending 30 June 2020 and 30 June 2021.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to take this opportunity to thank all shareholders for their confidence in us and their support for our IPO.

The Board of Directors also wishes to express our gratitude to the professional working team, the management team and staff for their tremendous efforts in making our IPO a resounding success. We would also like to pay tribute to all our employees for their resilience, dedication and hard work. Last but not least, we would like to thank our patients, shareholders and business partners for their support in bringing Alliance to where it is today.

BARRY THNG LIP MONG
Executive Chairman & CEO

OPERATIONS AND FINANCIAL REVIEW

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

REVIEW OF FINANCIAL PERFORMANCE OF THE GROUP FOR FY2019 COMPARED TO FY2018

REVENUE

Revenue increased by approximately S\$2.7 million or 8.0% from S\$33.8 million in FY2018 to S\$36.5 million in FY2019.

(a) Managed Healthcare Solutions



Revenue from managed healthcare solutions business segment increased by approximately S\$0.4 million or 7.1% from S\$4.9 million in FY2018 to S\$5.3 million in FY2019, mainly as a result of increases in gross value of claims processed by the Group for the majority of the insurance companies, leading to a net increase in administrative fees from panel medical services providers of approximately S\$0.4 million.

(b) GP Clinics Services



Revenue from GP clinics services business segment increased by approximately S\$1.0 million or 6.5% from S\$15.6 million in FY2018 to S\$16.6 million in FY2019.

The increase in revenue was mainly attributable to: (i) an increase in revenue of approximately S\$0.3 million due to the full-year effects of My Family Clinic Woodlands which commenced operations in May 2018; (ii) an increase in revenue of approximately S\$0.1 million due to the commencement of operations of My Family Clinic Bukit Batok West in October 2018¹; and (iii) an increase in revenue of approximately S\$0.9 million in aggregate due to the full year effects of Lee Clinic PL² which was acquired in January 2018 and My Family Clinic St George which was acquired in May 2018. These increases were partially offset by a net decrease in revenue of approximately S\$0.3 million from our existing GP clinics.

(c) Specialist Care Services



Revenue from specialist care services business segment increased by approximately S\$2.6 million or 54.6% from S\$4.8 million in FY2018 to S\$7.4 million in FY2019, mainly due to maiden revenue contribution by the Group’s orthopaedics clinic which started operations in December 2018.



¹ My Family Clinic Bukit Batok West has ceased operation in June 2019.

² Lee Clinic PL has since changed its name to My Family Clinic (Clementi 325) Pte. Ltd..

OPERATIONS AND FINANCIAL REVIEW

(d) Pharmaceutical Services

Revenue from pharmaceutical services business segment decreased by approximately S\$1.3 million or 15.2% from S\$8.5 million in FY2018 to S\$7.2 million in FY2019, as a result of a decrease in overseas sales of S\$2.1 million, which was offset by an increase in local sales within Singapore of approximately S\$0.8 million.



The decrease in overseas sale was mainly due to (i) a decline in sales to Hong Kong of approximately S\$1.0 million attributable to a change in sales strategy, and (ii) decrease in sales to Germany of approximately S\$1.0 million as the Group ceased the sale of a drug to Germany which was previously in shortage, but became available in the German market.

The increase in sales within Singapore was mainly due to higher sales to hospitals.



INTEREST INCOME

Interest income was insignificant in FY2019 and FY2018.

OTHER INCOME AND GAINS

Other income and gains decreased by approximately S\$0.3 million or 46.3% from S\$0.7 million in FY2018 to S\$0.3 million in FY2019, mainly as a result of a decrease in the amount of PIC cash payout of approximately S\$0.2 million due to the expiry of the PIC scheme.

CONSUMABLES AND MEDICAL SUPPLIES USED

Consumables and medical supplies used relates to the Group's GP clinics services, specialist care services and pharmaceutical services business segments. Although revenue has increased for most of these business segments, consumables and medical supplies used remained comparable to FY2018 at S\$10.5 million, as a result of overall improvement in cost control in most segments.

EMPLOYEE BENEFITS EXPENSE

Employee benefits expense increased by approximately S\$2.9 million or 18.4% from S\$15.7 million in FY2018 to S\$18.6 million in FY2019, mainly due to the following:

- (a) an increase of approximately S\$1.9 million mainly due to an increase in salaries of employees and locum doctors as well as an increase in headcount of employees; and
- (b) an increase in professional fees paid in respect of specialists of approximately S\$0.9 million.

DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation expense decreased by approximately S\$0.2 million or 15.7%, from S\$1.0 million in FY2018 to S\$0.8 million in FY2019 mainly due to certain of the Group's property, plant and equipment being fully depreciated.

OTHER LOSSES

Other losses were insignificant in FY2019 and FY2018.

FINANCE COSTS

Finance costs increased by approximately S\$23,000 or 21.2% from S\$108,000 in FY2018 to S\$131,000 as a result of higher bank borrowings for the acquisition of the premises situated at Blk 325 Clementi Avenue 5, #01-139, Singapore 120325 (the "LC Property").

OTHER EXPENSES

Other expenses increased by approximately S\$1.8 million or 48.6%, from S\$3.7 million in FY2018 to S\$5.5 million in FY2019, mainly due to the following:

- (a) IPO-related expenses of approximately S\$1.2 million;
- (b) an increase in rental expenses of approximately S\$0.2 million mainly due to the commencement of operations of My Family Clinic Woodlands in May 2018, My Family Clinic Bukit Batok West in October 2018, and Elite Orthopaedics in December 2018; and
- (c) an increase in advertising and marketing expenses of approximately S\$0.2 million relating to marketing activities in respect of specialist care services through online channels and publications.

OPERATIONS AND FINANCIAL REVIEW



PROFIT BEFORE TAX

Profit before tax decreased by approximately S\$2.2 million or 63.4% from S\$3.4 million in FY2018 to S\$1.2 million in FY2019.

Excluding the effect of IPO-related expenses of S\$1.2 million, the Group would have achieved a profit before tax of approximately S\$2.4 million.

The decrease in profit was mainly due to lower profitability of the Group's GP clinics services, pharmaceutical services and managed healthcare solutions business segments which was partially offset by higher profitability of the Group's specialist care services business segment.

INCOME TAX

The Group incurred an income tax expense of approximately S\$0.5 million in FY2019, as compared to an income tax credit of approximately S\$59,000 in FY2018. This is mainly due to the reduction in the recognition of deferred tax assets from unused tax losses in FY2019.

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\$2.8 million or 89.7% from S\$3.1 million in FY2018 to S\$0.3 million in FY2019.

REVIEW OF FINANCIAL POSITION OF THE GROUP AS AT 30 JUNE 2019

NON-CURRENT ASSETS

Non-current assets increased by approximately S\$1.3 million, from S\$7.9 million as at 30 June 2018 to S\$9.3 million as at 30 June 2019 as a result of an increase in property, plant and equipment of S\$1.5 million, which was partially offset by a decrease in deferred tax assets of S\$0.2 million.

The increase in property, plant and equipment was mainly due to the acquisition of the LC Property in August 2018 for S\$2.1 million and an increase in renovation of S\$0.1 million, which were offset by depreciation expense of S\$0.8 million incurred for FY2019.

Deferred tax assets decreased by S\$0.2 million as a result of the utilisation of the deferred tax asset in FY2019.

CURRENT ASSETS

Current assets increased by approximately S\$7.2 million, from S\$19.0 million as at 30 June 2018 to S\$26.2 million as at 30 June 2019 as a result of an increase in cash and cash equivalents of S\$5.5 million, trade and other receivables of S\$1.7 million and inventories of S\$0.2 million, which were offset by a decrease in other non-financial assets of S\$0.2 million.

Cash and cash equivalents have increased by S\$5.5 million mainly due to the net proceeds from the IPO of S\$4.7 million.

Trade and other receivables increased by S\$1.7 million mainly attributable to an increase of S\$1.3 million from the managed healthcare solutions business segment due to slower receipt of payment from corporations and insurers, as well as an increase of S\$0.4 million from the specialist care services business segment mainly attributable to Elite Orthopaedics, which commenced operations in December 2018.

Other non-financial assets decreased by S\$0.2 million as a result of the release of deposit for the purchase of the LC Property and deposits paid for professional services relating to the IPO of S\$0.3 million and S\$0.1 million respectively, which were offset by the increase in deposits for new software development of S\$0.1 million.

OPERATIONS AND FINANCIAL REVIEW

SHAREHOLDERS' EQUITY

Shareholders' equity increased by approximately S\$9.4 million from S\$7.0 million as at 30 June 2018 to S\$16.3 million as at 30 June 2019 as a result of an increase in share capital of S\$12.7 million which was offset by a decrease in other reserves of S\$3.1 million and a decrease in non-controlling interests of S\$0.6 million arising from the Restructuring.

Share capital increased by S\$12.7 million due to the effects of the Dividend Capitalisation, the Loan Capitalisation and the Restructuring of S\$6.8 million in aggregate and the issuance of new shares in connection with the IPO of S\$6.4 million, which were offset by the capitalisation of IPO expenses of S\$0.4 million.

NON-CURRENT LIABILITIES

Non-current liabilities increased by S\$0.9 million from S\$3.1 million as at 30 June 2018 to S\$4.0 million as at 30 June 2019 mainly due to an increase in non-current component of other financial liabilities of S\$0.9 million.

During FY2019, the Group obtained a property loan of S\$1.6 million for the acquisition of the LC Property.

CURRENT LIABILITIES

Current liabilities decreased by S\$1.7 million, from S\$16.8 million as at 30 June 2018 to S\$15.1 million as at 30 June 2019, mainly due to a decrease in trade and other payables of S\$1.8 million.

Trade and other payables decreased mainly due to the effects of the Dividend Capitalisation of S\$2.7 million which were offset by an increase in accrued payroll expenses of S\$0.7 million in line with the increased headcount and improved performance of certain entities.



REVIEW OF STATEMENT OF CASH FLOW FOR FY2019

The Group generated net cash of S\$2.9 million from operating activities in FY2019, mainly due to operating cash flows before changes in the working capital of S\$3.5 million, partially offset by net working capital outflows of S\$0.3 million and income taxes paid of S\$0.3 million.

The net working capital outflows was a result of (i) an increase in trade and other receivables by S\$1.7 million and (ii) an increase in inventories by S\$0.2 million which were partially offset by (i) an increase in trade and other payables by S\$1.4 million and (ii) decrease in other non-financial assets of S\$0.2 million.

Net cash flows used in investing activities during FY2019 amounted to S\$2.4 million due to purchase of property, plant and equipment of S\$2.4 million.

Net cash flows generated from financing activities amounted to S\$4.9 million during FY2019, mainly due to (i) IPO proceeds of S\$6.4 million and (ii) net proceeds from bank borrowings of S\$1.1 million, which were partially offset by (i) IPO expenses paid of S\$1.7 million, (ii) repayment of amount due to related parties of S\$0.3 million, (iii) repayment of amount due to directors of S\$0.3 million, (iv) dividends paid to non-controlling interest of S\$0.2 million, and (v) interest paid of S\$0.1 million.



LIST OF CLINICS

SPECIALIST CLINICS

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

1 ELITE ORTHOPAEDICS

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

2 HO KOK SUN COLORECTAL

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

3 LIM JIT FONG COLORECTAL

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

4 MY ENT SPECIALIST

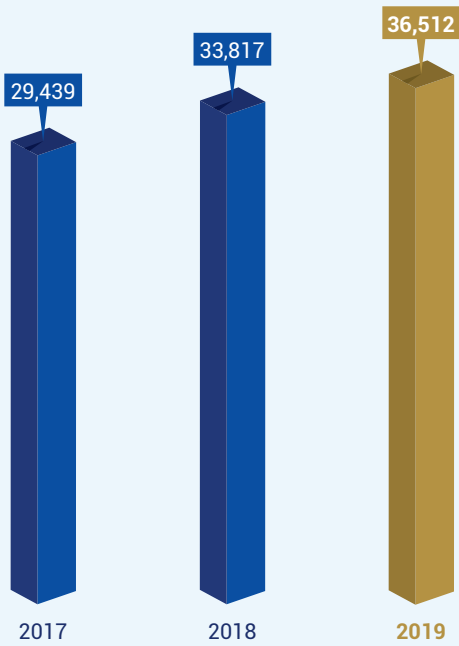
Mount Elizabeth Novena Specialist Centre
38 Irrawaddy Road, #09-24,
Singapore 329563

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

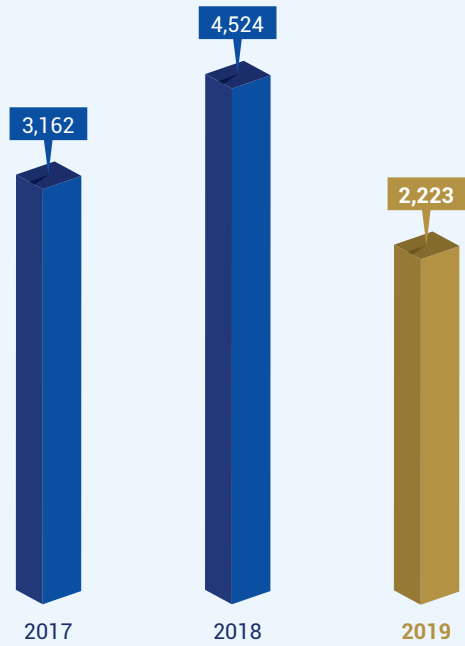


FINANCIAL HIGHLIGHTS

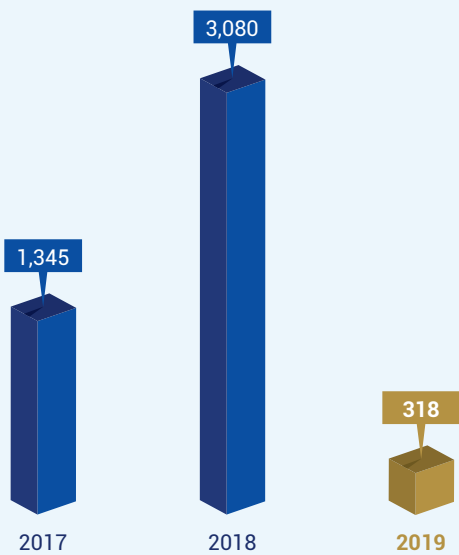
Revenue
(S\$'000)



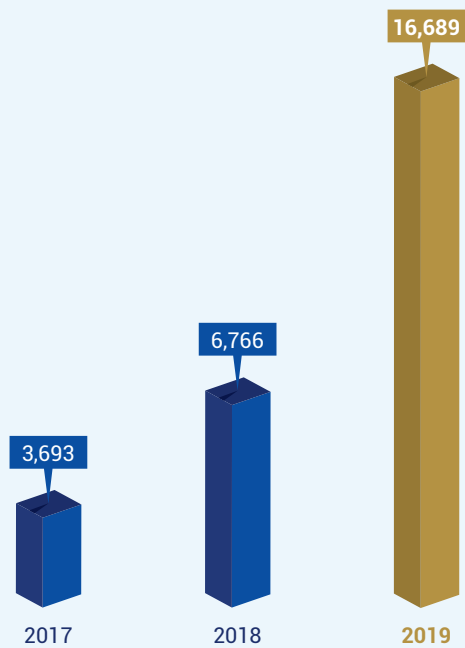
Earnings before interest, tax,
depreciation and amortisation
(S\$'000)

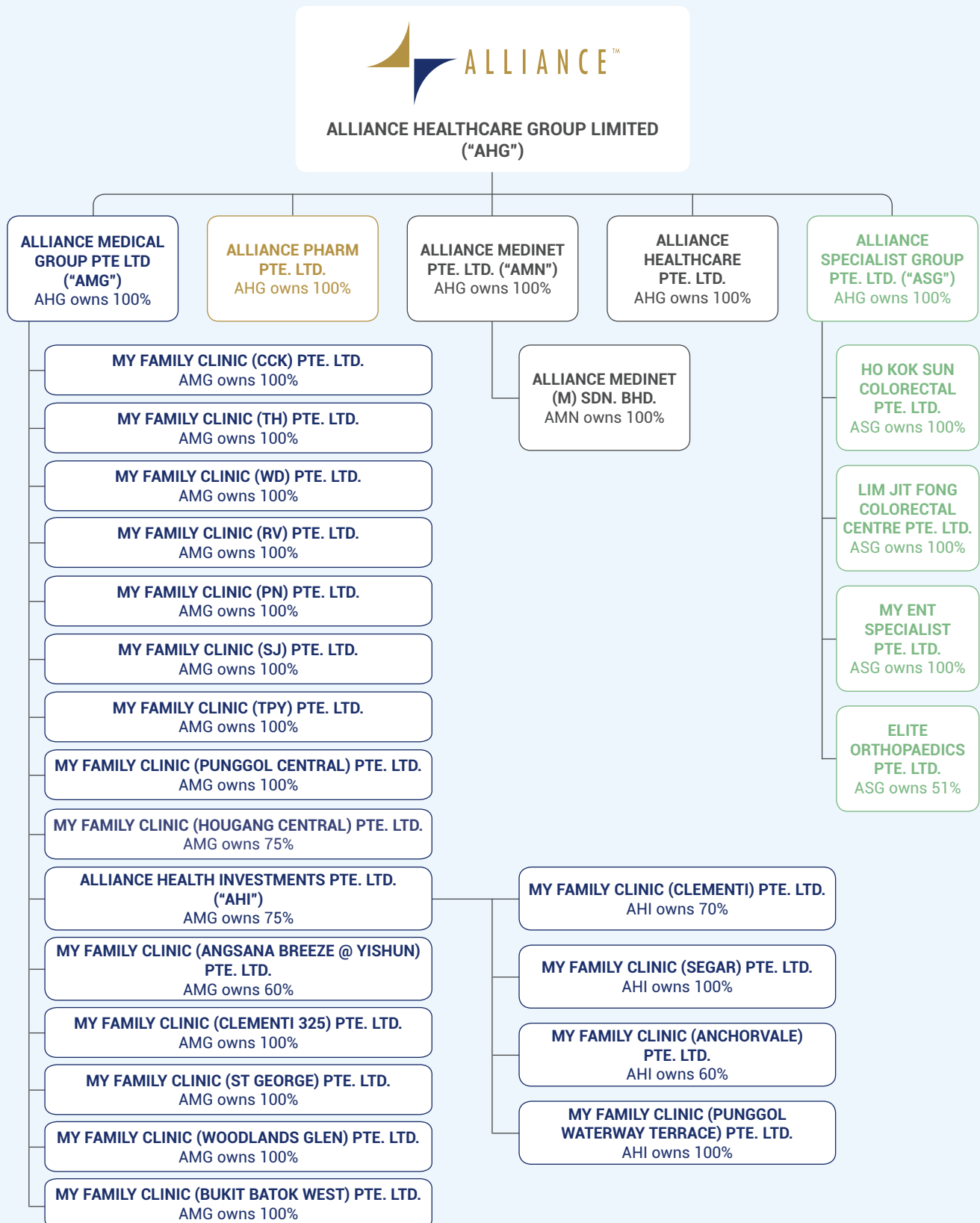


Profit attributable to owners of the parent,
net of tax
(S\$'000)



Equity, attributable to owners of the parent
(S\$'000)



CORPORATE
STRUCTURE

GP Clinics

Managed Care

Wholesale Pharmacy

Specialists Clinics

BOARD OF DIRECTORS



FROM LEFT TO RIGHT: *Mr. Lim Heng Chong Benny, Mr. Wong Hin Sun, Eugene, Dr. Barry Thng Lip Mong, Dr. Leong Peng Kheong Adrian Francis, Dr. Mok Kan Hwei, Paul*

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 also practise part time as a family physician at our subsidiary, My Family Clinic (CCK) Pte Ltd, with a focus on family medicine.

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 CrimsonLogic Pte Ltd, 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 also sits on the board of Enterprise Singapore. He is currently serving as a Council member of the Singapore Business Federation.

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 UK Institute of Directors (IoD), Australia Institute of Company Directors (AICD) and a Chartered Valuer and Appraiser 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.

He has been the independent director of China SunSine Chemical Holdings Ltd. since 2007.

Mr. Lim has been in legal practice in Singapore as an Advocate and Solicitor of the Supreme Court of Singapore since 1997. He is currently a partner of Chris Chong and C T 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 graduated from the National University of Singapore with a Bachelor of Laws in 1996 and obtained a Master of Laws from the National University of Singapore in 2000.

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.

He is currently a director of AFL Consulting Pte. Ltd., a company which he founded in 2012 and which provides consultancy services to the healthcare industry.

Dr. Leong has more than 35 years of experience in the medical industry.

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. NEO LAY FEN

Chief Financial Officer

Ms. Neo Lay Fen joined the Group in February 2018 and is responsible for overseeing the financial matters and corporate affairs of our Group. Prior to joining our Group, she has worked with Ernst & Young LLP and other companies.

Ms. Neo holds a Bachelor of Accountancy (Hons) from Nanyang Technological University and has been a member of the Institute of Singapore Chartered Accountants since 2007.

MS. JENNY OH

Chief Operating Officer

Ms. Jenny Oh joined our Group in January 2019 and is in charge of the operations of the four business segments 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. KAREN ONG

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

Ms. Karen Ong 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.

CORPORATE GOVERNANCE STATEMENT AND FINANCIAL CONTENTS

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CORPORATE GOVERNANCE STATEMENT

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 since the listing of the Company (the “**Listing**”) on the Catalist board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 31 May 2019 until 30 June 2019 (being the end of the Company’s latest financial year) (the “**Relevant Period in 2019**”), with specific reference to the principles and provisions of the Singapore Code of Corporate Governance 2018 (the “**Code**”) and the disclosure guide developed by the SGX-ST.

The Company is generally in compliance with the principles and provisions set out in the Code and the disclosure guide. Where there are deviations from the Code and the 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 the guide. Appropriate explanations have been provided in the relevant sections where there are deviations.

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	Executive Chairman and Chief Executive Officer
Dr. Mok Kan Hwei, Paul	Executive Director
Wong Hin Sun, Eugene	Lead Independent Director
Lim Heng Chong Benny	Independent Director
Dr. Leong Peng Kheong Adrian Francis	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, Nominating Committee and Remuneration Committee; and
- to consider sustainability issues such as environmental and social factors, as part of the Group’s strategic formulation.

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Certain functions of the Board have been delegated to the board committees, namely Audit and Risk Management Committee, Nominating Committee and Remuneration Committee, which are chaired by Mr. Wong, Mr. Lim and Dr. Leong respectively.

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 statement.

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 the Company Secretary;
- the approval of remuneration packages of key executives of the Company recommended by the Remuneration Committee;
- 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.

The Company was listed and quoted on the Catalist Board on 31 May 2019. Prior to the Listing, all the directors have attended a training session relating to post-listing matters such as continuing listing obligations, dealings in securities and disclosure requirements.

Each Board member is encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the participation in external training seminars and courses. The costs incur for seminars and trainings shall be borne by the Company.

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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.

The attendance record of the directors at the Board and committee meeting held during the Relevant Period in 2019 is as follows:

Name of Directors	Date of Appointment	Board	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee
		No. of Meeting held: Nil	No. of Meeting held: 1	No. of Meeting held: 1	No. of Meeting held: 1
		No. of Meeting Attended			
Dr. Barry Thng Lip Mong (Executive Chairman and Chief Executive Officer)	6 Jun 2006	-	N.A.	N.A.	N.A.
Dr. Mok Kan Hwei, Paul (Executive Director)	28 Mar 2019	-	N.A.	N.A.	N.A.
Wong Hin Sun, Eugene (Lead Independent Director)	28 Mar 2019	-	1	1	1
Dr. Leong Peng Kheong Adrian Francis (Independent Director)	27 Feb 2019	-	1	1	1
Lim Heng Chong Benny (Independent Director)	28 Mar 2019	-	1	1	1

N.A. - Not applicable

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.

The first Board meeting of the Company was held on 24 August 2019 to approve, amongst others, the terms of reference of the Board committees, the unaudited full year results of the Group for the financial year ended 30 June 2019 ("FY2019") and various post-Listing matters. The sponsor, external auditor, internal auditor, company secretaries and other professionals were invited to join this Board meeting. During this Board meeting, the Board deliberated the policies in place and new policies to be implemented.

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.

CORPORATE GOVERNANCE STATEMENT

Independent directors are always available to provide guidance to management on business issues and in areas in which they specialise.

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 Chief Executive Officer and majority of the members are independent.

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 such as age, 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
Core Competencies		
Accounting or related financial 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%
Gender		
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 Nominating Committee 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.

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.

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Principle 3: Chairman and Chief Executive Officer

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.

Dr. Thng is the Executive Chairman and Chief Executive Officer of the Company. The role of the Chairman and Chief Executive Officer 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.

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 in particular; and
- (h) promoting high standards of corporate governance and assisting in ensuring compliance of the Company's guidelines on corporate governance.

Mr. Wong has been appointed as the Lead Independent Director of the Company and he 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 and acts as a counter-balance in the decision-making process. The Lead Independent Director is 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 circumstances 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.

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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 Nominating Committee members are independent directors. The Nominating Committee 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 Nominating Committee 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 Nominating Committee 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 to the Board 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 Chief Executive Officer 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 (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 Nominating Committee annually, in accordance with the Code's and Catalist Rules' definition of independence.

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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 Remuneration Committee. They have also confirmed that they do 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 the director's independent business judgement with a view to the best interests of the Group.

As of the date of this statement, 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 recent Nominating Committee meeting held in August 2019, the committee has reviewed and is satisfied that the 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 Nominating Committee has resolved that the 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 the director with full-time employment shall have appointments in no more than three listed companies.

The Nominating Committee 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 Board meetings are planned and scheduled well in advance of the meeting dates. The Nominating Committee 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 Nominating Committee has reviewed the time spent and attention given by each of the directors to the Company's affairs, taking into accounts the multiple directorships and other principal commitments of each of the directors, and is satisfied that all directors have discharged their duties adequately for the Relevant Period in 2019. During the Relevant Period in 2019, all members of the Board Committee attended the meeting held.

The process for the shortlisting, selection and appointment of new directors is spearheaded by the Nominating Committee. The Nominating Committee would first consider the needs of the Board before considering the selection of candidates. In the selection and nomination of new directors, the Nominating Committee taps on the resources of the directors' personal contacts for recommendations of potential 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 Nominating Committee is able to assess each prospective candidate before a decision is made for recommendation to the Board for final approval. The Nominating Committee 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 the Relevant Period in 2019, the Nominating Committee met once, approving the terms of reference of the committee and discussing the re-appointment of directors who are subject to retirement at the forthcoming annual general meeting. All Nominating Committee members participated in the meeting 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.

It was noted that all directors of the Company are subject to retirement at the forthcoming annual general meeting pursuant to the provisions of the Constitution of the Company. When an existing director chooses to retire or is required to retire from office by rotation, the Nominating Committee takes factors such as attendance, preparedness, participation and candour into consideration when evaluating the past performance and contributions of a director when making its recommendations to the Board. Accordingly, the Nominating Committee 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.

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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:

	Dr. Barry Thng Lip Mong	Dr. Mok Kan Hwei, Paul
Date of Appointment	6 June 2006	28 March 2019
Date of last re-appointment	31 December 2018	N.A.
Age	52	52
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Dr. Thng for re-election as director of the Company and concluded that Dr. Thng possess 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 Nominating Committee 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.
Whether appointment is executive, and if so, the area of responsibility	Executive Dr. Thng is responsible for the overall business and strategic direction of the Group. As Head of the GP Clinic Services business segment, Dr. Thng oversees the strategic direction and day-to-day management of this segment.	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.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer	Executive Director
Professional qualifications	<p>Master of Medicine (Family Medicine), National University of Singapore ("NUS")</p> <p>Bachelor of Medicine and Bachelor of Surgery, NUS</p> <p>Graduate Diploma in Family Practice Dermatology, NUS</p> <p>Fellow - College of Family Physicians, Singapore</p> <p>Fellow - Academy of Medicine, Singapore</p>	<p>Bachelor of Medicine and Bachelor of Surgery, 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>

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	Dr. Barry Thng Lip Mong	Dr. Mok Kan Hwei, Paul
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	No	No
Conflict of Interest (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	Dr. Barry Thng Lip Mong is Executive Chairman and CEO of the Group and was appointed to the Board on 6 June 2006. He is the founder of the Group.	Dr. Mok 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. (" My ENT Specialist ") in 2015.
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest - 7,393,323 Ordinary Shares in the Company Deemed interest - 133,450,000 Ordinary Shares in the Company	Direct Interest - 6,598,960 Ordinary Shares in the Company
Other Principal Commitments* Including Directorships# Notes: * "Principal Commitments" has the same meaning as defined in the Code # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704 (9) or Catalist Rule 704 (8).		
Past (for the last 5 years)	Alliance ENT Pte. Ltd. (struck-off) Alliance Healthcare Holdings Pte. Ltd. (struck-off) Alliance Medical Group Pte Ltd Alliance Pharm Pte. Ltd.	Alliance ENT Pte. Ltd. (struck-off)
Present	Alliance Healthcare Pte. Ltd. Alliance Investments Pte. Ltd. Alliance Medinet Pte. Ltd. Alliance Specialist Group Pte. Ltd. Elite Orthopaedics Pte. Ltd. Ho Kok Sun Colorectal Pte. Ltd. Lim Jit Fong Colorectal Pte. Ltd. My ENT Specialist Pte. Ltd. My Family Clinic (St George) Pte. Ltd. My Family Clinic (Woodlands Glen) Pte. Ltd. My Family Clinic (Anchorvale) Pte. Ltd. My Family Clinic (Angsana Breeze @ Yishun) Pte. Ltd. My Family Clinic (Bukit Batok West) Pte. Ltd. My Family Clinic (CCK) Pte. Ltd.	My ENT Specialist ENTDoctors Pte. Ltd.

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	Dr. Barry Thng Lip Mong	Dr. Mok Kan Hwei, Paul
	My Family Clinic (Clementi) Pte. Ltd. My Family Clinic (Clementi 325) Pte. Ltd. My Family Clinic (Hougang Central) Pte. Ltd. My Family Clinic (PN) Pte. Ltd. My Family Clinic (Punggol Central) Pte. Ltd. My Family Clinic (Punggol Waterway Terrace) Pte. Ltd. My Family Clinic (RV) Pte. Ltd. My Family Clinic (Segar) Pte. Ltd. My Family Clinic (SJ) Pte. Ltd. My Family Clinic (TH) Pte. Ltd. My Family Clinic (TPY) Pte. Ltd. My Family Clinic (WD) Pte. Ltd.	
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.		
(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

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	Dr. Barry Thng Lip Mong	Dr. Mok Kan Hwei, Paul
(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
(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

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	Dr. Barry Thng Lip Mong	Dr. Mok Kan Hwei, Paul
(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:		
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
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 in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

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	Dr. Barry Thng Lip Mong	Dr. Mok Kan Hwei, Paul
(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?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	N.A.	N.A.
If yes, please provide details of prior experience.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

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	Wong Hin Sun, Eugene	Lim Heng Chong Benny
Date of Appointment	28 March 2019	28 March 2019
Date of last re-appointment	N.A.	N.A.
Age	51	48
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee (with Mr. Wong abstaining from the decision-making process) 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 possess 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 Nominating Committee (with Mr. Lim abstaining from the decision-making process) and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Mr. Lim for re-election as director of the Company and concluded that Mr. Lim possess the experience, expertise knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive and Independent	Non-Executive and Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director Audit and Risk Management Committee Chairman Nominating Committee Member Remuneration Committee Member	Independent Director Nominating Committee Chairman Audit and Risk Management Committee Member Remuneration Committee Member
Professional qualifications	<p>Master of Business Administration in Management, University of London, Imperial College of Science, Technology and Medicine</p> <p>Bachelor of Business Administration (First Class Honours), NUS</p> <p>Owner President Management (OPM) Program, Harvard Business School</p> <p>Chartered Financial Analyst (CFA), Association for Investment Management & 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>Advocate and Solicitor of the Supreme Court of Singapore</p> <p>Master of Laws, NUS</p> <p>Bachelor of Laws, NUS</p>

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	Wong Hin Sun, Eugene	Lim Heng Chong Benny
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	No	No
Conflict of Interest (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	<p>Mr. Wong was an Independent Director of Q & M Dental Group (Singapore) Limited and TMC Education Corporation Ltd. (now known as Global Dragon Limited). He is a Non-executive Director of several companies, such as Agfunder Asia Pte. Ltd., Singapore Cruise Centre Pte. Ltd. and Jason Marine Group Limited.</p> <p>He is a Non-executive Vice Chairman of Japan Foods Holding Ltd. and a Non-executive Chairman of Crimsonlogic Pte Ltd. He was previously also a Non-executive Director of companies such as Ajisen (China) Holdings Limited, Singapore Kitchen Equipment Limited and Neo Group Limited. He is currently a board member of Enterprise Singapore and a council member of The Singapore Business Federation.</p>	<p>Mr. Lim has been in legal practice in Singapore as an Advocate and Solicitor of the Supreme Court of Singapore since 1997. He is currently a partner of 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.</p>
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest – 100,000 Ordinary Shares in the Company	Direct Interest – 100,000 Ordinary Shares in the Company
Other Principal Commitments* Including Directorships# Notes: * "Principal Commitments" has the same meaning as defined in the Code # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704 (9) or Catalist Rule 704 (8).		

CORPORATE GOVERNANCE STATEMENT

	Wong Hin Sun, Eugene	Lim Heng Chong Benny
Past (for the last 5 years)	<p>Ajisen (China) Holdings Limited Agri-Food & Veterinary Authority 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) iuperdog Pte. Ltd. (dissolved in a creditors' voluntary winding-up)</p>	<p>BM Mobility Ltd. Sysma Holdings Limited</p>
Present	<p>Agfunder Asia Pte. Ltd. Agfunder Rocket Seeder Pte. Ltd. Agfunder Grow Asia Fund Pte. Ltd. APAC Realty Limited Cargo Community Network Pte. Ltd. Crimsonlogic Pte. Ltd. Dining Collective Pte. Ltd. Gets Global Pte. Ltd. Hargol FoodTech Ltd. Japan Foods Holding Ltd. Jason Marine Group Limited Mekhala Pte. Ltd. Singapore Cruise Centre Pte. Ltd. Sirius Angel Fund Pte. Ltd. Sirius Investment Inc. Sirius SME Growth Partners I Limited Sirius Venture Capital Pte. Ltd.</p>	<p>China Sunsine Chemical Holdings Ltd. Fund Services Network Pte. Ltd.</p>
<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>		
<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?</p>	No	No

CORPORATE GOVERNANCE STATEMENT

	Wong Hin Sun, Eugene	Lim Heng Chong Benny
(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 STATEMENT

	Wong Hin Sun, Eugene	Lim Heng Chong Benny
(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:		
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

CORPORATE GOVERNANCE STATEMENT

	Wong Hin Sun, Eugene	Lim Heng Chong Benny
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
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 in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(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?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company?	N.A.	N.A.
If yes, please provide details of prior experience.	N.A.	N.A.
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

CORPORATE GOVERNANCE STATEMENT

	Dr. Leong Peng Kheong Adrian Francis
Date of Appointment	28 March 2019
Date of last re-appointment	N.A.
Age	59
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee (with Dr. Leong abstaining from the decision-making process) and has reviewed and considered the contribution, performance, attendance, preparedness, participation and suitability of Dr. Leong for re-election as director of the Company and concluded that Dr. Leong possess the experience, expertise knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive and Independent
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director Remuneration Committee Chairman Audit and Risk Management Committee Member Nominating Committee Member
Professional qualifications	Master of Medicine (Surgery), NUS Bachelor of Medicine and Bachelor of Surgery, NUS
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	No
Conflict of Interest (including any competing business)	No
Working experience and occupation(s) during the past 10 years	Dr. Leong served as professor as well as the Deputy Head of Surgery and Deputy Director of the National University Cancer Institute of Singapore in NUS from 2007 to 2010. In 2010, Dr. Leong served as the Managing Director of Medical Services of Healthway Medical Group Pte. Ltd., where he was responsible for overseeing the clinical practices within the group until 2011. He was appointed Executive Director of HMC, a company listed on the Catalist Board of the SGX-ST, in 2011.
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 704(7)) or Appendix 7H (Catalist Rule 704(6))	Yes
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest – 741,370 Ordinary Shares in the Company
Other Principal Commitments* Including Directorships#	
Notes:	
* "Principal Commitments" has the same meaning as defined in the Code	
# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704 (9) or Catalist Rule 704 (8).	

CORPORATE GOVERNANCE STATEMENT

	Dr. Leong Peng Kheong Adrian Francis
Past (for the last 5 years)	AFL Capital Pte. Ltd. (struck off)
Present	AFL Consulting Pte. Ltd.
(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
(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
(c) Whether there is any unsatisfied judgment against him?	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
(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

CORPORATE GOVERNANCE STATEMENT

	Dr. Leong Peng Kheong Adrian Francis
(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
(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
(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
(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
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: <ul style="list-style-type: none"> i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or 	No

CORPORATE GOVERNANCE STATEMENT

	Dr. Leong Peng Kheong Adrian Francis
<p>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</p>	No
<p>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</p>	No
<p>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</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No
<p>(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?</p>	No
Disclosure applicable to the appointment of Director only	
<p>Any prior experience as a director of a listed company?</p>	N.A.
<p>If yes, please provide details of prior experience.</p>	N.A.
<p>If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.</p> <p>Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).</p>	N.A.

CORPORATE GOVERNANCE STATEMENT

Mr. Wong, Mr. Lim and Dr. Leong, upon re-election as a director of the Company, shall remain as Chairman of the Audit and Risk Management, Chairman of the Nominating Committee and Chairman of the Remuneration Committee respectively. The Board considers the independent directors to be independent for the purpose of Rule 704(7) of the Catalyst Rules. None of the directors has any 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 judgments.

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 Chief Executive Officer)	6 Jun 2006 / 31 Dec 2018	-	-	<ul style="list-style-type: none"> • Subsidiary(ies) of Alliance Healthcare Group (Executive Director)
Dr. Mok Kan Hwei, Paul (Executive Director)	28 Mar 2019 / N.A.	-	-	<ul style="list-style-type: none"> • Subsidiary(ies) of Alliance Healthcare Group (Executive Director) • ENTDoctors Pte. Ltd. (Executive Director)
Wong Hin Sun, Eugene (Lead Independent Director)	28 Mar 2019 / N.A.	<ul style="list-style-type: none"> • Japan Foods Holding Ltd. (Non-executive Vice Chairman) • Jason Marine Group Limited (Non-executive Director) • APAC Realty Limited (Independent Director) 	-	<ul style="list-style-type: none"> • Sirius Venture Capital Pte. Ltd. (Director) • Crimsonlogic Pte. Ltd. (Non-executive Chairman) • GeTs Global Pte. Ltd. (Non-executive Chairman) • Sirius Angel Fund Pte. Ltd. (Non-executive Director) • Cargo Community Network Pte. Ltd. (Non-executive Director) • Singapore Cruise Centre Pte. Ltd. (Non-executive Director) • Agfunder Asia Pte. Ltd. (Non-executive Director and shareholder) • Dining Collection Pte. Ltd. (Non-executive Director) • Agfunder Rocket Seeder Pte. Ltd. (Non-executive Director) • Hargol Foodtech Ltd (Non-executive Director)

CORPORATE GOVERNANCE STATEMENT

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	
Lim Heng Chong Benny (Independent Director)	28 Mar 2019 / N.A.	<ul style="list-style-type: none"> China Sunshine Chemical Holdings Ltd (Independent Director) 	-	<ul style="list-style-type: none"> Chris Chong & CT Ho LLP (Partner)
Dr. Leong Peng Kheong Adrian Francis (Independent Director)	27 Feb 2019 / N.A.	-	-	<ul style="list-style-type: none"> AFL Consulting Pte. Ltd. (Director)

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

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 Nominating Committee 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 Chief Executive Officer 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 is 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 Nominating Committee for review. All Nominating Committee members will abstain from the voting or review process of any matters in connection with the assessment of his own performance.

During the Relevant Period in 2019, the Nominating Committee has met once to approve the methodology in 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 Nominating Committee annually. Considering that the Company was recently listed on 31 May 2019 and majority of the Board members are newly appointed, the Nominating Committee shall perform its first evaluation in respect of the financial year ending 30 June 2020.

There was no external consultant engaged for the Relevant Period in 2019.

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.

CORPORATE GOVERNANCE STATEMENT

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

The Remuneration Committee 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 Remuneration Committee has adopted written terms of reference that defines its membership, roles and functions and administration.

The key terms of reference of the Remuneration Committee 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 Chief Executive Officer 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 Chief Executive Officer, 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 Remuneration Committee 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 Remuneration Committee'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/her own remuneration. The payment of directors' fees is subject to the approval of the Company's shareholders.

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

CORPORATE GOVERNANCE STATEMENT

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 Remuneration Committee 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 the Relevant Period in 2019.

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.

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 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 Chief Executive Officer 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 Board has deviated from complying in full with Practice Guidance 8 of the Code. The breakdown of remuneration of the directors (in percentage terms) for FY2019 is set out below:

Remuneration Band and Name of Director ⁽¹⁾	Salary	Bonus	Fees	Other Benefits	Total
	%	%	%	%	%
S\$750,001 to S\$900,000					
Dr. Barry Thng Lip Mong ⁽²⁾	46.49	18.32	13.36	21.83	100.00
S\$500,001 to S\$750,000					
Dr. Mok Kan Hwei, Paul ⁽³⁾	98.35	1.65	-	-	100.00
Up to S\$50,000					
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

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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) Dr. Thng is the Chairman and Chief Executive Officer of the Company. The remuneration paid to Dr. Thng for FY2019 includes his director's fee entitled prior to the Listing.
- (3) Prior to the Listing, Dr. Mok was not an employee of the Group but had provided the Group with specialist care services pursuant to the clinic management service agreement entered into between My ENT Specialist (a subsidiary of the Company) and ENTDoctors Pte Ltd ("EDPL") (the "ENT Clinic Management Service Agreement") the details of which are described in the Company's offer document dated 24 May 2019. For the purposes of the table above, in respect of FY2019, the remuneration of Dr. Mok has included (i) the amounts paid to EDPL (which is wholly-owned by Dr. Mok) pursuant to the ENT Clinic Management Service Agreement which had been terminated on Listing; and (ii) the actual remuneration paid to Dr. Mok under his service agreement which took effect from Listing.

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) 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.

During FY2019, the amount of directors' fees payable to the independent directors for the period from their respective appointment dates until 30 June 2019 is as follows:

Name	Amount (S\$)
Wong Hin Sun, Eugene	15,658
Lim Heng Chong Benny	11,743
Dr. Leong Peng Kheong Adrian Francis	15,247

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 chief executive officer) should specify the names, amounts and breakdown of remuneration in bands no wider than S\$250,000. The Company has identified 4 key management personnel. The breakdown of remuneration of such personnel (in percentage terms) for FY2019 is set out below:

Remuneration Band and Name of Executive Officer ⁽¹⁾	Salary	Bonus	Fees	Other Benefits	Total
	%	%	%	%	%
Up to S\$250,000					
Ms. Neo Lay Fen	89.82	9.80	-	0.38	100
Ms. Jenny Oh ⁽²⁾	100.00	-	-	-	100
Ms. Karen Ong	81.99	17.86	-	0.15	100
Mr. Wong Chien Yeh ⁽³⁾	64.79	25.51	9.70	-	100

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) Ms. Jenny Oh, the Company's Chief Operating Officer, joined the Group in January 2019. The above disclosure is based on the actual remuneration paid to her for the period from 2 January 2019 to 30 June 2019.

CORPORATE GOVERNANCE STATEMENT

- (3) Mr. Wong Chien Yeh, the Company's Head of Pharmaceutical Services, had entered into a service agreement with the Group which took effect from the date of Listing. For the purposes of the table above, in respect of FY2019, the remuneration of Mr. Wong was based on the actual remuneration paid to Mr. Wong for the full year of FY2019 that he had served the Group.

	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 Chief Executive Officer)	641,887

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 Remuneration Committee. The Remuneration Committee has reviewed and is satisfied that the performance conditions of the Directors and key executives were met for FY2019.

During FY2019, the Group does not have any employee who is an immediate family member of a director, the Chief Executive Officer or a substantial shareholder.

The directors, the Chairman and the Chief Executive Officer 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 roles of risk management have been delegated to the Audit and Risk Management Committee.

Based on the internal controls established by the Group, its assessment of work performed by the external auditor and the internal auditor, the Board, with the concurrence of the Audit and Risk Management Committee, 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 the Relevant Period in 2019. The Board and Audit and Risk Management Committee did not identify any major concern on the Group's internal controls or risk management systems for the Relevant Period in 2019.

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 Chief Executive Officer 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 Chief Executive Officer and Chief Financial Officer that:

- (a) The financial records of the Company and the Group have been properly maintained and the financial statements for FY2019 give a true and fair view of the Group's operations and finances; and
- (b) 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.

CORPORATE GOVERNANCE STATEMENT

The Audit and Risk Management Committee has discussed and appointed Yang Lee & Associates as internal auditor of the Company at its meeting held on 29 August 2019.

Principle 10: Audit and Risk Management Committee

The Board has an Audit and Risk Management Committee which discharges its duties objectively.

The Audit and Risk Management Committee comprises three members, all of whom are independent. None of the Audit and Risk Management Committee 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 Audit and Risk Management Committee Chairman, have recent and relevant accounting or related financial management expertise or experience.

The members of the Audit and Risk Management Committee 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 Audit and Risk Management Committee 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 Audit and Risk Management Committee 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. Alliance Medinet (M) Sdn. Bhd., which is incorporated in Malaysia is audited by Messrs. ASQ PLT.

The main functions and responsibilities of the Audit and Risk Management Committee 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;
- (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;

CORPORATE GOVERNANCE STATEMENT

- (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 Audit and Risk Management Committee;
- (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);
- (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 Catalist 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 Audit and Risk Management Committee shall abstain from voting on any resolutions in respect of matters in which he is interested.

CORPORATE GOVERNANCE STATEMENT

In discharging the above duties, the Audit and Risk Management Committee 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 Audit and Risk Management Committee has also been given reasonable resources to enable it to perform its functions properly. The Board considers Mr. Wong well qualified to chair the Audit and Risk Management Committee.

The Audit and Risk Management Committee 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 Audit and Risk Management Committee has reviewed the non-audit services provided by RSM during FY2019 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 Audit and Risk Management Committee, 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 Audit and Risk Management Committee 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 the Relevant Period in 2019, there were no reported incidents under the whistle-blowing framework.

The Audit and Risk Management Committee 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.

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 Audit and Risk Management Committee and Board.

The Audit and Risk Management Committee has deliberated the key audit matters identified by the external auditor. Details of the key audit matters for FY2019 are provided in the Statement by Directors of the Annual Report.

The Audit and Risk Management Committee is responsible for the appointment and assessment of the performance of the internal auditor. The Group has appointed Yang Lee & Associates as its internal auditor to assist the Audit and Risk Management Committee 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 Audit and Risk Management Committee.

The internal auditor's primary line of reporting is to the Chairman of the Audit and Risk Management Committee. 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 Audit and Risk Management Committee and the results of the findings are also shared with the external auditor. In addition, the committee meets with the internal auditor and the external auditor, at least once a year, without the presence of Management.

The Audit and Risk Management Committee is satisfied that the internal auditor is independent, effective, qualified (given, *inter alia*, its adherence to standards set by internationally recognised professional bodies) and adequately resourced. The internal audit function has unfettered access to all the Company's documents, records, properties and personnel, including the Audit and Risk Management Committee, and has appropriate standing within the Company to discharge its duties effectively. The Audit and Risk Management Committee is of the view that the internal audit function is independent, effective and adequately resourced.

CORPORATE GOVERNANCE STATEMENT

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 endeavours 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 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 Ms. Neo Lay Fen, the Chief Financial Officer and Ms. Chwee Siew Foon, the Chief Knowledge and Data Protection Officer, which 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.

Although the Company has yet to put in place an investor relations policy, the Board has discussed various methods which allow for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

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 Chairman and members of the Board as well as the Company's external auditor will be present at the annual general meeting of the Company to address any queries from shareholders.

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 Catalyst Rules. Under the Constitution of the Company, absentia-voting is not allowed. The Board does not implement absentia-voting methods by mail, e-mail or fax, until issues on security and integrity are satisfactorily resolved.

All minutes of general meetings are available to shareholders upon their request.

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.

CORPORATE GOVERNANCE STATEMENT

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 and is not proposing to amend the Constitution to allow votes in absentia. All shareholders have the opportunity to participate effectively in and vote at general meetings.

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.

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 our 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.

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 Audit and Risk Management Committee 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 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 Catalyst 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 Catalyst Rules on dealings in securities.

CORPORATE GOVERNANCE STATEMENT

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.

Prior to the IPO and the Listing, there were past interested person transactions the details of which are set out in the section entitled "Interested Person Transactions and Potential Conflicts of Interest" of the Offer Document.

Upon Listing, the Company has the following present and on-going interested person transaction:

On 20 March 2019, My ENT Specialist, a wholly-owned subsidiary of the Company, entered into a lease agreement with ENTDoctors Pte Ltd ("**EDPL**") for the lease of the premises at 1 Farrer Park Station Road, #10-20, Connexion, Singapore 217562 (the "**Farrer Park Property**") for the period from 1 April 2019 to 31 March 2020. EDPL is wholly-owned by Dr. Mok Kan Hwei, Paul, the Company's Executive Director. The duration of the lease is one year with an automatic renewal for a further one-year period. The rent payable by My ENT Specialist to EDPL in respect of the Farrer Park Property is S\$3,000 per month. During FY2019, the rental payments made by My ENT Specialist to EDPL amounted to S\$36,000.

Save as disclosed above, the Company did not have any other interested person transaction during FY2019. The Company did not obtain any general mandate from its shareholders in respect of any interested person transaction.

MATERIAL CONTRACTS

There were no material contracts of the Company or any of its subsidiary companies involving the interests of the Chief Executive Officer, each director or controlling shareholder of the Company, either still subsisting at the end of FY2019 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 sponsor, CIMB Bank Berhad, Singapore Branch, subsequent to the Listing and during the Relevant Period in 2019.

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 FY2019 are as follows:

Nature of services	Fees (\$)
Non-Audit	
Reporting accountants for IPO	197,220
Tax	59,564
Outsourced Service Providers Audit Report (OSPAR) services	80,000
Audit	199,700
Total	536,484

CORPORATE GOVERNANCE STATEMENT

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:

Use of Proceeds	Allocated	Utilised	Balance
	S\$'000	S\$'000	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	-	3,000
(ii) To invest in technology systems as part of the digital transformation of the delivery of healthcare services	500	187	313
(iii) To expand pharmaceutical services business	200	76	124
(iv) For general working capital requirements ⁽¹⁾	1,028	-	1,028
(v) For payment of underwriting and placement commissions as well as listing expenses ⁽¹⁾	1,672	1,672	-
Gross proceeds from IPO	6,400	1,935	4,465

Note:

- (1) The Company incurred actual IPO expenses of S\$1.672 million. The amount of S\$189,000 in excess of the estimated IPO expenses of S\$1.861 million has been re-allocated for general working capital purposes.

The above utilisation is in accordance with the intended use of proceeds from the IPO as stated in the Offer Document.

SUSTAINABILITY REPORT

In accordance with Paragraph 6.5 of Practice Note 7F of the Catalist Rules, as the Company was listed on 31 May 2019, the Company will commence sustainability reporting in respect of FY2020.

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 2019.

Before 17 May 2019 the company was known as Alliance Healthcare Group Pte. Ltd..

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	(Appointed on 28 March 2019)
Wong Hin Sun, Eugene	(Appointed on 28 March 2019)
Lim Heng Chong Benny	(Appointed on 28 March 2019)
Dr. Leong Peng Kheong Adrian Francis	(Appointed on 27 February 2019)

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year were not interested in the shares in or debentures of the company or other related body corporates 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 or date of appointment if later	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
The company		<u>Number of ordinary shares</u>		
Dr. Barry Thng Lip Mong	-	7,393,323	1,570,000 [#]	133,450,000
Dr. Mok Kan Hwei, Paul	-	6,598,960	-	-
Wong Hin Sun, Eugene	-	100,000	-	-
Lim Heng Chong Benny	-	100,000	-	-
Dr. Leong Peng Kheong Adrian Francis	8,722 [#]	741,370	-	-

[#] Director's interest before share split (Note 1.1).

STATEMENT BY DIRECTORS

3. Directors' interests in shares and debentures (cont'd)

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
Parent company - Alpine Investment Holdings Pte. Ltd.				
			<u>Number of ordinary shares</u>	
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 2019 were the same as those at the end of the reporting year.

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	

STATEMENT BY DIRECTORS

7. Report of audit and risk management committee (cont'd)

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 Catalist).

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.

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 2019.

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 29 August 2019, 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

27 September 2019

INDEPENDENT AUDITORS' 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 2019, 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)s") 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 2019 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 15 on goodwill.

As at the reporting year, the group has goodwill of \$2,606,563, which makes up 7.3% of the group's total assets as at 30 June 2019. Goodwill is assessed annually for impairment. Management uses the value in use method to determine the recoverable amount of goodwill. The value in use method requires 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 input 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 AUDITORS' 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALLIANCE HEALTHCARE GROUP LIMITED

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

- 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.
- 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

27 September 2019

Engagement partner - effective from reporting year ended 30 June 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2019

	Notes	Group	
		2019	2018
		\$	\$
Revenue	5	36,511,557	33,816,596
Interest income		–	749
Other income and gains	6	354,140	659,884
Consumables and medical supplies used		(10,516,487)	(10,551,402)
Employee benefits expense	7	(18,607,644)	(15,714,532)
Depreciation and amortisation expense	12,15	(841,153)	(998,313)
Other losses	6	(59,906)	(13,863)
Finance costs	8	(131,034)	(108,071)
Other expenses	9	(5,458,976)	(3,673,181)
Profit before tax		1,250,497	3,417,867
Income tax (expense) / income	10A	(476,020)	58,841
Profit net of tax		774,477	3,476,708
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	21B	(139)	105
Other comprehensive (loss) income for the year, net of tax		(139)	105
Total comprehensive income		774,338	3,476,813
Profit attributable to owners of the parent, net of tax		317,603	3,080,063
Profit attributable to non-controlling interests, net of tax		456,874	396,645
Profit net of tax		774,477	3,476,708
Total comprehensive income attributable to owners of the parent		317,464	3,080,168
Total comprehensive income attributable to non-controlling interests		456,874	396,645
Total comprehensive income		774,338	3,476,813
Earnings per share			
Earnings per share currency unit		Cents	Cents
Basic and diluted	11	0.19	2.08

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	Group		Company	
		2019	2018	2019	2018
		\$	\$	\$	\$
ASSETS					
Non-current assets					
Property, plant and equipment	12	6,448,122	4,945,053	198,984	357,728
Investment properties	13	-	-	3,666,502	3,763,628
Investment in subsidiaries	14	-	-	5,877,632	1,463,000
Intangible assets	15	2,699,448	2,725,653	-	-
Deferred tax assets	10C	104,858	272,452	-	-
Total non-current assets		9,252,428	7,943,158	9,743,118	5,584,356
Current assets					
Inventories	16	1,427,122	1,208,375	4,100	4,100
Trade and other receivables	17	9,879,896	8,153,930	3,613,866	5,393,595
Other non-financial assets	18	627,233	788,516	17,660	154,160
Cash and cash equivalents	19	14,292,130	8,834,103	6,360,489	324,388
Total current assets		26,226,381	18,984,924	9,996,115	5,876,243
Total assets		35,478,809	26,928,082	19,739,233	11,460,599
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	20	14,684,250	1,950,000	14,684,250	1,950,000
Retained earnings		6,658,228	6,340,625	105,331	1,746,234
Other reserves	21	(4,653,555)	(1,525,022)	-	-
Equity, attributable to owners of the parent		16,688,923	6,765,603	14,789,581	3,696,234
Non-controlling interests		(365,099)	205,925	-	-
Total equity		16,323,824	6,971,528	14,789,581	3,696,234
Non-current liabilities					
Other financial liabilities	22	4,013,388	3,064,784	2,268,086	2,425,847
Deferred tax liabilities	10C	23,333	50,524	-	-
Total non-current liabilities		4,036,721	3,115,308	2,268,086	2,425,847
Current liabilities					
Income tax payable		365,448	290,633	-	-
Trade and other payables	23	13,506,834	15,323,870	2,523,805	5,181,530
Provision	24	53,620	38,739	-	-
Other non-financial liabilities	25	42,108	38,010	-	-
Other financial liabilities	22	1,150,254	1,149,994	157,761	156,988
Total current liabilities		15,118,264	16,841,246	2,681,566	5,338,518
Total liabilities		19,154,985	19,956,554	4,949,652	7,764,365
Total equity and liabilities		35,478,809	26,928,082	19,739,233	11,460,599

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

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2019

Group:	Total equity	Attributable to parent sub-total	Share capital	Retained earnings	Other reserves	Non-controlling interests
	\$	\$	\$	\$	\$	\$
Current year:						
Opening balance at 1 July 2018	6,971,528	6,765,603	1,950,000	6,340,625	(1,525,022)	205,925
Changes in equity:						
Total comprehensive income for the year	774,338	317,464	-	317,603	(139)	456,874
Capitalisation of dividend payable to shareholders (Note 1.2)	2,733,500	2,733,500	2,733,500	-	-	-
Issuance of shares pursuant to capitalisation of loan (Note 1.3)	72,500	72,500	72,500	-	-	-
Issuance of shares pursuant to the acquisition of subsidiaries as part of the Restructuring (Note 1.4)	3,964,632	3,964,632	3,964,632	-	-	-
Issuance of new shares pursuant to IPO	6,400,000	6,400,000	6,400,000	-	-	-
Capitalisation of IPO expenses pursuant to issuance of new shares	(436,382)	(436,382)	(436,382)	-	-	-
Issue of share capital by non-controlling interest in a subsidiary	5,800	-	-	-	-	5,800
Dividends paid to non-controlling interests in subsidiaries	(197,460)	-	-	-	-	(197,460)
Acquisition of non-controlling interests without a change in control (Note 26A)	(3,964,632)	(3,128,394)	-	-	(3,128,394)	(836,238)
Closing balance at 30 June 2019	16,323,824	16,688,923	14,684,250	6,658,228	(4,653,555)	(365,099)
Previous year:						
Opening balance at 1 July 2017	3,780,989	3,692,904	1,950,000	3,260,562	(1,517,658)	88,085
Changes in equity:						
Total comprehensive income for the year	3,476,813	3,080,168	-	3,080,063	105	396,645
Dividends paid to non-controlling interests in subsidiaries	(281,900)	-	-	-	-	(281,900)
Acquisition of a non-controlling interest without a change in control (Note 26A)	(8,374)	(7,469)	-	-	(7,469)	(905)
Incorporation of subsidiary	4,000	-	-	-	-	4,000
Closing balance at 30 June 2018	6,971,528	6,765,603	1,950,000	6,340,625	(1,525,022)	205,925

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

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2019

Company	Total equity	Share capital	Retained earnings
	\$	\$	\$
Current year:			
Opening balance at 1 July 2018	3,696,234	1,950,000	1,746,234
Changes in equity:			
Total comprehensive loss for the year	(1,640,903)	-	(1,640,903)
Capitalisation of dividend payable to shareholders (Note 1.2)	2,733,500	2,733,500	-
Issuance of shares pursuant to capitalisation of loan (Note 1.3)	72,500	72,500	-
Issuance of shares pursuant to the acquisition of subsidiaries as part of the Restructuring (Note 1.4)	3,964,632	3,964,632	-
Issuance of new shares pursuant to IPO	6,400,000	6,400,000	-
Capitalisation of IPO expenses pursuant to issuance of new shares	(436,382)	(436,382)	-
Closing balance as at 30 June 2019	14,789,581	14,684,250	105,331
Previous year:			
Opening balance at 1 July 2017	3,824,755	1,950,000	1,874,755
Changes in equity:			
Total comprehensive loss for the year	(128,521)	-	(128,521)
Closing balance as at 30 June 2018	3,696,234	1,950,000	1,746,234

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2019

	Group	
	2019	2018
	\$	\$
Cash flows from operating activities		
Profit before tax	1,250,497	3,417,867
Adjustments for:		
Depreciation	814,948	986,376
Amortisation of intangible assets	26,205	11,937
Loss on disposal of plant and equipment	52,019	13,778
Interest expense	131,034	108,071
Interest income	-	(749)
Expenses in connection with IPO	1,236,014	-
Operating cash flows before changes in working capital	3,510,717	4,537,280
Inventories	(218,747)	(96,153)
Trade and other receivables	(1,725,966)	846,427
Other non-financial assets	161,283	(352,092)
Trade and other payables	1,449,286	792,363
Other non-financial liabilities	4,098	4,038
Provision	14,881	24,000
Net effect of exchange rate changes in consolidating foreign operations	736	260
Net cash flows from operations	3,196,288	5,756,123
Income tax paid	(260,802)	(151,365)
Net cash flows from operating activities	2,935,486	5,604,758
Cash flows from investing activities		
Interest received	-	749
Disposal of property, plant and equipment	8,980	5,000
Acquisition of subsidiaries (net of cash acquired) (Note 26)	-	(1,423,509)
Purchase of property, plant and equipment (Note 12)	(2,379,891)	(665,509)
Net cash flows used in investing activities	(2,370,911)	(2,083,269)
Cash flows from financing activities		
Gross proceeds from issuance of new shares pursuant to IPO	6,400,000	-
IPO expenses paid	(1,672,396)	-
Movements in amount due to ultimate parent company	(33,324)	33,324
Movements in amount due to related parties	(272,419)	(241,955)
Movements in amount due to directors	(252,503)	(493,275)
Increase in borrowings	1,600,000	2,718,184
Decrease in other financial liabilities	(508,089)	(2,104,990)
Contribution by non-controlling interest	5,800	4,000
Finance lease repayments	(45,123)	(12,648)
Dividends paid to non-controlling interests	(197,460)	(281,900)
Interest paid	(131,034)	(108,071)
Partial acquisition of interest in subsidiaries (Note 26)	-	(8,374)
Net cash flows from/(used in) financing activities	4,893,452	(495,705)
Net increase in cash and cash equivalents	5,458,027	3,025,784
Cash and cash equivalents, statement of cash flows, beginning balance	8,834,103	5,808,319
Cash and cash equivalents, statement of cash flows, ending balance (Note 19A)	14,292,130	8,834,103

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

1. General

Before 17 May 2019, the company was known as "Alliance Healthcare Group Pte. Ltd.". In connection with the conversion of the company into a public company limited by shares on 17 May 2019, the name of the company was changed to "Alliance Healthcare Group Limited". 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 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.

Business Restructuring

1.1 Share Split

On 30 October 2018, each of the ordinary shares of the company was sub-divided into 85 shares. Following the Share Split, the issued and paid-up share capital was \$1,950,000 comprising 148,277,740 shares.

1.2 Dividend Capitalisation

On 31 October 2018, the company undertook the Dividend Capitalisation pursuant to which an amount of \$2,733,500 which was declared as a dividend on 31 May 2014 but which had not been paid to the then existing shareholders of the company was capitalised by way of the issuance of 5,383,856, 806,831, 1,741,087, 2,896,686, and 561,124 shares to Dr. Barry Thng Lip Mong, Dr. Goh Tiong Jin, Dr. Yun Kok Onn, Dr. Loh Cher Zoong and Dr. Goh Chyen Chye, respectively.

1.3 Loan Capitalisation

Prior to Restructuring, the company undertook a loan capitalisation pursuant to which an amount of \$72,500 owed by the group to Mr. Wong Chien Yeh, the Head of Pharmaceutical Services, was capitalised by way of the issuance of 362,500 shares to Mr. Wong (the "Loan Capitalisation").

1.4 Restructuring

A Restructuring was undertaken to, among others, rationalise and streamline the business structure within the group for the IPO. The Restructuring comprised, among others, the following:

- (a) By a share purchase agreement dated 28 March 2019 entered into between the company and Dr. Goh Chee Hwei, Alliance Medical Group Pte Ltd, a wholly-owned subsidiary, acquired (at the nomination of the company) from Dr. Goh 2,500 ordinary shares in My Family Clinic (TPY) Pte. Ltd., representing 25.0% of the issued share capital of My Family Clinic (TPY) Pte. Ltd., for a consideration of \$296,496.46, which was based on the pro rata share of the earnings of My Family Clinic (TPY) Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 1,185,986 shares, credited as fully paid, to Dr. Goh;
- (b) By a share purchase agreement dated 28 March 2019 entered into between the company and Dr. Ang Corey Damien, Alliance Medical Group Pte Ltd, a wholly-owned subsidiary, acquired (at the nomination of the company) from Dr. Ang 10,000 ordinary shares in My Family Clinic (RV) Pte. Ltd., representing 10.0% of the issued share capital of My Family Clinic (RV) Pte. Ltd., for a consideration of \$97,063.90, which was based on the pro rata share of the earnings of My Family Clinic (RV) Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 388,256 shares, credited as fully paid, to Dr. Ang;

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

1. General (cont'd)

1.4 Restructuring (cont'd)

- (c) By a share purchase agreement dated 28 March 2019 entered into between the company and Dr. Ang Corey Damien, Alliance Medical Group Pte Ltd, a wholly-owned subsidiary, acquired (at the nomination of the company) from Dr. Ang 1,000 ordinary shares in My Family Clinic (Hougang Central) Pte. Ltd., representing 10.0% of the issued share capital of My Family Clinic (Hougang Central) Pte. Ltd., for an aggregate consideration of \$246,702.14, which was based on the pro rata share of the earnings of My Family Clinic (Hougang Central) Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 986,809 shares, credited as fully paid, to Dr. Ang;
- (d) By a share purchase agreement dated 28 March 2019 entered into between the company and Dr. Yeo Thoont Kiat, Alliance Medical Group Pte Ltd, a wholly-owned subsidiary, acquired (at the nomination of the company) from Dr. Yeo 1,500 ordinary shares in My Family Clinic (PN) Pte. Ltd., representing 15.0% of the issued share capital of My Family Clinic (PN) Pte. Ltd., for a consideration of \$107,539.20, which was based on the pro rata share of the earnings of My Family Clinic (PN) Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 430,157 shares, credited as fully paid, to Dr. Yeo;
- (e) By a share purchase agreement dated 28 March 2019 entered into between the company and Dr. Mok Kan Hwei, Paul, Alliance Specialist Group Pte. Ltd., a wholly-owned subsidiary, acquired (at the nomination of the company) from Dr. Mok 8,000 ordinary shares in My ENT Specialist Pte. Ltd., representing 40.0% of the issued share capital of My ENT Specialist Pte. Ltd., for a consideration of \$1,649,740.00, which was based on the pro rata share of the earnings of My ENT Specialist Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 6,598,960 shares, credited as fully paid, to Dr. Mok; and
- (f) By a share purchase agreement dated 28 March 2019 entered into between the company and Mr. Wong Chien Yeh, the company acquired from Mr. Wong 65,000 ordinary shares in Alliance Pharm Pte. Ltd., representing 25.0% of the issued share capital of Alliance Pharm Pte. Ltd., for a consideration of \$1,567,090.00, which was based on the pro rata share of the earnings Alliance Pharm Pte. Ltd. for FY2018. The consideration was satisfied by way of the allotment and issuance of 6,268,360 shares, credited as fully paid, to Mr. Wong.

On 16 May 2019, Alliance Medical Group Pte Ltd and Alliance Specialist Group Pte. Ltd. allotted and issued 750,000 new shares and 1,649,740 new shares, respectively, to the company. These shares were issued pursuant to a capitalisation of \$747,801.70 and \$1,649,740.00 owed by Alliance Medical Group Pte Ltd and Alliance Specialist Group Pte. Ltd., respectively, to the company in connection with the Restructuring.

Immediately upon completion of the Dividend Capitalisation, the Loan Capitalisation and the Restructuring, the issued and paid-up share capital was \$8,720,632 comprising 175,888,352 shares.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

1. General (cont'd)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

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. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

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 to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). 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 borrowing of funds 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

YEAR ENDED 30 JUNE 2019

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
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

YEAR ENDED 30 JUNE 2019

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

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	–	44 years
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Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

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 are as follows:

Customer relationship	–	5 years
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Intangible assets (cont'd)

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.

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with the financial reporting standard on financial instruments. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under the financial reporting standard on business combinations. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss. For business combinations achieved in stages, any equity interest held in the acquiree is remeasured immediately before achieving control at its acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

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

YEAR ENDED 30 JUNE 2019

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.

Impairment 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 unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. 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

YEAR ENDED 30 JUNE 2019

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): There were no financial assets classified in this category at reporting year end date.

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 include bank and cash balances, on demand deposits and any highly liquid debt 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

YEAR ENDED 30 JUNE 2019

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

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 (eg 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 (ie as prices) or indirectly (ie 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

2. Significant accounting policies and other explanatory information (cont'd)

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:

An assessment is made annually whether goodwill has suffered any impairment loss. The assessment process is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions. Judgement is required in identifying the cash generating units ("CGU") and the use of estimates as disclosed in Note 15. 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. 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.

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 property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, 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 or class of assets at the end of the reporting year affected by the assumption is \$6,448,122 (2018: \$4,945,053).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

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.

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	
	2019	2018
	\$	\$
<u>Related parties:</u>		
Professional fees expenses	3,053,609	2,513,182
Rental expenses	36,000	36,000

The professional fee expenses were paid/payable to entities controlled by certain directors or shareholders of the company's subsidiaries, and an entity controlled by a director of the company for medical services rendered.

3C. Key management compensation:

	2019	2018
	\$	\$
<u>Group:</u>		
Salaries and other short-term employee benefits	2,076,429	1,014,899

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

3. Related party relationships and transactions (cont'd)

3C. Key management compensation (cont'd):

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

	2019	2018
	\$	\$
<u>Group:</u>		
Fees to directors of the company	72,862	40,000
Remuneration of directors of the company*	1,434,542	974,899
	1,434,542	974,899

* Refers to individuals who are directors of the Company in respect of the relevant reporting years.

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

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 Directors	
	2019	2018
	\$	\$
<u>Other payables:</u>		
At beginning of the year	(2,301,083)	(2,794,358)
Capitalisation of dividend payable to shareholders (Note 1.2)	1,987,330	-
Amounts paid in and settlement of liabilities on behalf of the group	(74,583)	(40,000)
Amounts paid out and settlement of liabilities on behalf of directors	327,086	533,275
Other adjustments	20,000	-
At end of the year (Note 23)	(41,250)	(2,301,083)

	Group Related parties	
	2019	2018
	\$	\$
<u>Other payables:</u>		
At beginning of the year	(1,127,489)	(1,251,444)
Capitalisation of dividend payable to shareholders (Note 1.2)	746,170	-
Amounts paid in and settlement of liabilities on behalf of the group	(210,635)	-
Amounts paid out and settlement of liabilities on behalf of related parties	490,954	123,955
Other adjustments	(20,000)	-
At end of the year (Note 23)	(121,000)	(1,127,489)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

3. Related party relationships and transactions (cont'd)

3D. Other receivables from and other payables to related parties (cont'd):

	Group Ultimate parent company	
	2019	2018
	\$	\$
<u>Other receivables:</u>		
At beginning of the year	85,500	85,500
Amounts paid in and settlement of liabilities on behalf of the group	(85,500)	-
At end of the year (Note 17)	<u>-</u>	<u>85,500</u>
	Company Directors	
	2019	2018
	\$	\$
<u>Other payables:</u>		
At beginning of the year	(2,221,083)	(2,754,358)
Capitalisation of dividend payable to shareholders (Note 1.2)	1,987,330	-
Amounts paid in and settlement of liabilities on behalf of the company	(41,250)	(40,000)
Amounts paid out and settlement of liabilities on behalf of directors	233,753	573,275
At end of the year (Note 23)	<u>(41,250)</u>	<u>(2,221,083)</u>
	Company Related parties	
	2019	2018
	\$	\$
<u>Other payables:</u>		
At beginning of the year	(818,917)	(1,019,142)
Capitalisation of dividend payable to shareholders (Note 1.2)	746,170	-
Amounts paid out and settlement of liabilities on behalf of related parties	72,747	200,225
At end of the year (Note 23)	<u>-</u>	<u>(818,917)</u>
	Company Subsidiaries	
	2019	2018
	\$	\$
<u>Other receivables:</u>		
At beginning of the year	1,184,748	788,189
Amounts paid in and settlement of liabilities on behalf of the company	(1,334,748)	(573,440)
Amounts paid out and settlement of liabilities on behalf of subsidiaries	150,000	969,999
At end of the year (Note 17)	<u>-</u>	<u>1,184,748</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

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.

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; and
- (5) others

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.

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 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

YEAR ENDED 30 JUNE 2019

4. Financial information by operating segments (cont'd)

4B. Primary analysis by business segment

	2019						Group
	GP clinic services	Specialist care services	Managed healthcare solutions	Pharmaceutical services	Others	Eliminations	
	\$	\$	\$	\$	\$	\$	\$
Revenue by segment							
External sales	16,590,950	7,430,403	5,261,014	7,229,190	-	-	36,511,557
Inter-segment sales	3,772	-	151,065	2,698,338	1,905,614	(4,758,789)	-
Total revenue	16,594,722	7,430,403	5,412,079	9,927,528	1,905,614	(4,758,789)	36,511,557
EBITDA							
Finance costs	712,500	845,659	1,334,843	645,508	(1,315,826)	-	2,222,684
Depreciation and amortisation	(72,809)	-	-	(6,233)	(51,992)	-	(131,034)
Profit (loss) before tax	(273,929)	(88,977)	(180,592)	(18,823)	(278,832)	-	(841,153)
Income tax expense	365,762	756,682	1,154,251	620,452	(1,646,650)	-	1,250,497
Profit, net of tax							
							(476,020)
							774,477
Segment assets	8,292,112	2,726,550	15,000,017	3,092,819	17,965,104	(11,597,793)	35,478,809
Segment liabilities	(4,911,765)	(1,448,171)	(13,229,038)	(838,201)	(4,949,650)	6,221,840	(19,154,985)
Other material items and reconciliations							
Expenditures for property, plant and equipment	2,212,885	71,534	56,760	15,750	22,962	-	2,379,891

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

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	Others	Eliminations	Group
	\$	\$	\$	\$	\$	\$	\$
2018							
Revenue by segment							
External sales	15,574,733	4,806,989	4,912,320	8,522,554	-	-	33,816,596
Inter-segment sales	25,046	-	92,970	2,517,873	1,662,855	(4,298,744)	-
Total revenue	15,599,779	4,806,989	5,005,290	11,040,427	1,662,855	(4,298,744)	33,816,596
EBITDA	1,286,485	646,250	1,573,330	742,217	275,969	-	4,524,251
Finance costs	-	-	-	(2,037)	(106,034)	-	(108,071)
Depreciation and amortisation	(212,405)	(152,731)	(224,359)	(15,612)	(393,206)	-	(998,313)
Profit before tax	1,074,080	493,519	1,348,971	724,568	(223,271)	-	3,417,867
Income tax income							58,841
Profit, net of tax							<u>3,476,708</u>
Segment assets	7,304,362	1,796,790	13,616,145	3,007,167	10,070,745	(8,867,127)	26,928,082
Segment liabilities	(4,249,836)	(1,059,287)	(13,503,797)	(1,286,475)	(7,603,405)	7,746,246	19,956,554
Other material items and reconciliations							
Expenditures for property, plant and equipment	346,481	33,902	213,224	4,228	67,674	-	665,509

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

4. Financial information by operating segments (cont'd)

4C. Geographical information

	Revenue		Non-current assets	
	2019	2018	2019	2018
	\$	\$	\$	\$
Singapore	35,036,267	30,281,091	9,240,189	7,913,002
Hong Kong	80,720	1,091,480	-	-
Japan	290,928	290,169	-	-
Thailand	109,944	4,822	-	-
Others	993,698	2,149,034	12,239	30,156
Total	<u>36,511,557</u>	<u>33,816,596</u>	<u>9,252,428</u>	<u>7,943,158</u>

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:

	2019	2018
	\$	\$
Top 1 customer	1,241,703	807,282
Top 2 customer	753,216	766,583
Top 3 customer	<u>567,500</u>	<u>725,592</u>

5. Revenue

	Group	
	2019	2018
	\$	\$
Rendering of services		
- Medical services	24,021,353	20,381,722
- Managed healthcare solutions services	5,261,014	4,912,320
Sale of goods	7,229,190	8,522,554
Total revenue	<u>36,511,557</u>	<u>33,816,596</u>

The revenue from rendering of medical services (including the sale of consumable and medical supplies), managed healthcare solutions services 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

YEAR ENDED 30 JUNE 2019

6. Other income and gains and (other losses)

	Group	
	2019	2018
	\$	\$
Allowance for impairment on trade receivables - reversal	7,618	-
Bad debts written off trade receivables	(7,887)	(85)
Foreign exchange transaction gains	57,810	44,629
Government grants	258,676	301,908
Loss on disposal of plant and equipment	(52,019)	(13,778)
Other income	2,585	94,453
PIC cash payouts	27,451	218,894
Net	294,234	646,021
Presented in profit and loss as:		
Other income and gains	354,140	659,884
Other losses	(59,906)	(13,863)
Net	294,234	646,021

7. Employee benefits expense

	Group	
	2019	2018
	\$	\$
Short term employee benefits expense	17,052,670	14,346,520
Contributions to defined contribution plan	1,313,235	1,162,023
Other benefits	241,739	205,989
Total employee benefits expense	18,607,644	15,714,532

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

8. Finance costs

	Group	
	2019	2018
	\$	\$
Interest expense	131,034	108,071

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

9. Other expenses

The major components include the following:

	Group	
	2019	2018
	\$	\$
Advertising and marketing expenses	358,308	248,148
Rental charges	1,922,343	1,866,472
IPO expenses	1,236,014	-

10. Income tax

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

	Group	
	2019	2018
	\$	\$
<u>Current tax expense:</u>		
Current tax expense	379,596	205,336
(Over)/under adjustments to current tax in respect of prior period	(43,979)	8,275
Subtotal	335,617	213,611
<u>Deferred tax expense (income):</u>		
Deferred tax expense (income)	140,403	(272,452)
Subtotal	140,403	(272,452)
Total income tax expense/(income)	476,020	(58,841)

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% (2018: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2019	2018
	\$	\$
Profit before tax	1,250,497	3,417,867
Income tax expense at the above rate	212,584	581,037
Income not subject to tax	(4,454)	(19,772)
Expenses not deductible for tax purposes	260,512	3,270
Unrecognised deferred tax assets/(reversals)	314,467	(396,807)
Tax exemptions and incentives	(171,052)	(192,885)
Corporate tax rebate	-	(36,917)
(Over)/under adjustments to tax in respect of prior periods	(43,979)	8,275
Others	(92,058)	(5,042)
Total income tax expense/(income)	476,020	(58,841)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

10. Income tax (cont'd)

10B. Deferred tax expense/(income) recognised in profit or loss includes:

	Group	
	2019	2018
	\$	\$
Excess of book over tax depreciation on plant and equipment	(32,725)	28,600
Excess of tax over book depreciation on plant and equipment	(242,592)	-
Tax losses carryforwards	(58,997)	244,655
Productivity innovation credits	207,913	-
Others	(47,663)	2,902
Unrecognised deferred tax assets	314,467	(548,609)
Total deferred income tax expense/(income) recognised in profit or loss	140,403	(272,452)

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

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
<u>From deferred tax assets/(liabilities) recognised in profit or loss:</u>				
Excess of net book value of plant and equipment over tax values	(30,264)	(62,989)	-	(4,343)
Excess of tax values over net book value of plant and equipment	242,592	-	184,729	-
Productivity innovation credits	401,167	609,080	376,479	582,610
Tax losses carryforwards	237,905	178,908	12,812	14,184
Intangible assets arising from acquisition of subsidiaries	(8,874)	(37,746)	-	-
Others	13,219	(5,572)	-	-
Unrecognised deferred tax assets	(774,220)	(459,753)	(574,020)	(592,451)
Net total of deferred tax assets	81,525	221,928	-	-

	Group	
	2019	2018
	\$	\$
<u>Presented in statement of financial position as:</u>		
Deferred tax liabilities	(23,333)	(50,524)
Deferred tax assets	104,858	272,452
	81,525	221,928

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

10. Income tax (cont'd)

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

Unrecognised deferred tax assets relates to the following items:

	Group	
	2019	2018
	\$	\$
Unused tax losses available	786,295	742,110
Unutilised capital allowances	3,636,694	1,919,926
Others	131,249	-
	4,554,238	2,662,036

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. Earnings per share

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

	2019	2018
	\$	\$
Numerator:		
Profit attributable to owners of the parent, net of tax	317,603	3,080,063
Denominator: weighted average number of equity shares		
Basic	164,571,674	148,277,740

The weighted average number of ordinary shares outstanding have been adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. 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 disclosures for last year have been revised accordingly.

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

YEAR ENDED 30 JUNE 2019

12. Property, plant and equipment

Group	Leasehold properties	Computers and office equipment	Furniture and fittings	Medical equipment	Motor vehicles	Renovation	Website and IT software	Total
<u>Cost:</u>								
At 1 July 2017	4,233,069	1,679,045	525,474	379,948	145,881	771,171	1,703,728	9,438,316
Additions	-	211,824	72,369	32,311	-	188,543	160,462	665,509
Disposals	-	(11,431)	(23,380)	-	-	(28,345)	-	(63,156)
Acquisition of subsidiaries	-	-	1,977	-	-	2,011	-	3,988
At 30 June 2018	4,233,069	1,879,438	576,440	412,259	145,881	933,380	1,864,190	10,044,657
Additions	2,102,100	71,919	41,939	31,887	-	99,421	32,625	2,379,891
Disposals	-	(22,239)	(44,029)	(29,378)	-	(103,161)	-	(198,807)
Foreign exchange adjustments	-	(668)	-	-	-	(439)	(173)	(1,280)
At 30 June 2019	6,335,169	1,928,450	574,350	414,768	145,881	929,201	1,896,642	12,224,461
<u>Accumulated depreciation:</u>								
At 1 July 2017	372,316	1,321,086	442,437	215,572	82,346	642,412	1,081,281	4,157,450
Depreciation for the year	97,125	370,358	66,484	95,099	13,615	110,493	233,202	986,376
Disposals	-	(11,331)	(14,938)	-	-	(18,109)	-	(44,378)
Foreign exchange adjustments	-	101	-	-	-	38	17	156
At 30 June 2018	469,441	1,680,214	493,983	310,671	95,961	734,834	1,314,500	5,099,604
Depreciation for the year	129,694	227,157	49,508	58,640	13,614	113,357	222,978	814,948
Disposals	-	(21,096)	(28,860)	(26,318)	-	(61,534)	-	(137,808)
Foreign exchange adjustments	-	(263)	-	-	-	(98)	(44)	(405)
At 30 June 2019	599,135	1,886,012	514,631	342,993	109,575	786,559	1,537,434	5,776,339
<u>Carrying value:</u>								
At 1 July 2017	3,860,753	357,959	83,037	164,376	63,535	128,759	622,447	5,280,866
At 30 June 2018	3,763,628	199,224	82,457	101,588	49,920	198,546	549,690	4,945,053
At 30 June 2019	5,736,034	42,438	59,719	71,775	36,306	142,642	359,208	6,448,122

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

12. Property, plant and equipment (cont'd)

Company	Computers and office equipment	Furniture and fittings	Renovation	IT software	Total
	\$	\$	\$	\$	\$
<u>Cost:</u>					
At 1 July 2017	968,762	223,130	285,484	815,000	2,292,376
Additions	67,673	-	-	-	67,673
Disposals	(3,754)	-	-	-	(3,754)
At 30 June 2018	1,032,681	223,130	285,484	815,000	2,356,295
Additions	9,792	2,720	2,150	8,300	22,962
At 30 June 2019	1,042,473	225,850	287,634	823,300	2,379,257
<u>Accumulated depreciation:</u>					
At 1 July 2017	724,194	219,023	280,224	482,700	1,706,141
Depreciation for the year	207,351	3,590	3,639	81,500	296,080
Disposal	(3,654)	-	-	-	(3,654)
At 30 June 2018	927,891	222,613	283,863	564,200	1,998,567
Depreciation for the year	95,109	743	2,048	83,806	181,706
At 30 June 2019	1,023,000	223,356	285,911	648,006	2,180,273
<u>Carrying value:</u>					
At 1 July 2017	244,568	4,107	5,260	332,300	586,235
At 30 June 2018	104,790	517	1,621	250,800	357,728
At 30 June 2019	19,473	2,494	1,723	175,294	198,984

The leasehold properties of the group at a carrying value of \$5,736,034 (2018: \$3,763,628) are mortgaged or pledged as security for bank facilities (see Note 22).

13. Investment properties

	Company \$
<u>Cost:</u>	
At 1 July 2017 and 30 June 2018 and 2019	4,233,069
<u>Accumulated depreciation:</u>	
At 1 July 2017	372,316
Depreciation for the year	97,125
At 30 June 2018	469,441
Depreciation for the year	97,126
At 30 June 2019	566,567
<u>Carrying value:</u>	
At 1 July 2017	3,860,753
At 30 June 2018	3,763,628
At 30 June 2019	3,666,502

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

13. Investment properties (cont'd)

	Company	
	2019	2018
	\$	\$
Fair value for disclosure purposes only:		
Fair value at end of the year	4,951,000	5,100,000
Rental income from investment properties	251,812	251,812
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	66,914	57,909
- Non-rental generating properties	14,526	14,381
	81,440	72,290

The fair value of the investment properties was measured 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. The fair value was based on a valuation made by PREMAS Valuers & Property Consultants Pte Ltd, a firm of independent professional valuers on a systematic basis. The firm holds a recognised and relevant professional qualification with sufficient recent experience in the location and category of the investment property being valued. There has been no change to the valuation technique during the year. 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 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
Fair value and fair value hierarchy – Level:	\$4,951,000 (2018: \$5,100,000). Level 2 (2018: Level 2)
Valuation technique for recurring fair value measurements:	Direct comparison method
Significant observable inputs:	Price per square foot. \$505 (2018: \$521)
Sensitivity on estimates – 10% variation from estimate	Impact – lower by \$495,100; higher by \$495,100

The investment properties are mortgaged or pledged as security for bank facilities (see Note 22).

The leasehold properties located at 25 Bukit Batok Crescent are classified as investment properties in the company's balance sheet as they are fully leased out. However, in the group's consolidated balance sheet, these leasehold properties are classified as property, plant and equipment (Note 12) as they are leased out to certain subsidiaries within the group.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

14. Investments in subsidiaries

	Company	
	2019	2018
	\$	\$
Movements during the year. At net book value:		
At beginning of the year	1,463,000	1,375,002
Additions	450,000	-
Issuance of shares for acquisition of non-controlling interests in subsidiaries (Note 1.4)	3,964,632	-
Allowance for impairment - reversal	-	87,998
Cost at end of the year	<u>5,877,632</u>	<u>1,463,000</u>
Carrying value in the books of the company comprising:		
Unquoted equity shares at cost	5,877,632	1,463,000
Allowance for impairment	-	-
Cost at end of the year	<u>5,877,632</u>	<u>1,463,000</u>
Movements in allowance for impairment:		
At beginning of the year	-	87,998
Impairment loss reversal to profit or loss	-	(87,998)
At end of the year	<u>-</u>	<u>-</u>

The subsidiaries held by the company are listed below:

Name of subsidiaries	Effective percentage of equity held by group		Cost of investment	
	2019	2018	2019	2018
	%	%	\$	\$
Alliance Medinet Pte. Ltd. (a)	100	100	830,000	380,000
Alliance Specialist Group Pte. Ltd. (b) (j)	100	100	1,729,740	80,000
Alliance Healthcare Pte. Ltd. (a)	100	100	8,000	8,000
Alliance Pharm Pte. Ltd. (c) (i)	100	75	1,762,090	195,000
Alliance Medical Group Pte Ltd (b) (j)	100	100	<u>1,547,802</u>	<u>800,000</u>
<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 Pte. Ltd. (e)	100	100		
My ENT Specialist Pte. Ltd. (e) (i)	100	60		
Elite Orthopaedics Pte. Ltd. (e)	51	60		

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

14. Investments in subsidiaries (cont'd)

The subsidiaries held by the company are listed below (cont'd):

Name of subsidiaries	Effective percentage of equity held by group	
	2019	2018
	%	%
<u>Held through Alliance Medical Group Pte Ltd</u>		
My Family Clinic (RV) Pte. Ltd. (e) (i)	100	90
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) (i)	100	85
My Family Clinic (SJ) Pte. Ltd. (e)	100	100
My Family Clinic (TPY) Pte. Ltd. (e) (i)	100	75
My Family Clinic (Punggol Central) Pte. Ltd. (e)	100	100
My Family Clinic (Hougang Central) Pte. Ltd. (e) (i)	75	65
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) (f)	100	100
My Family Clinic (Woodlands Glen) Pte. Ltd. (e)	100	100
My Family Clinic (Bukit Batok West) Pte. Ltd. (e) (g)	100	100
Alliance Health Investments Pte. Ltd. (b)	75	75
<u>Held through Alliance Health Investments Pte. Ltd.</u>		
My Family Clinic (Clementi) Pte. Ltd. (e)	53	53
My Family Clinic (Segar) Pte. Ltd. (e)	75	75
My Family Clinic (Anchorvale) Pte. Ltd. (e)	45	45
My Family Clinic (Punggol Waterway Terrace) Pte. Ltd. (e) (h)	75	75

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 subsidiary changed its name from Lee Clinic Pte. Ltd. to My Family Clinic (Clementi 325) Pte. Ltd. on 7 June 2019.
- (g) The subsidiary became dormant after 28 June 2019.
- (h) The subsidiary became dormant after 14 July 2018.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

14. Investments in subsidiaries (cont'd)

The subsidiaries held by the company are listed below (cont'd):

- (i) The group acquired non-controlling interests of these entities pursuant to the Restructuring as described in Note 1.4.
- (j) Alliance Medical Group Pte Ltd and Alliance Specialist Group Pte. Ltd. allocated and issued 750,000 new shares and 1,649,740 new shares respectively to the company in connection with the Restructuring as describe in Note 1.4.

15. Intangible assets

Group	Goodwill	Customer relationship	Total
	\$	\$	\$
<u>Cost:</u>			
At 1 July 2017	1,419,102	-	1,419,102
Additions	1,187,461	131,027	1,318,488
At 30 June 2018 and 30 June 2019	2,606,563	131,027	2,737,590
<u>Accumulated amortisation:</u>			
At 1 July 2017	-	-	-
Amortisation for the year	-	11,937	11,937
At 30 June 2018	-	11,937	11,937
Amortisation for the year	-	26,205	26,205
At 30 June 2019	-	38,142	38,142
<u>Carrying value:</u>			
At 1 July 2017	1,419,102	-	1,419,102
At 30 June 2018	2,606,563	119,090	2,725,653
At 30 June 2019	2,606,563	92,885	2,699,448

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The "My Family Clinic" cash-generating unit represents the group's investment in the following subsidiaries:

	Group	
	2019	2018
	\$	\$
<u>Name of subsidiary:</u>		
Alliance Medical Group Pte Ltd (a)	1,101,541	1,101,541
My Family Clinic (PN) Pte. Ltd.	128,951	128,951
My Family Clinic (Hougang Central) Pte. Ltd.	780,000	780,000
My Family Clinic (Clementi 325) Pte. Ltd.	596,071	596,071
	2,606,563	2,606,563

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

15. Intangible assets (cont'd)

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

The value in use 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 unit are consistent with those used for the measurement last performed and is analysed as follows:

Asset or CGU – Entities operating under “My Family Clinic” Valuation technique and Unobservable inputs discounted cash flow method:		2019	2018
1.	Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGUs.	9.5%	9.0%
2.	Cash flow forecasts derived from the most recent financial budgets and growth rates approved by management.	5 years 4%	5 years 4%
3.	Terminal growth rates not exceeding the average long-term growth rate for the relevant markets.	2%	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.

Lee Clinic Pte. Ltd. changed its name to My Family Clinic (Clementi 325) Pte. Ltd. on 7 June 2019 and following the change in name, the entity has been re-branded under “My Family Clinic”. Goodwill attributable to My Family Clinic (Clementi 325) Pte. Ltd. has accordingly been included in the “My Family Clinic” cash-generating unit for impairment testing in the current reporting year. In the prior year, the goodwill in relation to Lee Clinic Pte. Ltd. was tested separately.

16. Inventories

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Consumables and medical/pharmaceutical goods for resale	1,427,122	1,208,375	4,100	4,100
The write-downs of inventories charged to profit or loss included in consumables and medical supplies used	30,315	38,216	-	-

There are no inventories pledged as security for liabilities.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

17. Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
<u>Trade receivables:</u>				
Outside parties	9,880,213	8,022,125	1,774,128	1,389,854
Less allowance for impairment	(317)	(10,584)	-	-
Subsidiaries	-	-	1,839,738	2,818,886
Subtotal	9,879,896	8,011,541	3,613,866	4,208,740
<u>Other receivables:</u>				
Ultimate parent company (Note 3)	-	85,500	-	-
Subsidiaries (Note 3)	-	-	-	1,184,748
Outside parties	-	47,993	-	107
Loan to doctors	-	8,896	-	-
Subtotal	-	142,389	-	1,184,855
Total trade and other receivables	9,879,896	8,153,930	3,613,866	5,393,595
Movements in above allowance on trade receivables:				
At beginning of the year	10,584	11,036	-	-
Used	(2,649)	(452)	-	-
Reversal to profit or loss included in other income and gains	(7,618)	-	-	-
At end of year	317	10,584	-	-

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. A loss allowance balance of \$317 (2018: \$10,584) is recognised.

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.

At each subsequent 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

17. Trade and other receivables (cont'd)

Ageing analysis of trade receivable amounts as at the end of the reporting year:

	Gross amount		Loss allowance	
	2019	2018	2019	2018
	\$	\$	\$	\$
<u>Group</u>				
Trade receivables:				
Current	5,010,806	4,214,333	-	-
1 to 60 days past due	4,189,589	2,581,298	-	-
61 to 90 days past due	381,195	199,099	-	-
Over 90 days past due	298,623	1,027,395	317	10,584
Total	<u>9,880,213</u>	<u>8,022,125</u>	<u>317</u>	<u>10,584</u>

	Gross amount		Loss allowance	
	2019	2018	2019	2018
	\$	\$	\$	\$
<u>Company</u>				
Trade receivables:				
Current	869,761	903,133	-	-
1 to 60 days past due	1,620,444	1,163,390	-	-
61 to 90 days past due	140,186	104,680	-	-
Over 90 days past due	983,475	2,037,537	-	-
Total	<u>3,613,866</u>	<u>4,208,740</u>	<u>-</u>	<u>-</u>

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 (2018: 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	
	2019	2018	2019	2018
	\$	\$	\$	\$
Top 1 customer	1,832,802	1,612,888	1,744,330	2,248,314
Top 2 customers	3,615,931	2,971,649	2,792,890	3,607,075
Top 3 customers	<u>5,360,164</u>	<u>4,233,642</u>	<u>3,262,406</u>	<u>3,903,647</u>

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

17. Trade and other receivables (cont'd)

At each subsequent 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.

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

18. Other non-financial assets

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Deposits to secure services	575,880	478,154	10,790	151,740
Deposits for purchase of property	-	297,600	-	-
Prepayments	51,353	12,762	6,870	2,420
	<u>627,233</u>	<u>788,516</u>	<u>17,660</u>	<u>154,160</u>

19. Cash and cash equivalents

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Not restricted in use	<u>14,292,130</u>	<u>8,834,103</u>	<u>6,360,489</u>	<u>324,388</u>

The interest earning balances are not significant.

19A. Cash and cash equivalents in the consolidated statement of cash flows

	Group	
	2019	2018
	\$	\$
Cash and cash equivalents for statement of cash flows purposes at the end of the year	<u>14,292,130</u>	<u>8,834,103</u>

19B. Reconciliation of liabilities arising from financial activities:

	Group			2019
	2018	Cash flows	Non-cash changes	
	\$	\$	\$	\$
Directors	2,301,083	(252,503)	(2,007,330)	41,250
Ultimate parent company	33,324	(33,324)	-	-
Related parties	1,776,489	(272,419)	(798,670)	705,400
Short-term borrowings	3,487,331	1,091,911	-	4,579,242
Finance lease liabilities	<u>45,123</u>	<u>(45,123)</u>	-	-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

19. Cash and cash equivalents (cont'd)

19B. Reconciliation of liabilities arising from financial activities (cont'd):

	Group			2018
	2017	Cash flows	Non-cash changes	
	\$	\$	\$	
Directors	2,794,358	(493,275)	-	2,301,083
Ultimate parent company	-	33,324	-	33,324
Related parties	2,018,444	(241,955)	-	1,776,489
Short-term borrowings	2,874,137	613,194	-	3,487,331
Finance lease liabilities	57,771	(12,648)	-	45,123

20. Share capital

	Group and Company	
	Number of shares issued	Share capital
		\$
<u>Ordinary shares of no par value:</u>		
At beginning of the year 1 July 2017 and at end of the year 30 June 2018	1,744,444	1,950,000
Share Split (a)	146,533,296	-
	148,277,740	1,950,000
Dividend Capitalisation (b)	11,389,584	2,733,500
Loan Capitalisation (c)	362,500	72,500
Restructuring (d)	15,858,528	3,964,632
	175,888,352	8,720,632
Issue of shares at \$0.20 each (e)	32,000,000	6,400,000
Capitalisation of IPO expenses (f)	-	(436,382)
At end of the year 30 June 2019	207,888,352	14,684,250

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.

- (a) See Note 1.1 on details of Share Split.
- (b) See Note 1.2 on details of Dividend Capitalisation.
- (c) See Note 1.3 on details of Loan Capitalisation.
- (d) See Note 1.4 on details of the Restructuring.
- (e) 32 million new shares issued at \$0.20 per share in conjunction with the company's IPO and listing on the Catalist board of the Singapore Exchange Securities Trading Limited.
- (f) IPO expenses incurred amounted to \$1,672,396 (2018: nil) of which \$436,382 has been capitalised against share capital while the remaining amount of \$1,236,014 (2018: nil) has been included in other expenses (see Note 9).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

20. Share capital (cont'd)

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, 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 Singapore Stock Exchange, 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.

21. Other reserves

	Group	
	2019	2018
	\$	\$
Capital reserves (Note 21A)	(4,653,521)	(1,525,127)
Foreign currency translation reserve (Note 21B)	(34)	105
	(4,653,555)	(1,525,022)

21A. Capital reserves

	Group	
	2019	2018
	\$	\$
At beginning of the year	(1,525,127)	(1,517,658)
Acquisition of a non-controlling interest without a change in control	(3,128,394)	(7,469)
At end of the year	(4,653,521)	(1,525,127)

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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

21. Other reserves (cont'd)

21B. Foreign currency translation reserve

	Group	
	2019	2018
	\$	\$
At beginning of the year	105	-
Exchange differences on translating foreign operations	(139)	105
At end of the year	(34)	105

22. Other financial liabilities

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
<u>Non-current:</u>				
<u>Financial lease with fixed interest rates:</u>				
Finance leases (Note 22A)	-	35,866	-	-
<u>Loans with floating interest rates:</u>				
Term loans A (secured) (Note 22B)	2,268,086	2,425,847	2,268,086	2,425,847
Term loan B (unsecured) (Note 22C)	328,694	603,071	-	-
Term loan C (secured) (Note 22D)	1,416,608	-	-	-
Subtotal	4,013,388	3,064,784	2,268,086	2,425,847
<u>Current:</u>				
<u>Financial leases with fixed interest rates:</u>				
Finance leases (Note 22A)	-	9,257	-	-
<u>Loans with no interest:</u>				
Related parties (Note 3) (Note 22E)	584,400	649,000	-	-
Ultimate parent company (Note 3)	-	33,324	-	-
<u>Loans with floating interest rates:</u>				
Term loans A (secured) (Note 22B)	157,761	156,988	157,761	156,988
Term loan B (unsecured) (Note 22C)	301,425	301,425	-	-
Term loan C (secured) (Note 22D)	106,668	-	-	-
Subtotal	1,150,254	1,149,994	157,761	156,988
Total	5,163,642	4,214,778	2,425,847	2,582,835
The non-current portion is repayable as follows:				
Due within two to five years	1,386,410	1,474,224	631,044	835,287
Due after five years	2,626,978	1,590,560	1,637,042	1,590,560
Total	4,013,388	3,064,784	2,268,086	2,425,847

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

22. Other financial liabilities (cont'd)

	Group		Company	
	2019	2018	2019	2018
	%	%	%	%
The range of floating rate interest rates paid were as follows:				
Term loans A (secured)	2.1	2.0-4.1	2.1	2.0-4.1
Term loan B (unsecured)	4.5	4.5	-	-
Term loan C (secured)	2.8	-	-	-

The fair values are reasonable approximation of the carrying amounts.

22A. Finance leases

Group:	Minimum payments	Finance charges	Present value
	\$	\$	\$
<u>2018</u>			
Minimum lease payments payable:			
Due within one year	11,700	(2,443)	9,257
Due within two to five years	42,869	(7,003)	35,866
Total	54,569	(9,446)	45,123
Net book value of equipment under finance lease			49,920

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	
	2019	2018
Average lease term, in years	-	7 years
Average effective borrowing rate per year	-	3.0%

The finance leases were fully repaid during the reporting year ended 30 June 2019.

22B. Term loans A (secured)

The bank loans are secured by a first legal mortgage over certain of the group's leasehold properties (Note 12) and joint and several personal guarantees from Dr. Barry Thng Lip Mong, Dr. Loh Cher Zoong, Dr. Yun Kok Onn and Dr. Goh Tiong Jin.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

22. Other financial liabilities (cont'd)

22C. Term loan B (unsecured)

The bank loan was covered by a joint and several deed of guarantee and indemnity for all monies from Dr. Barry Thng Lip Mong, Dr. Loh Cher Zoong, Dr. Yun Kok Onn and Dr. Goh Tiong Jin, a deed of guarantee and indemnity for all the monies from the company and secured by a memorandum of charge (first party) over the shares of a wholly-owned subsidiary, Alliance Medical Group Pte Ltd to be acquired 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.

On 14 June 2019, the bank discharged Dr. Barry Thng Lip Mong, Dr. Loh Cher Zoong, Dr. Yun Kok Onn and Dr. Goh Tiong Jin as guarantors under the deed of guarantee and indemnity for all monies.

22D. Term loan C (secured)

The bank loan is secured by a new open 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.

22E. 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.

23. Trade and other payables

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
<u>Trade payables:</u>				
Outside parties and accrued liabilities	12,539,015	11,087,169	590,963	571,708
Subsidiaries	-	-	1,771,419	1,389,876
Subtotal	12,539,015	11,087,169	2,362,382	1,961,584
<u>Other payables:</u>				
Other payables	289,250	396,634	103,330	163,103
Related parties (Note 3)	121,000	1,127,489	-	818,917
Directors (Note 3)	41,250	2,301,083	41,250	2,221,083
Deposits received	516,319	411,495	16,843	16,843
Subtotal	967,819	4,236,701	161,423	3,219,946
Total trade and other payables	13,506,834	15,323,870	2,523,805	5,181,530

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

24. Provision

	Group	
	2019	2018
	\$	\$
At the beginning of the year	38,739	14,739
Additions	22,620	24,000
Utilisation	(7,739)	-
At end of the year	53,620	38,739

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.

25. Other non-financial liabilities

	Group	
	2019	2018
	\$	\$
Customers advances	42,108	38,010

26. Acquisition of interest in subsidiaries

26A. Acquisitions and disposals of interest in subsidiaries without a change in control

On 28 March 2019, the group acquired additional interests in its subsidiaries pursuant to the Restructuring as described in Note 1.4. Changes in the ownership interest in the subsidiaries that do not result in a change in 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 subsidiaries. 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 attributable to the owners of the parents. The schedule below shows the effects of the changes.

	Before	After	Change
	\$	\$	\$
<u>Group:</u>			
Proportionate share of the carrying amount of the net assets of subsidiaries transferred from non-controlling interests	836,238	-	(836,238)
Loss on acquisition included in other reserves	-	(3,128,394)	(3,128,394)
	-	(3,128,394)	(3,128,394)
	Before	After	Change
	\$	\$	\$
<u>Company:</u>			
Investments in subsidiaries	1,463,000	5,877,632	4,414,632
	1,463,000	5,877,632	4,414,632

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

26. Acquisition of interest in subsidiaries (cont'd)

26A. Acquisitions and disposals of interest in subsidiaries without a change in control (cont'd)

In 2018, additional interests of 10.0% in a subsidiary, My Family Clinic (Clementi) Pte. Ltd., was acquired by Alliance Health Investments Pte. Ltd. for \$8,374 in cash. This increased Alliance Health Investments Pte. Ltd.'s equity interest from 60.0% to 70.0%. The schedule below shows the effects of the changes.

	Before	After	Change
	\$	\$	\$
<u>2018</u>			
Proportionate share of the carrying amount of the net assets of My Family Clinic (Clementi) Pte. Ltd. transferred from non-controlling interests	-	(905)	(905)
	-	(905)	(905)

26B. Acquisitions and disposals of interest in subsidiaries (with change in control)

- (i) My Family Clinic (Clementi 325) Pte. Ltd.

On 1 January 2018 the group acquired 100.0% of the share capital in My Family Clinic (Clementi 325) Pte. Ltd. and from that date the group gained control. The transaction was accounted for by the acquisition method of accounting.

The consideration transferred is as follows:

	2018
	\$
Cash paid	724,395
Total consideration	724,395

The fair values of identifiable assets acquired and liabilities assumed for My Family Clinic (Clementi 325) Pte. Ltd. are shown below.

	2018
	\$
Property, plant and equipment	3,988
Inventories	37,076
Customer relationship	113,543
Deferred tax liabilities	(26,283)
Net assets	128,324

The goodwill arising on acquisition is as follows:

	2018
	\$
Consideration transferred	724,395
Fair value of net assets acquired	(128,324)
Goodwill arising on acquisition (Note 16)	596,071

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

26. Acquisition of interest in subsidiaries (cont'd)

26B. Acquisitions and disposals of interest in subsidiaries (with change in control) (cont'd)

- (i) My Family Clinic (Clementi 325) Pte. Ltd. (cont'd)

The net cash outflow on acquisition was as follows:

	2018
	\$
Purchase consideration	724,395
Net cash outflow for statement of cash flows purposes at end of the year	<u>724,395</u>

The goodwill is not deductible for tax purposes.

- (ii) Lee Clinic, a sole proprietorship

On 16 April 2018, the group, through Alliance Medical Group Pte Ltd acquired the assets and business of Lee Clinic, a sole proprietorship, and from that date the group gained control. The transaction was accounted for by the acquisition method of accounting.

The consideration transferred is as follows:

	2018
	\$
Cash paid	699,114
Total consideration	<u>699,114</u>

The fair values of identifiable assets acquired and liabilities assumed for Lee Clinic are shown below.

	2018
	\$
Inventories	112,304
Customer relationship	17,484
Deferred tax liabilities	(22,064)
Net assets	<u>107,724</u>

The goodwill arising on acquisition was as follows:

	2018
	\$
Consideration transferred	699,114
Fair value of net assets acquired	(107,724)
Goodwill arising on acquisition (Note 16)	<u>591,390</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

26. Acquisition of interest in subsidiaries (cont'd)

26B. Acquisitions and disposals of interest in subsidiaries (with change in control) (cont'd)

- (ii) Lee Clinic, a sole proprietorship (cont'd)

The net cash outflow on acquisition was as follows:

	2018
	\$
Purchase consideration	699,114
Net cash outflow for statement of cash flows purposes at end of the year	699,114

The goodwill was not deductible for tax purposes.

The contributions from the acquisitions of My Family Clinic (Clementi 325) Pte. Ltd. and Lee Clinic for the period from the respective dates of acquisition to the end of the reporting year and for the reporting year as though the acquisitions had been as of the beginning of the reporting year are as follows:

	Group	
	From date of acquisition in 2018	For the reporting year 2018
	\$	\$
Revenue	584,006	1,817,478
Profit before income tax	39,333	304,714

27. 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:

	2019	2018
	\$	\$
Commitments to purchase property, plant and equipment	264,124	1,800,000

28. Operating lease payment commitments - as lessee

At the end of the reporting year the total of future minimum lease payment commitments under cancellable operating leases are as follows:

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Not later than one year	1,596,296	1,349,945	30,240	21,780
Later than one year and not later than five years	1,403,478	1,091,922	21,420	-
Rental expense for the year	1,922,343	1,866,472	29,340	29,040

Operating lease payments are for rentals payable for certain office and clinics premises. The leases from the owners range between 3 and 5 years. Certain leases have an option to renew for a further 2 to 3 years which are not included in the computation above.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

29. Financial instruments: information on financial risks

29A. 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	
	2019	2018	2019	2018
	\$	\$	\$	\$
<u>Financial assets:</u>				
Financial assets at amortised cost	24,172,026	16,988,033	9,974,355	5,717,983
At end of the year	<u>24,172,026</u>	<u>16,988,033</u>	<u>9,974,355</u>	<u>5,717,983</u>
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	18,670,476	19,538,648	4,949,652	7,764,365
At end of the year	<u>18,670,476</u>	<u>19,538,648</u>	<u>4,949,652</u>	<u>7,764,365</u>

Further quantitative disclosures are included throughout these financial statements.

29B. 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.

29C. 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

29. Financial instruments: information on financial risks (cont'd)

29D. 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 19 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.

29E. Liquidity risk – financial liabilities maturity analysis

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

Group	Gross borrowings commitments \$	Trade and other payables \$	Total \$
<u>2019</u>			
Less than one year	1,264,996	13,506,834	14,771,830
One to five years	1,732,196	-	1,732,196
More than five years	2,973,609	-	2,973,609
At end of the year	5,970,801	13,506,834	19,477,635
<u>2018</u>			
Less than one year	1,227,151	15,323,870	16,551,021
One to five years	1,675,861	-	1,675,861
More than five years	1,786,857	-	1,786,857
At end of the year	4,689,869	15,323,870	20,013,739

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

29. Financial instruments: information on financial risks (cont'd)

29E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Company	Gross borrowings commitments	Trade and other payables	Total
	\$	\$	\$
<u>2019</u>			
Less than one year	208,980	2,523,805	2,732,785
One to five years	835,920	-	835,920
More than five years	1,859,778	-	1,859,778
At end of the year	<u>2,904,678</u>	<u>2,523,805</u>	<u>5,428,483</u>
<u>2018</u>			
Less than one year	208,980	5,181,530	5,390,510
One to five years	1,044,900	-	1,044,900
More than five years	1,786,857	-	1,786,857
At end of the year	<u>3,040,737</u>	<u>5,181,530</u>	<u>8,222,267</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 above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

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 (2018: 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.

Bank Facilities:

	Group		Company	
	2019	2018	2019	2018
	\$	\$	\$	\$
Undrawn borrowing facilities	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</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.

29F. Interest rate risk

There is no significant exposure to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

29. Financial instruments: information on financial risks (cont'd)

29G. Foreign currency risk

There is no significant exposure to foreign currency risk as part of its normal business.

30. Items in profit or loss

	Group	
	2019	2018
	\$	\$
Audit fees to the independent auditor of the company	199,700	158,900
Audit fees to the other independent auditor	68	1,168
Other fees to the independent auditor of the company, in connection with IPO (a)	197,220	-
Other fees to the independent auditor of the company	139,564	26,367

(a) Excludes \$35,404 capitalised against share capital as part of IPO expenses (Note 20 (f)).

31. 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) 1-40	Amendments to, Transfer of Investment Property
SFRS(I) 9	Financial Instruments
SFRS(I) 15	Revenue from Contracts with Customers. Amendments to, Clarifications to SFRS(I) 15 Revenue from Contracts with Customers
SFRS(I) INT 22	Foreign Currency Transactions and Advance Consideration

32. 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. Adoption of the applicable new or revised standards are expected to result in some changes in the detailed application of the accounting policies and some modifications to financial statements presentation and measurement. Those that are expected to have a material impact are described below.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 16	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)	1 Jan 2019
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 Jan 2019
SFRS(I) 1-12	Improvements (2017) - Amendments: Income Taxes	1 Jan 2019
SFRS(I) 1-23	Improvements (2017) - Amendments: Borrowing Costs	1 Jan 2019
SFRS(I) 3	Improvements (2017) - Amendments: Business Combinations	1 Jan 2019

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

32. New or amended standards in issue but not yet effective (cont'd)

Leases:

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessor, the accounting remains largely unchanged. As for the finance leases of a lessee, as the financial statements have already recognised an asset and a related finance lease liability for the lease arrangement, the application of the new reporting standard on leases is not expected to have a material impact on the amounts recognised in the financial statements. For the lessee almost all leases will be brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. For the entity's cancellable operating lease commitments as at 30 June 2019 shown in Note 28, a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under the new reporting standard on leases.

Thus, the group and company will have to recognise a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. The table below shows the amount by which each financial statement line item is impacted (debits / (credits)) in the current reporting year 2019 by the application of the new standard on leases:

	Group 2019	Company 2019
	\$	\$
<u>Statement of financial position:</u>		
Right-of-use assets	5,665,650	90,720
Lease liabilities	(5,500,062)	(88,026)
Net change to equity	<u>165,588</u>	<u>2,694</u>

STATISTICS OF SHAREHOLDINGS

AS AT 13 SEPTEMBER 2019

No. of Shares Issued	:	207,888,352
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
No. of Treasury Shares or Subsidiary Holdings	:	Nil

Size of Shareholdings	No. of Shares	%	No. of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	55	17.52	52,900	0.03
1,001 - 10,000	96	30.57	561,200	0.27
10,001 - 1,000,000	148	47.13	16,032,358	7.71
1,000,001 & Above	15	4.78	191,241,894	91.99
Total	314	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.	28 Holdings Pte. Ltd.	8,000,000	3.85
3.	Thng Lip Mong	7,393,323	3.56
4.	Ho Kok Sun	7,223,185	3.47
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.	Oh Yung Shang Gerald (Hu Rongshang Gerald)	3,217,000	1.55
9.	DBS Nominees Pte Ltd	3,046,900	1.47
10.	Yun Kok Onn	1,991,087	0.96
11.	Loh Cher Zoong	1,528,343	0.74
12.	Ang Corey Damien	1,375,065	0.66
13.	Jin Huigang	1,323,000	0.64
14.	Goh Chee Hwei (Wu Zhihui)	1,185,986	0.57
15.	Citibank Nominees Singapore Pte Ltd	1,150,000	0.55
16.	Jin Songqiao	1,000,000	0.48
17.	Lim Cheok Peng	1,000,000	0.48
18.	Goh Tiong Jin	881,831	0.42
19.	UOB Kay Hian Pte Ltd	826,000	0.40
20.	Tan Eileen	800,000	0.38
		195,749,725	94.16

STATISTICS OF SHAREHOLDINGS

AS AT 13 SEPTEMBER 2019

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	0	0.00
Thng Lip Mong ⁽¹⁾	7,393,323	3.56	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 20.00% of the total issued shares in Alpine Investment Holdings Pte. Ltd..

PUBLIC SHAREHOLDING

As at 13 September 2019, approximately 15.59% 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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095 on Thursday, 24 October 2019 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Financial Statements for the financial year ended 30 June 2019 and the Auditor's Report thereon. **(Resolution 1)**
2. To re-elect Dr. Barry Thng Lip Mong, who is retiring pursuant to Article 97 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 1)* **(Resolution 2)**
3. To re-elect Dr. Mok Kan Hwei, Paul, who is retiring pursuant to Article 103 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 2)* **(Resolution 3)**
4. To re-elect Dr. Leong Peng Kheong Adrian Francis, who is retiring pursuant to Article 103 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 3)* **(Resolution 4)**
5. To re-elect Mr. Wong Hin Sun, Eugene, who is retiring pursuant to Article 103 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 4)* **(Resolution 5)**
6. To re-elect Mr. Lim Heng Chong Benny, who is retiring pursuant to Article 103 of the Constitution of the Company, as director of the Company. *(See Explanatory Note 5)* **(Resolution 6)**
7. To approve Directors' fees of S\$42,648 for the financial year ended 30 June 2019 (FY2018: S\$40,000). *(See Explanatory Note 6)* **(Resolution 7)**
8. To approve Directors' fees of S\$150,000 for the financial year ending 30 June 2020. **(Resolution 8)**
9. To re-appoint RSM Chio Lim LLP as auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 9)**

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolution with or without any modifications:

10. Authority to allot and issue shares and convertible securities **(Resolution 10)**

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

NOTICE OF ANNUAL GENERAL MEETING

- (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);
 - (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 7*)

BY ORDER OF THE BOARD

Low Mei Wan
Company Secretary

9 October 2019

Explanatory Notes:

1. Dr. Barry Thng Lip Mong will, upon re-election as Director of the Company, remain as Executive Chairman and CEO of the Company. The detailed information of Dr. Thng can be found under "Board of Directors" and "Corporate Governance Statement" in the Company's Annual Report 2019.
2. Dr. Mok Kan Hwei, Paul will, upon re-election as Director of the Company, remain as Executive Director of the Company. The detailed information of Dr. Mok can be found under "Board of Directors" and "Corporate Governance Statement" in the Company's Annual Report 2019.
3. Dr. Leong Peng Kheong Adrian Francis will, upon re-election, continue to serve as Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nominating Committee. He is considered independent for the purpose of Rule 704(7) of the Catalist Rules. Dr. Leong 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 Dr. Leong can be found under "Board of Directors" and "Corporate Governance Statement" in the Company's Annual Report 2019.

NOTICE OF ANNUAL GENERAL MEETING

4. Mr. Wong Hin Sun, Eugene will, upon re-election, 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 Catalist 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 Statement" in the Company's Annual Report 2019.
5. Mr. Lim Heng Chong Benny will, upon re-election, continue to serve as Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee and Remuneration Committee. He is considered independent for the purpose of Rule 704(7) of the Catalist Rules. Mr. Lim 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. Lim can be found under "Board of Directors" and "Corporate Governance Statement" in the Company's Annual Report 2019.
6. Resolution 7 is to approve the payment of an aggregate amount of S\$42,648 to the independent directors for their services, calculated on a pro rata basis from their respective dates of appointment until 30 June 2019. The Company was listed and quoted on the Catalist Board of the SGX-ST on 31 May 2019 and the independent directors were appointed in February and March 2019.
7. Resolution 10, 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.

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the annual general meeting. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the annual general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
2. A proxy need not be a member of the Company.
3. If the appointor is a corporation, the proxy must be executed under its common seal or under the hand of its representative or attorney duly authorised.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 25 Bukit Batok Crescent, #07-12 The Elitist, Singapore 658066, not less than seventy-two (72) hours before the time appointed for the annual general meeting.
5. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the annual general meeting unless his name appears on the Depository Register not less than seventy-two (72) hours before the time of the annual general meeting. In view of Section 81S(4) of the Securities and Futures Act, a Depositor shall not be regarded as a member of the Company entitled to attend the annual general meeting and to speak and vote thereat unless his name appears in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP") at least seventy-two (72) hours before the annual general meeting. Any Shareholder who is holding his shares via the CDP but whose name is not registered with CDP seventy-two (72) hours before the annual general meeting will not be entitled to attend and vote at the annual general meeting. Accordingly, even if such shareholder deposits his proxy form seventy-two (72) hours before the annual general meeting, his proxy will not be entitled to attend and vote at the annual general meeting.

Personal data privacy:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member'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 annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the annual general meeting (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 (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) 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.

ALLIANCE HEALTHCARE GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 200608233K)

IMPORTANT:

1. 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.
2. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 October 2019.

PROXY FORM

*I/We _____ (Name)

of _____ (Address)

being a member/members of Alliance Healthcare Group Limited (the "**Company**"), hereby appoint

	Name	Address	NRIC/ Passport No.	Proportion of shareholdings (%)
(a)				

and/or (delete as appropriate)

(b)				
-----	--	--	--	--

or failing *him/them, the Chairman of the annual general meeting of the Company ("**Meeting**") as *my/our *proxy/proxies to vote for *me/us on *my/our behalf, at the Meeting to be held at 8 Wilkie Road, #03-08 Wilkie Edge, Singapore 228095 on Thursday, 24 October 2019 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 the resolutions as set out in the notice of Meeting. In the absence of specific directions, the *proxy/proxies will vote or abstain from voting as *he/they may think fit, as *he/they may on any other matter arising at the Meeting.

No.	Resolutions	For	Against
Ordinary Business			
1.	To adopt the Directors' Statement and Audited Financial Statements for the financial year ended 30 June 2019		
2.	To re-elect Dr. Barry Thng Lip Mong as director		
3.	To re-elect Dr. Mok Kan Hwei, Paul as director		
4.	To re-elect Dr. Leong Peng Kheong Adrian Francis as director		
5.	To re-elect Mr. Wong Hin Sun, Eugene as director		
6.	To re-elect Mr. Lim Heng Chong Benny as director		
7.	To approve the Directors' Fees for the financial year ended 30 June 2019		
8.	To approve the Directors' Fees for the financial year ending 30 June 2020		
9.	To re-appoint RSM Chio Lim LLP as Auditors		
Special Business			
10.	To authorise the Directors to issue shares and convertible securities		

Dated this _____ day of _____ 2019

Total no. of shares in:	No. of shares
a) CDP Register	
b) Register of Members	

Signature(s) of individual Shareholder /
Common Seal of Corporate Shareholders

IMPORTANT: PLEASE READ NOTES OVERLEAF

*Delete where applicable.



Notes:

1. 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 ("**SFA**")), 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.
2.
 - (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
 - (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 25 Bukit Batok Crescent, #07-12 The Elitist, Singapore 658066, not less than seventy-two (72) hours before the time set for the Meeting. In view of Section 81S(4) of the SFA, a Depositor shall not be regarded as a member of the Company entitled to attend the Meeting and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the Central Depository (Pte) Limited ("**CDP**") at least seventy-two (72) hours before the Meeting. Any Shareholder who is holding his shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the Meeting will not be entitled to attend and vote at the Meeting. Accordingly, even if such shareholder deposits his proxy form seventy-two (72) hours before the Meeting, his proxy will not be entitled to attend and vote at the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its representative or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which, the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
7. The Company shall be entitled to reject an instrument of proxy 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 instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, 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 CDP to the Company.

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

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

CIMB Bank Berhad, Singapore Branch
DBS Bank Ltd.
Oversea-Chinese Banking Corporation Limited

CATALIST SPONSOR

CIMB Bank Berhad, Singapore Branch
50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623



Alliance Healthcare Group Limited

25 Bukit Batok Crescent
#07-12 The Elitist
Singapore 658066

CREB
Tel: (65) 63278398