

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

PROPOSED ACQUISITION OF 55% SHAREHOLDING INTEREST IN JAGA-ME PTE. LTD.

1. INTRODUCTION

The board of directors (the “**Board**”) of Alliance Healthcare Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Alliance Healthcare Pte. Ltd. (“**AHPL**”), a wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement (the “**SPA**”) on 19 December 2019 with (i) Koo Ming Sheng, Julian, (ii) Kuah Ling Ling, (iii) Singapore Centre for Social Enterprise, Raise Ltd., (iv) Rainer Gumpert, (v) Sia Swie Kean Stanley, (vi) Publicis 90 FIPS, (vii) Koh Chin Seng, (viii) Chong Kie Cheong, (ix) Ang Tshun Yuan, (x) Soon Choong Hsien Paul (Sun Zhongxian Paul), (xi) Padmanabhan Abhayakumar, (xii) Yong Kwet Yew, (xiii) Lim Hwee Sin, (xiv) Michelle Cheo Hui Ning, (xv) Lim Hua Min, Joanne (Lin Huamin, Joanne), (xvi) Jeremy Lim Fung Yen and (xvii) Har Jia Yi (hereinafter collectively, the “**Vendors**”) to purchase an aggregate of 357,463 ordinary shares (the “**Sale Shares**”) in the capital of Jaga-Me Pte. Ltd. (“**Jaga-Me**”) for an aggregate cash consideration of S\$1,501,344.60 (“**Purchase Consideration**”) (the “**Purchase**”). The Purchase Consideration is S\$4.20 for each Sale Share.

In conjunction with the Purchase, AHPL has also entered into a share subscription agreement (the “**SSA**”) with Jaga-Me, and the founders of Jaga-Me, namely Koo Ming Sheng, Julian and Kuah Ling Ling (collectively, the “**Founders**”), on 19 December 2019, in relation to the subscription by AHPL of 1,018,497 new ordinary shares (the “**Subscription Shares**”) in the capital of Jaga-Me for an aggregate cash consideration of S\$2,000,000 (“**Subscription Consideration**”) (the “**Subscription**”). The Subscription Consideration is approximately S\$1.964 for each Subscription Share. The Subscription Shares are allotted and issued by Jaga-Me free from all encumbrances, credited as fully paid, and rank *pari passu* in respects with and carry all rights similar to the existing shares of Jaga-Me.

The Purchase and the Subscription shall hereinafter be referred to as the “**Transaction**”. The Transaction constitutes a “discloseable transaction” under Chapter 10 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”).

The Sale Shares and the Subscription Shares together represent 55.00% of the enlarged issued share capital of Jaga-Me. Accordingly, following completion of the Transaction, AHPL will own 55.00% of the issued share capital of Jaga-Me and Jaga-Me shall become a subsidiary of the Group.

2. INFORMATION ON JAGA-ME

Jaga-Me is a company incorporated in Singapore on 23 November 2015. As at the date of the SPA and SSA, Jaga-Me has an issued and paid-up share capital of S\$1,459,534 comprising 1,483,248 ordinary shares and no other outstanding share options or convertible instruments. After completion of the Transaction, Jaga-Me will have an issued and paid-up share capital of S\$3,459,534 comprising 2,501,745 ordinary shares (“**Jaga-Me Shares**”) and the shareholders and respective shareholding of Jaga-Me will be as follows:

S/N	Shareholder	Ordinary Shares held	Shareholding Percentage
1	KOO MING SHENG JULIAN	408,100	16.310%
2	KUAH LING LING	424,831	16.980%
3	ANGELA RENAYANTI DHARMAWAN	7,436	0.300%
4	CLARA CHUA KIAH HWII	7,436	0.300%
5	HAR JIA YI	4,117	0.160%
6	ANG TSHUN YUAN	17,399	0.690%
7	SOON CHOONG HSIEN PAUL (SUN ZHONGXIAN PAUL)	17,399	0.690%
8	PADMANABHAN ABHAYAKUMAR	17,399	0.690%
9	CHONG KIE CHEONG	19,183	0.770%
10	KOH CHIN SENG	22,549	0.900%
11	SINGAPORE CENTRE FOR SOCIAL ENTERPRISE, RAISE LTD.	51,077	2.040%
12	PUBLICIS 90 FIPS	22,947	0.920%
13	SIA SWIE KEAN STANLEY	26,924	1.080%
14	YONG KWET YEW	13,462	0.540%
15	LIM HWEE SIN	13,462	0.540%
16	MICHELLE CHEO HUI NING	13,462	0.540%
17	LIM HUAMIN, JOANNE (LIN HUAMIN, JOANNE)	6,731	0.270%
18	JEREMY LIM FUNG YEN	4,947	0.200%
19	RAINER GUMPERT	26,924	1.080%
20	ALLIANCE HEALTHCARE PTE. LTD.	1,375,960	55.000%
TOTAL		2,501,745	100.00%

Jaga-Me has designed and developed an award-winning digital healthcare platform whose mission is to empower patients across Asia with seamless and reliable access to quality healthcare, beyond the walls of traditional institutions like hospitals, clinics and care facilities.

Jaga-Me's proprietary digital platform enables consumers to use a mobile web application to schedule and pay for clinical services, medical equipment and consumables - which are delivered to a patient in the comfort of their home.

At an enterprise-level, Jaga-Me enables healthcare institutions to extend care delivery and monitoring capabilities into patients' homes, thereby improving patient outcomes while reducing hospitalization costs. Jaga-Me has demonstrated this in partnership with leading hospitals (including 2 of the largest restructured hospitals in Singapore), specialist clinics, and community care organizations. In addition, Jaga-Me has also partnered with 2 insurers to provide value-added services for patients with chronic and post-hospitalization needs.

Jaga-Me curates and deploys a network of over 500 licensed healthcare professionals - the majority of these professionals being registered nurses, complemented by therapists and certified caregivers. These independent professionals collaborate remotely through Jaga-Me's platform, which provides

secured access to health data, clinical reports and clinical workflows, in order that personalized care can be delivered to multiple patients simultaneously, nation-wide.

In recognition of the societal good pioneered by Jaga-Me's innovative product and business model, it was awarded the prestigious President's Challenge Social Enterprise Award in 2017.

Based on the audited financial statements of Jaga-Me for the financial year ended 31 December 2018 ("FY 2018"), Jaga-Me incurred a net loss of S\$682,247 and had net tangible assets of S\$387,794. Jaga-Me is principally engaged in the operation of its digital healthcare platform and does not have any other business segment. The Company and AHPL did not commission any independent valuation of Jaga-Me.

The key financials of Jaga-Me is disclosed in the table below.

	Period ended 31 December 2016 ¹	FY 2017	FY 2018
	S\$	S\$	S\$
Net loss after tax	4,683	384,810	682,247
Non-current assets	-	22,900	18,513
Current assets	155,817	262,494	477,187
- Cash and cash equivalents	141,776	225,423	421,140
Non-current liabilities	-	226,932	-
- Convertible bonds	-	226,932	-
Current liabilities	4,500	68,887	107,906
- Trade and other payables	4,500	68,887	107,906
Capital and reserves	151,317	(10,425)	387,794
- Share capital	156,000	156,000	1,459,534
- Accumulated losses	(4,683)	(389,493)	(1,071,740)

3. DETAILS OF THE TRANSACTION

(1) PURCHASE CONSIDERATION AND SUBSCRIPTION CONSIDERATION

The Purchase Consideration and the Subscription Consideration were arrived at after arm's length negotiations and taking into account, inter alia, the management's expertise, the technological know-how, the market potential of Jaga-Me's platform, the future plans and business prospects of Jaga-Me, and benchmarking against the past transacted value of the Jaga-Me's shares.

In addition, the Subscription Consideration was negotiated after considering the working capital requirements and projected capital investment of Jaga-Me. The Board is of the view that it is more appropriate to consider the potential earnings prospects of Jaga-Me rather than adopting an asset based valuation approach such as net tangible assets as Jaga-Me is a healthcare business. The completion of the Proposed Acquisition is subject to amongst others satisfactory due diligence by AHPL.

The Purchase Consideration and the Subscription Consideration will be payable in cash upon completion of the Purchase and the Subscription as the case may be.

To fund the Transaction, the Company intends to partly use the proceeds raised from its initial public offering amounting to S\$1,050,000 and has procured a bank loan which is intended to be drawn down at completion of the Transaction.

¹ The financial period is from 23 November 2015, date of incorporation, to 31 December 2016.

(2) CONDITIONS PRECEDENT

Completion of the SPA and SSA is subject to, *inter alia*, the following conditions precedent being satisfied:

- (i) the completion of satisfactory financial, tax and legal due diligence by AHPL on Jaga-Me;
- (ii) the execution of service agreements with each of the Founders; and
- (iii) the execution of the amended and restated shareholders' agreement of Jaga-Me ("**Amended and Restated SHA**") and the adoption of the amended constitution of Jaga-Me.

(3) PUT OPTION AND CALL OPTION

Pursuant to the terms of the Amended and Restated SHA, AHPL shall have an irrevocable option to purchase all (and not only some) of the Jaga-Me Shares held by the shareholders of Jaga-Me (excluding the Founders and employee shareholders) ("**Relevant Shareholders**") (the "**Call Option**"). Each Relevant Shareholder shall also have an irrevocable option to sell all (and not only some) of such Relevant Shareholder's respective Jaga-Me Shares to AHPL (the "**Put Option**"). The Call Option and Put Option, if exercised by AHPL or all of the Relevant Shareholders, comprise 292,854 of Jaga-Me Shares (the "**Put and Call Option Shares**").

The Call Option

The Relevant Shareholders shall grant to AHPL the right to require the Relevant Shareholders to sell all (and not only some) of the Jaga-Me Shares held by Relevant Shareholders on the terms and subject to the conditions as set out in the Amended and Restated SHA.

The Call Option shall only be exercisable within 3 months from (each of) the date of Jaga-Me's audited accounts for the previous, most recently completed financial year which indicates that Jaga-Me's net operating profit after tax ("**NOPAT**") is S\$1.5 million or higher. The purchase consideration for the Call Option shall be S\$4.80 per Jaga-Me Share (the "**Call Option Exercise Price**") to be satisfied, at the sole discretion of AHPL, by way of (i) a cash consideration; and/or (ii) ordinary shares in the Capital of the Company ("**Shares**"); or (iii) a combination of a cash consideration and Shares (the "**Call Option Consideration**"). Where the Call Option Consideration consists of Shares, the issue price of the Shares is equal to the volume weighted average price for trades done on the Company's Shares on the SGX-ST for a period of 3 months prior to the day of the Call Option Exercise Notice (as defined below). Where the Call Option is exercised by AHPL, AHPL shall pay to the Relevant Shareholders the Call Option Consideration within 3 months from the date of the Call Option Exercise Notice.

The number of Shares to be issued by the Company arising from the exercise of the Call Option is not fixed at the time of grant of these options. Accordingly, in the event that the Company decides to pay the Call Option Consideration by way of issuance of its Shares, the Call Option shall be further subject to the requirements under Chapter 10 of the Catalist Rules at such time of exercise.

The Call Option may be exercised by delivery of a notice in writing signed by or for AHPL to Jaga-Me (the "**Call Option Exercise Notice**") during the period commencing on the date of the Amended and Restated SHA and ending on 30 June 2023 ("**Call Option Exercise Period**"). For the avoidance of doubt, the Call Option shall automatically lapse and cease to be valid, binding and exercisable if not exercised on or before the expiry of the Call Option Exercise Period.

The Put Option

AHPL shall grant to all the Relevant Shareholders the right to require AHPL to purchase from the Relevant Shareholder(s) all (and not only some) of the Jaga-Me Shares held by the respective

Relevant Shareholder(s) on the terms and subject to the conditions as set out in the Amended and Restated SHA.

The Put Option shall only be exercisable within 3 months from (each of) the date of Jaga-Me's audited accounts for the previous, most recently completed financial year which indicates that (i) Jaga-Me's NOPAT is S\$1.5 million or higher, and/or (ii) Jaga-Me's operating revenue is S\$4 million or higher. Where the Put Option is exercised where Jaga-Me's NOPAT is S\$1.5 million or higher, the purchase consideration shall be S\$4.80 per Jaga-Me Share (the "**Put Option Exercise Price 1**") to be satisfied, at the sole discretion of AHPL, by way of (i) a cash consideration; and/or (ii) Shares; or (iii) a combination of a cash consideration and Shares. Where the Put Option is exercised where Jaga-Me's operating revenue is S\$4 million or higher, the purchase consideration shall be S\$3.00 per Jaga-Me Share (the "**Put Option Exercise Price 2**") to be satisfied, at the sole discretion of AHPL, by way of (i) a cash consideration; and/or (ii) Shares; or (iii) a combination of a cash consideration and Shares (the purchase consideration under Put Option Exercise Price 1 and Put Option Exercise Price 2 shall hereinafter be referred to as the "**Put Option Consideration**"). Where the Put Option Consideration consists of Shares, the issue price is equal to the volume weighted average price for trades done on the Company's Shares on the SGX-ST for a period of 3 months prior to the day of the Put Option Exercise Notice (as defined below). For the avoidance of doubt, where Jaga-Me's audited accounts for the previous, most recently completed financial year indicates that the Jaga-Me's NOPAT is S\$1.5 million or higher, and its operating revenue is S\$4 million or higher, the purchase consideration for the Put Option shall be the Put Option Exercise Price 1 to be satisfied, at the sole discretion of AHPL, by way of the Put Option Consideration. Where the Put Option is exercised by the Relevant Shareholder(s), AHPL shall pay to the Relevant Shareholder(s) the Put Option Consideration within 3 months from the date of the Put Option Exercise Notice.

The number of Shares to be issued by the Company arising from the exercise of the Put Option is not fixed at the time of grant of these options. Accordingly, in the event that the Company decides to pay the Put Option Consideration by way of issuance of its Shares, the Call Option shall be further subject to the requirements under Chapter 10 of the Catalist Rules at such time of exercise.

For the avoidance of doubt, where Jaga-Me's NOPAT is S\$1.5 million or higher, either AHPL or the Relevant Shareholder(s) may exercise the Call Option or Put Option.

The Put Option may be exercised by delivery of a notice in writing signed by or for the Relevant Shareholder(s) exercising the Put Option to AHPL (the "**Put Option Exercise Notice**") during the period commencing on the date of the Amended and Restated SHA and ending on 30 June 2023 ("**Put Option Exercise Period**"). For the avoidance of doubt, the Put Option shall automatically lapse and cease to be valid, binding and exercisable if not exercised on or before the expiry of the Put Option Exercise Period.

The Put and Call Option Shares

There is no moratorium imposed on the Put and Call Option Shares.

The Put and Call Option Shares, when issued and delivered, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and shall carry rights similar to the existing Jaga-Me Shares except that they will not rank for any dividend, right or allotment or other distributions, the record date for which falls on or before the issuance of the Put and Call Option Shares. The restrictions of share transfers and pre-emption rights as contained in the Amended and Restated SHA shall not apply to any transfers made pursuant to the exercise of the Call Option and/or Put Option and each Relevant Shareholder waives all rights of pre-emption whatsoever it may have (whether under the constitution of Jaga-Me or otherwise) in relation to any transfer of Jaga-Me Shares pursuant to the exercise of the Call Option and/or Put Option.

For the avoidance of doubt, each Relevant Shareholder is entitled to exercise the Put Option in respect of its respective Jaga-Me Shares and independent of other Relevant Shareholders.

Resultant shareholding effects of the Put and Call Option

In the event that AHPL exercises the Call Option or all the Relevant Shareholders exercise the Put Option where Jaga-Me's NOPAT is S\$1.5 million or higher, AHPL shall purchase an additional 292,854 Jaga-Me Shares for an aggregate cash consideration of S\$1,405,699.20 (the "**Additional Consideration 1**"), thereby increasing AHPL's shareholding interest in the capital of Jaga-Me from 55.00% to 66.71%.

In the event that all the Relevant Shareholders exercise the Put Option where Jaga-Me's operating revenue is S\$4 million or higher, AHPL shall purchase an additional 292,854 Jaga-Me Shares for an aggregate cash consideration of S\$878,562.00 (the "**Additional Consideration 2**"), thereby increasing AHPL's shareholding interest in the capital of Jaga-Me from 55.00% to 66.71%.

The Additional Consideration 1 and Additional Consideration 2 were arrived at after arm's length negotiations and taking into account, inter alia, the business prospects, profitability and financial performance of Jaga-Me and accordingly its indicative prospects at the time of exercise of the options.

4. RATIONALE FOR THE TRANSACTION

The Board believes that the Transaction is in the best interest of the Company as the partnership with Jaga-Me will allow the Group to leverage Jaga-Me's mobile health capabilities and scalable digital platform to support the delivery of holistic care to patients across their entire healthcare journey, spanning the workplace, clinic, hospital and home. Post-acquisition, the board of Jaga-Me will comprise of representatives from the Company, namely Dr Barry Thng Lip Mong, Executive Chairman and Chief Executive Officer, and Ms Jenny Oh, Chief Operating Officer, as well as the Founders. Dr Thng will be the Chairman of the board and have the casting vote in the event of an equality of votes at any board meeting. It is intended that the existing key management of Jaga-Me, being the Founders, will continue in their current roles at Jaga-Me after completion of the Proposed Acquisition.

In the course of assessing potential acquisition targets for the Group, the Company identified Jaga-Me as a suitable target. Dr Barry Thng Lip Mong first approached the Founders of Jaga-Me in 2019. There were no known prior relationships between the Board, key management of the Company and the Vendors before this approach.

For the Group's insurance partners and corporate clients, synergies between the Group and Jaga-Me will result in differentiated and cost-effective solutions for medical needs such as hospitalization, critical illness care, and chronic care - further strengthening the Group's product portfolio and competitive advantage in an environment where patients are demanding higher levels of convenience and personalization through smartphone technology.

5. CHAPTER 10 OF THE CATALIST RULES

Based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2019 ("**FY 2019**"), the relative figures for the Transaction computed on the relevant bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable

Rule 1006	Bases	Relative Figures
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	Not meaningful ⁽¹⁾
(c)	The aggregate value of the consideration given or received compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	13.9% ⁽²⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽³⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not an acquisition of such assets	Not available

Notes:

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

Based on the audited consolidated financial statements of the Group for FY 2019, the net profits of the Group was approximately S\$1.25 million.

Based on the audited financial statements of Jaga-Me for FY 2018, the net loss of Jaga-Me was approximately S\$682,247.

- (2) The aggregate value of consideration is computed based on the sum of the Purchase Consideration, the Subscription Consideration and the Additional Consideration 1.

The Company's market capitalisation of approximately S\$35.3 million was computed based on the volume weighted average price of S\$0.1698 on 6 December 2019 (being the last full market day preceding the date of the SPA and SSA on which there was trading in the Company's Shares) and the Company's share capital of 207,888,352 Shares.

- (3) In computing the relative percentage under Rule 1006(c), the Company has used the aggregate of the Purchase Consideration, the Subscription Consideration and the Additional Consideration 1 (being the higher of the Additional Consideration 1 and Additional Consideration 2). While the Call Option Exercise Price and the Put Option Exercise Price have been included in computation for the purpose of Rule 1006(c), the Company is not able to determine the relative percentage for Rule 1006(d) of the Catalist Rules as the number of Shares to be issued by the Company arising from the exercise of the Call Option and the Put Option is not fixed at the time of grant of these options. Accordingly, in the event that the Company decides to pay the Call Option Consideration and/or the Put Option Consideration by way of issuance of its Shares, the Call Option and the Put Option shall be further subject to the requirements under Chapter 10 of the Catalist Rules at such time of exercise.

Pursuant to Rule 1007(1) of the Catalist Rules, as the relative figure calculated under Rule 1006(b) involves a negative figure, the Company has consulted the SGX-ST through its Sponsor, CIMB Bank Berhad, Singapore Branch on the treatment of the relative figure for Rule 1006(b). The SGX-ST has

indicated that it has no objection to the Company's view that the Transaction constitutes a disclosable transaction as defined under Chapter 10 of the Catalyst Rules.

6. FINANCIAL EFFECTS OF THE TRANSACTION²

For the purposes of illustration only, the following is an illustration of the pro forma financial effects of the Transaction on the net tangible assets per share ("NTA") and earnings per share ("EPS") based on the Group's audited consolidated financial statements for FY 2019.

(1) NTA

Purely for illustrative purposes only, assuming that the Transaction had been effected on 30 June 2019, the effect of the Transaction on the Group's NTA per share as at 30 June 2019 will be as follows:

	As at 30 June 2019	After the Transaction
NTA (S\$'000)	13,624	11,436
Number of Shares ('000)	207,888	207,888
NTA per Share (S\$ cents)	6.55	5.50

(2) EPS

Purely for illustrative purposes only, assuming that the Transaction had been effected on 1 July 2018, the effect of the Transaction on the Group's EPS for FY 2019 will be as follows:

	FY 2019	After the Transaction
Net profit attributable to shareholders (S\$'000)	318	(58)
Weighted average number of Shares ('000)	164,572	164,572
EPS (S\$ cents)	0.19	(0.04)

7. SERVICE CONTRACT

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

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

9. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Transaction, the Company, and its subsidiaries, and the directors of the

² The final financial effects assume that none of the Put Option and Call Option are exercised.

Company are not aware of any facts the omission of which would make any statement in this announcement misleading.

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

10. FURTHER ANNOUNCEMENT(S)

The Company will make the relevant announcement(s) upon completion of the Transaction.

11. DOCUMENTS FOR INSPECTION

Copies of the SPA and SSA are available for inspection during normal business hours at the Company's registered office at 25 Bukit Batok Crescent, #07-12 The Elitist, Singapore 658066 for a period of 3 months commencing from the date of this announcement.

BY ORDER OF THE BOARD

Dr Barry Thng Lip Mong
Executive Chairman and Chief Executive Officer

19 December 2019

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor") in accordance with Rule 226(2)(b) of the Catalist Rules. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Tan Cher Ting, Director, Investment Banking, CIMB Bank Berhad, Singapore Branch, at 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.