

CIRCULAR TO SHAREHOLDERS DATED 13 OCTOBER 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to page 26 of this Circular in respect of actions to be taken if you wish to attend and vote at the Extraordinary General Meeting.

This Circular has been prepared by Alliance Healthcare Group Limited (the “**Company**”) with assistance and legal advice by Bayfront Law LLC, and 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 Catalist. This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. 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.



ALLIANCE HEALTHCARE GROUP LIMITED
(Company Registration No.: 200608233K)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE OF THE COMPANY

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	: 25 October 2020 at 3.00 p.m.
Date and time of Extraordinary General Meeting	: 28 October 2020 at 3.00 p.m. (or immediately after the conclusion of the Company’s annual general meeting to be held at 2.30 p.m. on the same day, by electronic means)
Place of Extraordinary General Meeting	: The Extraordinary General Meeting of the Company will be held by way of electronic means.

TABLE OF CONTENTS

DEFINITIONS.....	3
LETTER TO SHAREHOLDERS.....	7
1. INTRODUCTION.....	7
2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE.....	7
3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	22
4. DIRECTORS RECOMMENDATION.....	22
5. EXTRAORDINARY GENERAL MEETING.....	22
6. ACTIONS TO BE TAKEN BY SHAREHOLDERS.....	22
7. DIRECTORS' RESPONSIBILITY STATEMENT.....	23
8. DOCUMENTS AVAILABLE FOR INSPECTION.....	23

DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:-

- “ACRA”** : The Accounting & Corporate Regulatory Authority of Singapore
- “Act” or “Companies Act”** : Companies Act, Chapter 50 of Singapore, as amended from time to time
- “AGM”** : Annual general meeting of the Company
- “Associate”** : (a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board” or “Board of Directors”** : The board of directors of the Company for the time being
- “Business Day”** : A day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Company”** : Alliance Healthcare Group Limited
- “Constitution”** : The Constitution of the Company, as amended, supplemented or modified from time to time
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
 - (b) in fact exercises control over the Company

DEFINITIONS

“Director(s)”	: The directors of the Company as at the Latest Practicable Date
“EGM”	: The extraordinary general meeting of the Company to be held on 28 October 2020
“EPS”	: Earnings per Share
“FY” or “Financial Year”	: Financial year ended or, as the case may be, ending 30 June
“Group”	: The Company and its Subsidiaries
“Interested Person”	: As defined in the Catalist Rules, an interested person, in the case of the Company, means: (a) a Director, Chief Executive Officer, or Controlling Shareholder of the Company; or (b) an Associate of any such Director, Chief Executive Officer, or Controlling Shareholder.
“Latest Practicable Date”	: The latest practicable date prior to the printing of this Circular, being 23 September 2020
“Market Day(s)”	: A day or days on which the SGX-ST is open for securities trading
“Market Purchase(s)”	: Has the meaning as ascribed in Paragraph 2.3.3 (a) of this Circular
“NAV”	: Net asset value
“Notice of EGM”	: The notice of the EGM dated 13 October 2020
“NTA”	: Net tangible assets of the Group
“Off-Market Purchase(s)”	: Has the meaning ascribed in Paragraph 2.3.3 (b) of this Circular
“Ordinary Resolution”	: The ordinary resolution as set out in the Notice of EGM
“PDPA”	: The Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore as amended, modified or supplemented from time to time
“Proxy Form”	: The proxy form in respect of the EGM as set out in this Circular
“Relevant Period”	: The period commencing from the date on which the resolution in relation to the adoption of the Share Buyback Mandate is passed at the EGM and expiring on the earliest of the date the next AGM is held or is required by law to be held, or the date on which the Share Buyback is carried out to the full extent mandated, or the date the said mandate is revoked or varied by the Company in a general meeting

DEFINITIONS

- “Securities Account”** : A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
- “SFA”** : Securities and Futures Act (Cap. 289) of Singapore, as amended or modified from time to time
- “SGX-ST”** : The Singapore Exchange Securities Trading Limited
- “Share Buyback”** : The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Buyback Mandate
- “Share Buyback Mandate”** : The general and unconditional mandate given by Shareholders to authorize the Directors to exercise all powers of the Company to purchase or otherwise acquire, on behalf of the Company, issued Shares within the Relevant Period in accordance with the terms set out in this Circular, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
- “Share(s)”** : Ordinary share(s) in the issued capital of the Company
- “Shareholders”** : Registered holder(s) of Shares in the register of members of the Company, except where the registered holder is CDP, in which case the term “Shareholders” shall, in relation to such shares, mean the Depositors who have Shares entered against their name in the Depository Register of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts.
- “Subsidiaries”** : The subsidiaries of the Company (as defined in Section 5 of the Companies Act) and “Subsidiary” shall be construed accordingly
- “Substantial Shareholder”** : Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the SFA, being a person who:
- (a) has an interest or interests in one (1) or more Shares (excluding treasury shares) in the Company; and
 - (b) the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the Shares (excluding treasury shares) of the Company
- “Take-over Code”** : The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
- “Treasury Shares”** : Shares purchased or acquired by the Company pursuant to the Share Buyback Mandate and held by the Company in accordance with Section 76H of the Companies Act and have been continuously held by the Company since purchase
- “S\$” and “cents”** : Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
- “%” or “per cent”** : Per cent. or percentage

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules, the Take-over Code, or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Catalist Rules, or the Take-over Code or such modification thereof, as the case may be, unless the context otherwise requires.

Any discrepancies in the tables included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them. Where applicable, figures and percentages are rounded to the nearest one decimal place.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless stated otherwise.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

LETTER TO SHAREHOLDERS

ALLIANCE HEALTHCARE GROUP LIMITED

(Company Registration No.: 200608233K)

(Incorporated in the Republic of Singapore)

Directors:

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)

Registered Office:

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

13 October 2020

To: The shareholders of Alliance Healthcare Group Limited

Dear Sir / Madam

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE OF THE COMPANY

1. INTRODUCTION

The Directors of the Company intend to seek the approval of Shareholders for the proposed adoption of the Share Buyback Mandate.

In connection therewith, this Circular has been prepared to provide Shareholders with information relating to the above matter and to seek their approval for the same at the EGM to be convened.

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1 Background

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Catalist Rules and such other laws and regulations as may, for the time being, be applicable.

Article 13(b) of the Company's Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares on such terms as the Company may think fit, and in the manner prescribed by the Companies Act. The Company is also required to obtain approval of its Shareholders at a general meeting if it wishes to purchase or acquire its own Shares.

Accordingly, approval is being sought from Shareholders at the EGM for the proposed adoption of the Share Buyback Mandate. The Share Buyback Mandate is a general mandate to be given by the Shareholders that allows the Company to purchase or acquire its issued Shares at any time during the Relevant Period and on the terms of the Share Buyback Mandate.

If approved by Shareholders at the EGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the EGM at which the proposed adoption of the Share Buyback Mandate is approved and continues to be in force for the duration of the Relevant Period, which is until the earliest of the date on which the next AGM is held or is required by law to be held, or when share buybacks pursuant to a Share Buyback Mandate are carried out to the full extent mandated, or the date the said mandate is varied or revoked by the Company in general meeting (whereupon it will lapse, unless renewed at such meeting).

LETTER TO SHAREHOLDERS

2.2 Rationale for the Share Buyback Mandate

The rationale for the adoption of the Share Buyback Mandate to allow the Company to undertake a purchase or acquisition of its Shares is as follows:

- (a) The Directors are constantly seeking to increase Shareholders' value and to improve, *inter-alia* the return on equity of the Group. Amongst other alternative corporate actions, Share Buybacks at the appropriate price level are one of the ways through which the return on equity of the Company may be enhanced;
- (b) The Share Buyback Mandate will give the Directors the flexibility to purchase or acquire Shares as and when circumstances permit;
- (c) The Share Buyback Mandate will provide the Company with greater flexibility in managing its capital and maximizing returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost efficient manner; and
- (d) The Directors further believe that a Share Buyback by the Company may help mitigate short-term market or price volatility, offset the effects of short-term share speculation or demand and bolster Shareholders' confidence.

The purchase or acquisition of Shares will only be undertaken if the Directors believe it can benefit the Company and its Shareholders. No purchase or acquisition of Shares will be made in circumstances which would or may have a material adverse effect on the listing status of the Shares on the SGX-ST, the liquidity and capital adequacy positions of the Company or the Group, or result in the Company being delisted from the SGX-ST.

2.3 Authority and Limits of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate, for which the approval is sought, are summarized below:

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed 10% of the total number of issued Shares of the Company (excluding Treasury Shares and subsidiary holdings, if any) as at the date of the EGM at which the proposed adoption of the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. Any Shares which are held as Treasury Shares will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes only, based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 207,888,352 Shares, and assuming that no further Shares are issued on or prior to the EGM, not more than 20,788,835 Shares (representing 10% of the total number of issued and paid-up Shares) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

Shareholders should note that this limit of 10% is subject further to the public float requirement as set out in detail in Paragraph 2.11 of this Circular.

LETTER TO SHAREHOLDERS

2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the EGM at which the proposed adoption of the Share Buyback Mandate is approved up to the earlier of:

- (a) the conclusion of the next AGM or the date by which such AGM of the Company is held or required by law to be held;
- (b) the date on which the purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting,

(the “**Relevant Period**”).

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next AGM of the Company or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous twelve (12) months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares can be effected by the Company by way of:

- (a) on-market purchases transacted on the SGX-ST through the SGX-ST or any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback (“**Market Purchase(s)**”); and/or
- (b) off-market purchases (if effected otherwise than on a securities exchange) in accordance with an “equal access scheme” as defined in Section 76C of the Act (“**Off-Market Purchase(s)**”).

In an Off-Market Purchase, the Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalist Rules, the Companies Act, the Constitution and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Act, an Off-Market Purchase must satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares, to purchase or acquire the same percentage of their Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and

LETTER TO SHAREHOLDERS

- (c) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:
 - (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividends entitlements;
 - (ii) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to Rule 870 of the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off- Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions of Shares; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

2.3.4 Maximum Purchase Price

The purchase price per Share (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share purchased or acquired pursuant to the Share Buyback Mandate will be determined by the Directors, provided that such purchase price must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares (as defined hereinafter),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

LETTER TO SHAREHOLDERS

For the above purposes of determining the Maximum Price:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-Market Day period.

“**date of making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchase or Acquired Shares

Under Section 76B of the Companies Act, any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation) unless such Share is held by the Company as Treasury Shares to the extent permitted in accordance with Section 76H of the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act) will be automatically delisted by the SGX-ST, and (where applicable) the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase or acquisition of Shares by the Company, the Directors may decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, as the Directors deem fit in the interest of the Company at that time.

2.5 Treasury Shares

Under the Companies Act, the Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Certain of the provisions on Treasury Shares under the Companies Act are summarised below:

2.5.1 Maximum Holdings

The aggregate number of Shares held as Treasury Shares shall not at any time exceed 10% of the total number of issued Shares of the Company. In the event that the aggregate number of Treasury Shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess Treasury Shares in accordance with Section 76K of the Companies Act within six (6) months from the day the aforesaid limit is first exceeded or such further periods as ACRA may allow.

LETTER TO SHAREHOLDERS

2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of the Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of Treasury Shares. However, the allotment of shares as fully paid bonus shares in respect of the Treasury Shares is allowed.

The Treasury Shares may be sub-divided or consolidated, so long as the total value of the Treasury Shares after such sub-division or consolidation is the same as the total value of the Treasury Shares before the sub-division or consolidation, as the case may be.

2.5.3 Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time but subject always to the Take-over Code:

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the "**usage**"), stating the following:

- (a) the date of the usage;
- (b) the purpose of the usage;
- (c) the number of Treasury Shares comprised in the usage;
- (d) the number of Treasury Shares before and after the usage;
- (e) the percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage; and
- (f) the value of the Treasury Shares comprised in the usage.

LETTER TO SHAREHOLDERS

2.6 Reporting Requirement

Within thirty (30) days of the passing of the Ordinary Resolution to approve the Share Buyback Mandate, the Company shall, pursuant to Section 76B(9)(a) of the Companies Act, lodge a copy of such resolution with ACRA.

In addition, the Company shall, under Section 76B(9)(b) of the Act, notify ACRA in the prescribed form within thirty (30) days of any purchase or acquisition of Shares on the SGX-ST under the Share Buyback Mandate. Such notification shall include, *inter alia*, details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchase or acquisition of Shares and the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

Rule 871 of the Catalist Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; or
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company will make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.7 **Sources of Funds**

In purchasing or acquiring its own Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution, the Catalist Rules and the applicable laws in Singapore.

The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

It is an offence for a Director or an officer of the Company to approve or authorize the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to Section 76F(4) of the Act, a company is solvent if:

- (a) there is no ground on which the company could be found to be unable to pay its debts at the time of the payment referred to in subsection 1 of Section 76F of the Companies Act and will be able to pay its debts as they fall due in the normal course of business during the period of twelve (12) months immediately following the date of payment; and
- (b) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase, acquisition or release, become less than the value of its liabilities (including contingent liabilities).

The Companies Act currently permits the Company to purchase or acquire its Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

LETTER TO SHAREHOLDERS

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance purchases or acquisitions of its Shares pursuant to the Share Buyback Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. However, in considering the option of external financing, the Board will consider particularly the prevailing gearing level of the Group and the cost of such external financing. The Board will only make purchases or acquisitions of Shares pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the Company and Group's NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase price paid for such Shares and the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or otherwise acquired are cancelled or held as Treasury Shares.

2.8.1 Key Assumptions

The financial effects set out in Paragraph 2.8.2 below have been prepared based on the latest audited financial statements of the Company for the most recently completed financial year, being financial year ended 30 June 2020 ("FY2020"), and on the following key assumptions:

(a) Purchase or Acquisition out of Capital and/or Profits

Pursuant to the Act, any payment made by the Company in consideration of the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits, so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration (including brokerage, stamp duties, applicable goods and services tax and other related expenses) paid by the Company for the purchase or acquisition of Shares is made out of capital, this will not reduce the amount available for the distribution of cash dividends by the Company.

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations of assets or estimates of liabilities. In determining the value of the contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

LETTER TO SHAREHOLDERS

(b) Number of Shares Purchased or Acquired

Based on 207,888,352 Shares in issue as at the Latest Practicable Date, and assuming that no further Shares are issued, purchased and kept as Treasury Shares on or prior to the EGM, the purchase or acquisition by the Company of 10% of its issued Shares will result in the purchase or acquisition of 20,788,835 Shares (“**Maximum Buyback Shares**”).

(c) Aggregate Consideration Paid for Maximum Buyback Shares

Assuming that the Company purchases or acquires or made an offer to purchase the Maximum Buyback Shares, the maximum amount of funds (excluding related expenses of the purchase or acquisition) required for the purchase or acquisition of the 20,788,835 Shares,

- (i) in the case of Market Purchases by the Company under the Maximum Price of S\$0.190 (being the price equivalent to 5% above the Average Closing Price of the Shares over the last five (5) consecutive Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the shares were recorded) is approximately S\$3,950,918; and
- (ii) in the case of Off-Market Purchases by the Company under the Maximum Price of S\$0.217, (being the price equivalent to 20% above the Average Closing Price of the Shares over the last five (5) Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the shares were recorded) is approximately S\$4,515,335.

2.8.2 Illustrative Financial effects

The financial effects of the purchases and acquisitions of Shares as set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2020 and are not necessarily representative of future financial performance of the Group.

On the basis of the key assumptions set out in Paragraph 2.8.1 above and assuming the following:

- (a) the purchase or acquisition of Shares is financed solely by internal source of funds; and
- (b) transaction costs are disregarded; and
- (c) the Company had purchased or acquired Maximum Buyback Shares (representing 10% of its issued Shares (excluding Treasury Shares and subsidiary holdings) at the Latest Practicable Date) on 1 July 2019,

the financial effects of the purchase or acquisition of 20,788,835 Shares by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Company and the Group for FY2020 are set out below.

LETTER TO SHAREHOLDERS

(i) **Market Purchases of 10% of issued Shares made entirely out of capital**

	GROUP			COMPANY		
	Before Share Buyback	After Market Purchase		Before Share Buyback	After Market Purchase	
	S\$'000	Purchased Shares Cancelled S\$'000	Purchased Shares held as Treasury Shares S\$'000	S\$'000	Purchased Shares Cancelled S\$'000	Purchased Shares held as Treasury Shares S\$'000
<u>As at 30 June 2020</u>						
Total statutory equity	19,360	15,409	19,360	15,731	11,780	15,731
Treasury shares	–	–	(3,951)	–	–	(3,951)
NTA attributable to Shareholders ⁽¹⁾	13,014	9,063	9,063	15,731	11,730	11,730
Current assets	29,710	25,759	25,759	11,189	7,238	7,238
Current liabilities	19,202	19,202	19,202	3,045	3,045	3,045
Working capital	10,508	6,557	6,557	8,144	4,193	4,193
Total borrowings	7,581	7,581	7,581	2,426	2,426	2,426
Cash and cash equivalents	16,336	12,385	12,385	5,411	1,460	1,460
Net profit attributable to Shareholders	2,335	2,335	2,335	941	941	941
Treasury shares ('000)	–	20,789	20,789	–	20,789	20,789
Total outstanding number of Shares ('000)	207,888	187,099	187,099	207,888	187,099	187,099
Weighted average number of Shares ('000)	207,888	187,099	187,099	207,888	187,099	187,099
<u>Financial Ratios</u>						
NTA per Share ⁽²⁾ (cents)	6.26	4.84	4.84	7.57	6.30	6.30
Gearing ratio ⁽³⁾ (times)	0.39	0.49	0.49	0.15	0.21	0.21
Current ratio (times)	1.55	1.34	1.34	3.67	2.38	2.38
EPS ⁽⁴⁾ (cents)	1.12	1.25	1.25	0.45	0.50	0.50

Notes:

- (1) NTA attributable to Shareholders is calculated based on NTA less non-controlling interests and intangible assets.
- (2) NTA per Share is calculated based on NTA attributable to Shareholders divided by the number of Shares outstanding as at 30 June 2020.
- (3) Gearing ratio represents total borrowing divided by total equity (issued capital and reserves less treasury shares).
- (4) EPS is calculated based on net profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares) based on FY2020 results.

LETTER TO SHAREHOLDERS

(ii) **Off-Market Purchases of 10% of issued Shares made entirely out of capital**

	GROUP			COMPANY		
	Before Share Buyback	After Market Purchase		Before Share Buyback	After Market Purchase	
	S\$'000	Purchased Shares Cancelled	Purchased Shares held as Treasury Shares	S\$'000	Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 30 June 2020</u>						
Total statutory equity	19,360	14,845	19,360	15,731	11,216	15,731
Treasury shares	–	–	(4,515)	–	–	(4,515)
NTA attributable to Shareholders ⁽¹⁾	13,014	8,499	8,499	15,731	11,261	11,261
Current assets	29,710	25,195	25,195	11,189	6,674	6,674
Current liabilities	19,202	19,202	19,202	3,045	3,045	3,045
Working capital	10,508	5,993	5,993	8,144	3,629	3,629
Total borrowings	7,581	7,581	7,581	2,426	2,426	2,426
Cash and cash equivalents	16,336	11,821	11,821	5,411	896	896
Net profit attributable to Shareholders	2,335	2,335	2,335	941	941	941
Treasury shares ('000)	–	20,789	20,789	–	20,789	20,789
Total outstanding number of Shares ('000)	207,888	187,099	187,099	207,888	187,099	187,099
Weighted average number of Shares ('000)	207,888	187,099	187,099	207,888	187,099	187,099
<u>Financial Ratios</u>						
NTA per Share ⁽²⁾ (cents)	6.26	4.54	4.54	7.57	5.99	5.99
Gearing ratio ⁽³⁾ (times)	0.39	0.51	0.51	0.15	0.22	0.22
Current ratio (times)	1.55	1.31	1.31	3.67	2.19	2.19
EPS ⁽⁴⁾ (cents)	1.12	1.25	1.25	0.45	0.50	0.50

Notes:

- (1) NTA attributable to Shareholders is calculated based on NTA less non-controlling interests and intangible assets.
- (2) NTA per Share is calculated based on NTA attributable to Shareholders divided by the number of Shares outstanding as at 30 June 2020.
- (3) Gearing ratio represents total borrowing divided by total equity (issued capital and reserves less treasury shares).
- (4) EPS is calculated based on net profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares) based on FY2020 results.

LETTER TO SHAREHOLDERS

The actual impact will depend on the number and price of the Shares bought back. The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect to the financial position of the Company or the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buyback taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as trading liquidity, share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2020, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buyback Mandate would authorize the Company to purchase or otherwise acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire 10% of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, trading liquidity, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

2.9 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an Interested Person (that is a Director, the Chief Executive Officer of the Company or Controlling Shareholder of the Company or any of their respective Associates), and an Interested Person is prohibited from knowingly selling his Shares to the Company.

2.10 Take-over Implications Arising from Share Buybacks

Appendix 2 of the Take-over Code (“**Appendix 2**”) contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.10.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him/her increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”) if such increase results in the change of effective control, or as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

LETTER TO SHAREHOLDERS

2.10.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, inter-alia, the following individuals and companies to be acting in concert with each other:

- (a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status. The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.10.2 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares will be excluded.

LETTER TO SHAREHOLDERS

Under Appendix 2 of the Takeover Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate unless so required under the Companies Act.

The details of the shareholdings of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out in Paragraph 3 below. Save as disclosed in Paragraph 3 below, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect, in the Shares.

As at the Latest Practicable Date, Alpine Investment Holdings Pte. Ltd. is the single largest shareholder which holds 64.19% of the issued share capital of the Company for which Dr. Barry Thng Lip Mong is also deemed interested. As such, Alpine Investment Holdings Pte. Ltd. and Dr. Barry Thng Lip Mong are deemed parties acting in concert with each other under the Take-over Code (collectively, the "**Relevant Shareholders**").

As the Relevant Shareholders and any other Shareholders acting in concert with them collectively hold more than 50% of the issued share capital of the Company, Rule 14 of the Take-over Code will not be triggered as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate.

Based on the information in the Company's Register of Shareholders as at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company are obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 of the Take-over Code as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate. The Directors are not aware of any potential Shareholder(s) who may have to make a general offer to the other Shareholders as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKEOVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL OF SINGAPORE AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

2.11 Listing Status of Shares on the SGX-ST

Rule 723 of the Catalist Rules requires a listed company to ensure that at least 10% of the total number of issued shares (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders.

The expression "**public**" is defined under the Catalist Rules as persons other than (a) the directors, chief executive officer, substantial shareholders or controlling shareholders of a company and its subsidiaries and (b) the associates (as defined in the Catalist Rules) of the persons described in paragraph (a).

As at the Latest Practicable Date, there are 32,409,794 Shares in the hands of the public, representing 15.59% of the issued Shares of the Company (excluding Treasury Shares). Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate from the public on the Latest Practicable Date, the number of Shares in the hands of the public would be reduced to 11,620,959 Shares, representing 6.21% of the issued Shares of the Company (excluding Treasury Shares).

LETTER TO SHAREHOLDERS

As there is an insufficient number of Shares held by public shareholders, the Company is unable to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST. Accordingly, the Company shall ensure that the number of Shares it purchases or acquires subsequently pursuant to the Share Buyback Mandate will not result in the number of Shares remaining in the hands of the public to fall below 10% of the total number of issued shares of the Company (excluding Treasury Shares, preference shares and convertible equity securities) or to such a level as to cause trading illiquidity or to affect orderly trading.

2.12 Timing of Purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price-sensitive matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases 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.

2.13 Share buybacks in the previous twelve (12) months

The Company has not purchased or acquired any Shares during the 12-month period immediately preceding the Latest Practicable Date.

2.14 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications arising from the purchase or acquisition of Shares by the Company, or who may be subject to tax in a jurisdiction, should consult their own professional advisers.

LETTER TO SHAREHOLDERS

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Interests in the Company

The interests of the Directors and Substantial Shareholders as at (a) the Latest Practicable Date, and (b) for illustration purposes, after the Share Buyback pursuant to the Share Buyback Mandate, assuming (i) the Company purchases the maximum of 10% Shares and (ii) there is no change to the number of Shares (whether direct or deemed) held by each of the Directors and Substantial Shareholders as at the Latest Practicable Date, are set out below:

	As at the Latest Practicable Date						After the Share Buyback ⁽²⁾
	Direct Interest		Deemed Interest		Total Interest		Total Interest
	No. of Shares	%	No. of Shares	%	No. of Shares	%	%
Directors							
Dr. Barry Thng Lip Mong	7,428,223	3.57	133,450,000 ⁽¹⁾	64.19	140,878,223	67.76	75.30
Dr. Mok Kan Hwei, Paul	6,598,960	3.17	–	–	6,598,960	3.17	3.53
Wong Hin Sun, Eugene	100,000	0.05	–	–	100,000	0.05	0.05
Lim Heng Chong Benny	100,000	0.05	–	–	100,000	0.05	0.05
Dr. Leong Peng Kheong Adrian Francis	741,370	0.36	–	–	741,370	0.36	0.40
Substantial Shareholders (other than Directors)							
Alpine Investment Holdings Pte. Ltd.	133,450,000	64.19	–	–	133,450,000	64.19	71.33

Notes:

- ⁽¹⁾ Dr. Barry Thng Lip Mong is deemed to be interested in 133,450,000 Shares held by Alpine Investment Holdings Pte. Ltd. by virtue of his holding more than 20% of the total issued shares in Alpine Investment Holdings Pte. Ltd.
- ⁽²⁾ Assuming the Company purchases or acquires the Maximum Buyback Shares, being 20,788,835 Shares pursuant to the Share Buyback Mandate, the percentage after the Share buyback is calculated based on 187,099,517 Shares.

4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company and its Shareholders and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution as stated in the Notice of EGM in respect of the proposed adoption of the Share Buyback Mandate to be proposed at the EGM.

LETTER TO SHAREHOLDERS

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 25 of this Circular, will be held via electronic means, on Wednesday, 28 October 2020 at 3.00 p.m. (or immediately after the conclusion of the Company's annual general meeting to be held at 2.30 p.m. on the same day, by electronic means) for the purpose of considering and, if thought fit, passing, with or without modifications the Ordinary Resolution set out in the Notice of EGM.

6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

A shareholder will not be able to attend the EGM in person. A shareholder who wishes to vote on the resolution at the EGM must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.

If a shareholder wishes to exercise his/her/its voting rights at the EGM, the proxy form appointing the Chairman must be submitted to the Company in the following manner by no later than 3.00 p.m. on 25 October 2020 (being not less than seventy-two (72) hours before the time appointed for holding the EGM of the Company):

- (a) If submitted electronically, be submitted via email to the Company at investor.relations@alliancehealthcare.com.sg; or
- (b) If submitted via AGM/EGM website, at <https://agm.conveneagm.com/alliancehealthcare>; or
- (c) If in hard copy, be submitted by post/courier/hand to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00 Singapore 068898.

The proxy form must be executed under the hand of the appointer or his or her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised. If the proxy form is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be deposited together with the proxy form, failing which, the instrument may be treated as invalid.

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointer, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM, as certified by CDP to the Company.

The Central Provident Fund ("CPF") and Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman as their proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) business days before the EGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

LETTER TO SHAREHOLDERS

8. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at the registered office of the Company at 25 Bukit Batok Crescent, #07-12 The Elitist, Singapore 658066, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) The annual report of the Company for FY2020; and
- (b) The Constitution of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
Alliance Healthcare Group Limited

Dr. Barry Thng Lip Mong
Executive Chairman and Chief Executive Officer



ALLIANCE HEALTHCARE GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200608233K)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Alliance Healthcare Group Limited (the “**Company**”) will be convened and held by electronic means on Wednesday, 28 October 2020 at 3.00 p.m. (or immediately after the conclusion of the Company’s annual general meeting to be held at 2.30 p.m. on the same day, by electronic means) for the purpose of considering and, if thought fit, passing with or without any modifications the following resolution:-

All capitalised terms used in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the Circular to Shareholders dated 13 October 2020 (the “**Circular**”).

ORDINARY RESOLUTION: PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

That:-

- (a) for the purposes of the Catalist Rules and the Companies Act, the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or acquire the issued and fully paid-up Shares of the Company representing not more than ten per cent. (10%) of the total number of issued Shares of the Company at such price(s) as may be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company from time to time, up to the Maximum Price (as defined below), whether by way of:
- (i) an on-market purchase (“**Market Purchase**”), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) an off-market purchase (“**Off-Market Purchase**”), effected otherwise than on the SGX-ST pursuant to an equal access scheme in accordance with Section 76C of the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorized and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (b) unless varied or revoked by the Shareholders in a general meeting, purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate may be made, at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on:
- (i) the date on which the next AGM of the Company is held or required by law to be held; or
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting,

whichever the earliest.

(c) in this Resolution:

“**Maximum Price**”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Average Closing Price, where:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days period;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

BY ORDER OF THE BOARD

Dr. Barry Thng Lip Mong
Executive Chairman and Chief Executive Officer

13 October 2020

Notes:

No Despatch of Circular to Shareholders

A printed copy of the Circular will not be despatched to the Company's Shareholders. **The Circular has been uploaded to the SGXNet on 13 October 2020 and may be accessed via SGXNet, the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/> and AGM/EGM website at <https://agm.conveneagm.com/alliancehealthcare>.**

Pre-registration for EGM

The extraordinary general meeting (the “EGM”) will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM are set out in the Company's announcement dated 13 October 2020 which has been uploaded together with this Notice of EGM on SGXNet on the same day. The announcement and this Notice of EGM may also be accessed at the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/>.

A shareholder will be able to participate at the EGM by watching the EGM proceeding via a 'live' audio-visual webcast via mobile phones, tablets or computers or listening to the proceeding through a 'live' audio-only livestream. In order to do so, a shareholder must register by sending the following details: their full name (as per CDP/SRS account records), NRIC/passport/company registration no., contact number and email address to investor.relations@alliancehealthcare.com.sg or register at <https://agm.conveneagm.com/alliancehealthcare>, **no later than 10.00 a.m. on 23 October 2020**.

Shareholders who do not receive a confirmation email from the Company by 26 October 2020, but have registered by the pre-registration deadline as stated above, should send an email to the Company at investor.relations@alliancehealthcare.com.sg.

Investors who hold their shares through relevant intermediaries as defined in Section 181 of the Companies Act (other than The Central Provident Fund and Supplementary Retirement Scheme) and who wish to participate in the EGM by (a) observing and/or listening the EGM proceeding through 'live' audio-visual webcast; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should approach their respective relevant intermediaries through which they hold such shares at least seven working days before the EGM in order to make the necessary arrangements for them to participate in the EGM.

Submission of Questions prior to EGM

A shareholder who pre-registers to watch the "live" audio-visual webcast or listen to the "live" audio-only stream may also submit questions relating to the resolution to be tabled for approval at the EGM by **10.00 a.m. on 23 October 2020** via email to the Company at investor.relations@alliancehealthcare.com.sg or via <https://agm.conveneagm.com/alliancehealthcare>.

When sending in the questions, please provide full name, identification/registration number and the manner in which the shares of the Company are held for verification purpose, failing which, the submission will be treated as invalid.

The Company's responses to the shareholders' questions will be published at the SGXNet and the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/>.

Submission of Proxy Form

A shareholder will not be able to attend the EGM in person. If a shareholder wishes to exercise his/her/its voting rights at the EGM, he/she/it shareholder must appoint the Chairman of the EGM (the "Chairman") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.

If a shareholder wishes to exercise his/her/its voting rights at the EGM, the proxy form appointing the Chairman must be submitted to the Company in the following manner **no later than 3.00 p.m. on 25 October 2020**:

- (a) If submitted electronically, be submitted via email to the Company at investor.relations@alliancehealthcare.com.sg; or
- (b) If submitted via AGM/EGM website, at <https://agm.conveneagm.com/alliancehealthcare>; or
- (c) If in hard copy, be submitted by post/courier/hand to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00 Singapore 068898.

The shareholder may download the Proxy Form from SGXNet or the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/>.

The proxy form must be executed under the hand of the appointer or his or her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised. If the proxy form is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be deposited together with the proxy form, failing which, the instrument may be treated as invalid.

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointer, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by the Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

Where a shareholder of the Company submits a proxy form appointing Chairman to vote at the EGM and/or any adjournment thereof, the shareholder (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines and (ii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

ALLIANCE HEALTHCARE GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 200608233K)

IMPORTANT:

- Shareholders and CPF/SRS investors who have used their CPF/SRS monies to buy Alliance Healthcare Group Limited's shares may download the circular to shareholders and proxy form from SGXNet, the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/> and AGM/EGM website at <https://agm.conveneagm.com/alliancehealthcare>.
- This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy:

By submitting a proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 13 October 2020.

PROXY FORM

This Proxy Form has been made available on the SGXNet, the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/> and AGM/EGM website at <https://agm.conveneagm.com/alliancehealthcare>.

*I/We, _____ (Name)

of _____ (Address)

being a member/members of Alliance Healthcare Group Limited (the "**Company**"), hereby appoint Chairman of the extraordinary general meeting of the Company ("**Meeting**" or "**EGM**") as *my/our *proxy to vote for *me/us on *my/our behalf, at the EGM to be held by electronic means on Wednesday, 28 October 2020 at 3.00 p.m. (or immediately after the conclusion of the Company's annual general meeting to be held at 2.30 p.m. on the same day, by electronic means) and at any adjournment thereof

Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against (or abstain from voting on) the resolution as set out in the notice of Meeting. In the absence of specific directions, the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

No.	Resolution	For	Against	Abstain
Ordinary Resolution				
1.	The Proposed Adoption of the Share Buyback Mandate			

Dated this _____ day of _____ 2020

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. The shareholder may download the Proxy Form from SGXNet or the Company's website at <https://www.alliancehealthcare.com.sg/investor-relations/> and AGM/EGM website, at <https://agm.conveneagm.com/alliancehealthcare>.
2. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number of shares is inserted, this proxy form will be deemed to relate to all the shares held by you.
3. A shareholder will not be able to attend the EGM in person. A shareholder who wishes to vote on the resolution must appoint the Chairman of the EGM (the "**Chairman**") as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. If a shareholder wishes to exercise his/her/its voting rights at the EGM, the proxy form appointing the Chairman must be submitted to the Company in the following manner **no later than 3.00 p.m. on 25 October 2020**:
 - (a) If submitted electronically, be submitted via email to the Company at investor.relations@alliancehealthcare.com.sg; or
 - (b) If submitted via AGM/EGM website, at <https://agm.conveneagm.com/alliancehealthcare>; or
 - (c) If in hard copy, be submitted by post/courier/hand to the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00 Singapore 068898.
4. The proxy form must be executed under the hand of the appointer or his or her attorney duly authorised in writing. Where the proxy form is executed by a corporation, it must be executed either under its seal or under the hand of its representative or attorney duly authorised. If the proxy form is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be deposited together with the proxy form, failing which, the instrument may be treated as invalid.
5. CPF/SRS investors who wish to appoint the Chairman of the EGM as proxy to vote on their behalf should approach their respective CPF Agent Banks or SRS Operators to submit their voting instructions at least seven working days before the EGM. Investors who hold their shares through relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 (other than CPF/SRS investors) and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries through which they hold such shares as soon as possible in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to vote on their behalf.
6. Where a Shareholder appoints Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM, he/she/it must give specific instructions as to the voting, or abstentions from voting, in respect of the resolutions set out in the Proxy Form. In the absence of specific directions, the appointment of the Chairman of the Meeting as proxy for that resolution(s) will be treated as invalid.
7. The Company shall be entitled to reject 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 shareholder, being the appointer, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by the Central Depository (Pte) Limited to the Company.
8. By submitting a proxy form appointing the Chairman of the EGM as proxy, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 13 October 2020.

This page has been intentionally left blank.

This page has been intentionally left blank.