ASIAMEDIC LIMITED

THE CHOICE HEALTHCARE PROVIDER IN SINGAPORE

ASIAMEDIC LIMITED
ANNUAL REPORT 2019

CORPORATE CULTURE

A team oriented organisation that is conducive to long term employment which is passionate, nurturing and upholds mutual respect that embraces family spirit

VISION & MISSION

VISION

The choice healthcare provider in Singapore

MISSION

Providing holistic solutions through integrated application of the latest medical technologies to prevent and detect early illnesses to achieve positive experiences and clinical outcomes for our patients

VALUES & BRAND PROMISE

COMPETENCE

Commitment to ensuring the highest professional standards of service and expertise

CONVENIENCE

Commitment to providing timely, appropriate and personalised healthcare information and continuity of care in an integrated one-stop wellness and diagnostic centre

CARE

Commitment to helping our clients navigate their health risks and needs through practical and personalised clinical solutions and strategies

CONFIDENCE

Commitment to ensuring patient confidence with a focus on safety, consistent processes and standards based on continuous service and clinical quality improvement and innovation

CONTENTS

ASIAMEDIC BUSINESS **UNITS**

ASIAMEDIC WELLNESS ASSESSMENT CENTRE

AsiaMedic Wellness Assessment Centre provides extensive preventive health screening and assessment services to help patients diagnose early signs of health warnings with subsequent intervention and behavioural treatment follow-ups.

We call our team of highly qualified and experienced doctors, nurses and staff Medical Health Navigators. Patients can be assured of receiving quality medical attention complete with personalised healthcare solutions targeted at the specific individual's lifestyle. Equipped with the best cutting-edge evidence-based medical knowledge and technology, AsiaMedic have stayed true to the philosophy of early diagnosis, pre-symptomatic disease detection and prevention, successfully treating patients with desirable clinical outcomes and experiences.

Our track record is testament to our competence as we have been duly appointed by Health Promotion Board to deliver myopia and school health screening to pre-school, primary and secondary school students in Singapore. AsiaMedic's presence in community health screening continues to grow and now spans across all spectrum of age groups, from pre-schoolers to elderly adults. The latest programs AsiaMedic is involved in include human papilloma virus vaccination for secondary school students, primary school student's health screening, obesity screening in secondary schools and institutes of higher learning, community health screening and coaching as well as Project Silver Screen.

ASIAMEDIC DIAGNOSTIC IMAGING CENTRE

Diagnostic imaging involves the use of non-invasive procedures to generate images of the body's internal anatomy and functions that can be recorded on film or digitized for display on a video monitor. Diagnostic imaging procedures facilitate the early diagnosis and treatment of diseases and disorders and may reduce unnecessary invasive procedures, often minimizing the costs for patients. We offer the full suite of general and advanced imaging services which include MRI, CT, bone densitometry (DEXA), ultrasound, mammography, and X-ray. Our comprehensive range of radiological examinations includes cardiovascular radiology, musculoskeletal radiology, neuroradiology, ear nose & throat (ENT) radiology, breast and body radiology. These services are provided through our subsidiaries of The Orchard Imaging Centre Pte Ltd and AsiaMedic Heart & Vascular Centre Pte Ltd. Our integrated RIS PACS system enables physicians' easy and convenient access to the diagnostic scans and reports to cater to the growing demands of medical care in Singapore.

ASIAMEDIC BUSINESS **UNITS**

ASIAMEDIC POSITRON EMISSION TOMOGRAPHY/ COMPUTED TOMOGRAPHY (PET/CT) CENTRE

PET/CT imaging is used for diagnosis, staging, localisation and monitoring progress of cancer. The AsiaMedic Positron Emission Tomography/Computed Tomography (PET/CT) Centre is one of Singapore's first independent PET/CT centres that is not affiliated with any hospital. The Centre provides cardiac and cancer imaging with one of the industry's most reliable and sought-after GE Discovery ST PET/CT scanner, which incorporates a PET scanner with a multi-slice Computed Tomography (CT) scanner.

ASIAMEDIC ASTIQUE THE AESTHETIC CLINIC

Being part of AsiaMedic, Astique upholds the Group's philosophy of providing our patients with the highest professional standards of service and expertise. As a boutique aesthetic clinic, Astique offers a wide range of premium medical aesthetic treatments efficiently within the shortest turnaround time. Effective medical aesthetics solutions are specially customised to meet the specific beauty needs of our patients who are at different phases of their lives. We are committed towards this journey with our patients to help them look and feel good, enhancing their confidence and realising their aspirations. Patients can enjoy minimally invasive treatments administered by our medical professionals amidst a tranquil setting. Some of these treatments include laser skin treatments, non-surgical facelifts, fillers, non-invasive body contouring and various skincare products.

The clinic continually upgrades its technology and services to provide our patients with the best in aesthetic healthcare. Our latest treatment solutions include Rejuran skin healer and Juvederm Volux.

COMPLETE HEALTHCARE INTERNATIONAL

Complete Healthcare International (CHI) is an integrated medical centre that is dedicated to providing comprehensive healthcare of the highest standard to international and local clientele in a caring, professional and attentive environment. CHI provides a holistic approach with various areas of interest such as general and travel medicine, women, men and children's health, as well as nutritional medicine. CHI also aims to create a distinctly privileged healthcare experience for its patients with its team of highly qualified doctors, nurses and staff, coming from Singapore and overseas and bringing with them diverse experiences. CHI offer a multidisciplinary approach of family medicine that brings together diagnosis, treatment, care, management and health promotion under one roof.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr Charles Wang Chong Guang (Non-Executive Chairman)
Mr Tan Soo Kiat (Non-Executive Director)
Mr Goh Kian Chee (Independent Director)
Mr Chua Keng Woon (Independent Director)
Mr Lawrence Peter Lim Hong Haw (Independent Director)*

AUDIT AND RISK MANAGEMENT COMMITTEE
Mr Goh Kian Chee (Chairman)
Mr Chua Keng Woon
Mr Tan Soo Kiat

NOMINATING COMMITTEE
Mr Chua Keng Woon (Chairman)
Mr Lawrence Peter Lim Hong Haw
Mr Tan Soo Kiat

REMUNERATION COMMITTEE
Mr Goh Kian Chee (Chairman)
Mr Lawrence Peter Lim Hong Haw
Mr Charles Wang Chong Guang

REGISTRAR AND SHARE TRANSFER OFFICE
KCK CorpServe Pte Ltd
333 North Bridge Road
#08-00 K H KEA Building
Singapore 188721

COMPANY SECRETARY
Ms Foo Soon Soo

AUDITORS
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-charge: Mr Ng Boon Heng
(Date of appointment: since financial year ended 31 December 2018)

REGISTERED OFFICE
350 Orchard Road
#08-00 Shaw House
Singapore 238868
Tel: (65) 6789 8888
Fax: (65) 6738 4136
Email: info@asiamedic.com.sg
Website: www.asiamedic.com.sg

PRINCIPAL BANKERS
DBS Bank Ltd
Hong Leong Finance Limited

CATALIST SPONSOR
Xandar Capital Pte Ltd
3 Shenton Way
#24-02 Shenton House
Singapore 068805

Note: *Mr Lawrence Peter Lim Hong Haw retires as a Director at the forthcoming Annual General Meeting and will not seek re-election

BOARD OF DIRECTORS

MR CHARLES WANG CHONG GUANG

Non-Executive Chairman

Mr Wang has many years of experience in corporate finance, mergers and acquisitions, and financial management, of which more than 20 years have been spent with publicly-listed and private companies in the healthcare industry.

Mr Wang began his career with Kingston Smith Chartered Accountants in London, United Kindom from 1988 to 1993, where his last held position was Assistant Audit Manager. He then joined Coopers & Lybrand (subsequently merged with Price Waterhouse to become PriceWaterhouse Coopers) in Hong Kong in October 1993 as a Corporate Finance Manager.

In December 1995, Mr Wang joined Hanson Pacific Limited, the Asia Pacific headquarters of Hanson Plc, an industrial conglomerate which was previously listed in the United Kingdom, as a Finance Director. In June 1999, Mr Wang joined Asia Renal Care Limited, a healthcare services company which specialised in providing kidney dialysis services in the Asia Pacific region, as the Chief Financial Officer. In December 2008, Mr Wang joined Tongjitang Chinese Medicine Limited, a company which was previously listed on the New York Stock Exchange which specialised in the manufacturing and distribution of modern Chinese medicine, as the Chief Financial Officer.

Mr Wang was subsequently appointed as the Chief Financial Officer of Trauson Holdings Company Limited, an orthopaedic device manufacturing company previously listed on the Hong Kong Stock Exchange, from November 2010 to January 2012. Mr Wang was subsequently the Chief Financial Officer of China NT Pharma Group Company Limited, a company listed on the Hong Kong Stock Exchange which specialized in the manufacturing and distribution of pharmaceutical products, from July 2012 to February 2015. As the Chief Financial Officer of previous companies that Mr Wang served at, Mr Wang was responsible for, among others, finance, mergers & acquisitions, information technology, company secretarial and investor relations functions of these companies. Mr Wang joined the Luye Medical Group as the Chief Financial Officer in February 2015 and subsequently became the Group Chief Executive Officer in April 2017. From February 2015 to December 2016, Mr Wang was also concurrently holding the appointment of Group Vice President of Luye Pharma, where he had overall responsibility for Luye Pharma's merger & acquisitions and capital market activities, including equity and debt-related issuances outside of the PRC.

Mr Wang obtained a Bachelors Degree in Economics (Honours) from the University of Leeds in 1988. He is also a member of the Institute of Chartered Accountants of England and Wales since 1991.

MR TAN SOO KIAT

Non-Executive Director

Mr Tan brings with him over 17 years of experience in the banking and finance industry. He is a director of Intergate Pte Ltd, a company engaged in the provision of corporate advisory services. These include fund raising exercises, mergers & acquisitions, risk management and due diligence. Mr Tan is currently the Lead Independent Director of Dyna-Mac Holdings Ltd and a former independent director of Nam Lee Pressed Metal Industries Limited. Mr Tan was formerly the Chief Operating Officer and Executive Director of Goodpack Limited, General Manager (Finance) and Executive Director of Progen Holdings Ltd, Vice President (Finance) of Pacific Century Regional Developments Limited and Treasurer of the investment banking arm of DBS Bank Ltd. Mr Tan obtained a Bachelor's Degree in Commerce (Accounting) from University of Otago, New Zealand, in 1983. He is a member of Chartered Accountants Australia and New Zealand.

BOARD OF DIRECTORS

MR GOH KIAN CHEE

Independent Director

Mr Goh is presently an Independent Director of IndoFood Agri Resources Limited and HL Global Enterprises Limited.

Mr Goh started his career as an audit trainee with Goldblatt & Co (UK). He joined American International Assurance Pte Ltd in 1981 as an Accounting Supervisor. In 1982, he became a Regional Internal Auditor in Mobil Oil Singapore Pte Ltd and rose to the position of Regional Credit and Insurance Manager in 1987. In 1990, he was seconded to Mobil Petrochemicals International Ltd where he served as Regional Accounting Manager and later, as the Controller of the Asia Pacific region till 2000. Mr Goh was the Regional Vice President & Controller as well as an Executive Director of John Hancock International Pte Ltd. from 2000 to 2004. He was a Consultant at the National University of Singapore, Centre For the Arts from November 2005 to October 2018. He was also an Independent Director of China Minzhong Food Corporation Limited from October 2013 to March 2017.

Mr Goh has a Bachelor of Arts (Hons) degree in Accounting and Economics from Middlesex University, United Kingdom.

MR CHUA KENG WOON

Independent Director

Mr Chua has over 16 years of experience in the banking and finance industry. He served as an advisor to Secured Capital Singapore Pte Ltd, a company engaged in mezzanine financing services, from January to November 2018. From 2008 to 2016, Mr Chua was with Canaccord Genuity Singapore Pte Ltd (formerly known as Collins Stewart Pte. Limited). He last held the position of Senior Director, Equity Capital Market and was primarily involved in corporate advisory and fund raising activities for companies. Prior to that, Mr Chua had held various posts as Associate Director of Capital Market Group in Philip Securities Pte Ltd, Assistant Vice President, Corporate Finance in Hong Leong Finance Limited, Manager, Corporate Finance in UOB Asia Limited, Manager in Capital Equity Markets in DBS, Bank Limited, as well as Senior Officer – Inspectorate Department in the Stock Exchange of Singapore. He is also an independent director of Hai Leck Holdings Ltd.

Mr Chua graduated from Nanyang Technological University with a Bachelor of Business Degree majoring in Financial Analysis in 1996. He is a CFA charterholder and member of CFA Institute.

MR LAWRENCE LIM

Independent Director

Mr Lim brings with him more than 35 years of experience in the healthcare industry.

Mr Lim started in the Administrative Service in the Revenue Division of the Ministry of Finance. He was appointed Director, Management Services in 1983 in the Ministry of Health and later, Director of Development responsible for policy development including Medisave and health facility developments.

In April 1990, Mr Lim was appointed Chief Executive Officer of Toa Payoh Hospital Pte Ltd responsible for restructuring and operations of the hospital, and then Chief Executive Officer of the Singapore General Hospital from 1992 to 2000 during which he steered the hospital towards strategic developments in service, teaching and research.

He joined Raffles Hospital in 2000 to lead the commissioning and management of the newly-built hospital, and during his term with the Raffles Medical Group he undertook multiple portfolios including managing the network of general practice and dental clinics, traditional Chinese medicine clinic, Japanese clinic, nutriceutical business, facility design and development, and providing consultancy for overseas healthcare projects.

Mr Lim graduated from the University of Birmingham with a B Soc Sc in Mathematical Economics (1st Class Honours). He obtained the Master of Science in Management in 1988 from Stanford University Graduate School of Business, and attended the Advanced Management Program at the Harvard Business School.

SENIOR MANAGEMENT AND CLINICAL LEADERS

DR WONG KAE THONG

Chief Operating Officer
MD, MRCPCh, MMed (Paed), GDPM)

Dr Wong is a graduate of the University of Western Ontario, Canada. She is a clinician-administrator with special interests in preventive medicine, community and children's health.

Dr Wong joined AsiaMedic Wellness Assessment Centre in year 2007 as an executive health screening physician. In year 2016, together with the team, under Dr Wong's leadership, AsiaMedic made a large stride by partnering Health Promotion Board (HPB) to deliver school and community health screening to Singaporeans and residents. Over the recent years, AsiaMedic's presence in community health screening continues to grow and now spans across all spectrum of age groups, from pre-schoolers to elderly adults.

Dr Wong's involvement in administrative work increases with AsiaMedic's growing involvement in community health. She was subsequently appointed to oversee Complete Healthcare International (CHI), a clinic delivering premium family medical care to clients. In April 2019, Dr Wong was appointed to be the acting COO of AsiaMedic Ltd and she took up the COO role in January 2020.

MR STANLEY WOO

Group Financial Controller
B. Com.

Mr Woo holds a Bachelor of Commerce degree from the University of Melbourne. He oversees the Group's finance, accounting and taxation functions. He has more than 31 years of accounting and auditing experience. Mr Woo is a member of the Institute of Singapore Chartered Accountants.

DR CELINE LEONG

Medical Director
Asiamedic Astique The Aesthetic Clinic
MBBS (Singapore), Graduate Diploma in Family Medicine (Singapore)

Dr Leong obtained her medical degree from the National University of Singapore. Her post-graduate qualifications include a Graduate Diploma in Family Medicine (GDFM) and Diploma in Aesthetic Medicine. She is also a member of the American Academy of Aesthetic Medicine. Dr Leong has practised full-time aesthetic medicine with an established aesthetic group practice since 2010. She has attained certificates of competency in administering dermal fillers, chemical peels, and performing laser treatments for hair removal, fractional skin resurfacing, and intense pulsed light, among others. She continues to further herself in overseas conferences and workshops to keep up with the latest advances in aesthetic medicine. Dr Leong's special interest is in lasers, botox and fillers. She believes that a holistic approach combining safe and effective procedures with an appropriate daily skincare regime will help everyone look their best.

DR SANTHOSH RAJ

Specialty: Diagnostic Radiology
Subspecialties: Neuroradiology & Neurointervention
Consultant Radiologist
MD, FRCR (UK), FAMS

Dr. Santhosh Raj is a Consultant Neuroradiologist & Neurointerventionalist with AsiaMedic's imaging centre. He graduated from Universiti Sains Malaysia (USM) in 2002 and obtained his Fellowship of the Royal College of Radiologists (UK) in 2008. He is accredited as a Specialist in Diagnostic Radiology, Singapore since 2013 and is a Fellow of Academy of Medicine, Singapore.

In 2015, Dr. Santhosh was awarded the Singhealth HMDP fellowship and underwent training in neurointervention at the National Institute of Clinical Neuroscience, Budapest, Hungary.

Before joining AsiaMedic, Dr. Santhosh was the Deputy Director of Vascular and Interventional Radiology at Singapore General Hospital (SGH). He was actively involved in the development of acute stroke intervention and neurointervention services. During his eight years of service in SGH, he has held the position of Adjunct Assistant Professor with DUKE-NUS, Clinical Lecturer with Yong Loo Lin School of Medicine, NUS as well as served on the national neurointervention on-call roster which covers the National Neuro Institute (NNI) and National University Hospital (NUH).

In addition to neurointervention, Dr. Santhosh is also a Diagnostic Neuroradiologist with particular interest in magnetic resonance vessel wall imaging and neurovascular imaging. He also currently runs the MRI brain volumetry service in AsiaMedic that aids in the diagnosis of many types of neurodegenerative disorders, eg. dementia. Besides neuroradiology, Dr. Santhosh also has a keen interest in imaging informatics and artificial intelligence.

CHAIRMAN'S STATEMENT

ASIAMEDIC'S PRESENCE IN COMMUNITY HEALTH SCREENING CONTINUES TO GROW AND NOW SPANS ACROSS ALL SPECTRUM OF AGE GROUPS, FROM PRESCHOOLERS TO ELDERLY ADULTS.

DEAR SHAREHOLDERS

I am pleased to report that the financial year ended 31 December 2019 ("FY2019") has been a year of considerable progress for the Group. The Group narrowed its net loss to S$0.6 million from S$4.0 million in the previous year as a result of various business development, operational and cost optimization initiatives taken during the year. Most business units of the Group recorded an improved performance.

WELLNESS BUSINESS

The executive health screening business performed better than the previous year as we continued to serve our patients and clients effectively. It is heartening to note that the majority of them are repeat patients who visit our centre year after year for their regular health screening as they place their trust in us in safeguarding their health.

We made larger strides in the onsite health screening business as a partner to Health Promotion Board, Singapore ("HPB") to deliver health screening programmes and promote healthy living to students and the community in Singapore. Some of the HPB programmes include:

- Visual screening for students in preschools to allow prompt detection and correction of poor vision.
- Age-appropriate school-based health screening for students in the primary and secondary schools. The types of screening include vision screening, hearing screening, back bone screening, and growth and development assessment.
- Functional screening which helps to identify age-related decline in vision, hearing and oral health of seniors in the community.
- Health coaching covering both health and safety topics, including chronic disease prevention and management, ergonomic lifting techniques and low-impact exercises for older workers in the community.

CHAIRMAN'S **STATEMENT**

- Human papilloma virus vaccination for secondary school students.

We are cognizant of the important role that we play to meet the healthcare needs of students and the community in Singapore in a high-quality, cost-efficient manner.

IMAGING BUSINESS

The imaging business recorded lower operating losses for FY2019 due to higher MRI revenue. The business saw a higher volume of MRI scans due to the provision of scanning services to hospitals. Our selection by the hospitals demonstrates our capability to meet demanding standards. However, the higher MRI revenue was offset by the decrease in the volume of PET scans due to competition from new PET centres in Singapore.

AESTHETIC AND INTERNATIONAL CLINIC BUSINESSES

Our aesthetic business remained stable in FY2019 despite the competitive environment. The feedback we received from our patients indicated that they value our services and products, and our business philosophy.

We relocated our international clinic to Shaw House in January 2019 following the expiry of the lease in Rochester Park. The clinic recorded a higher loss in FY2019 as it lost certain patients and doctors due to the new location.

OUTLOOK

The Company completed its Rights Issue on 14 January 2020 raising net cash proceeds of S$3.5 million.

Before the onset of COVID-19 outbreak in February 2020 in Singapore, we were encouraged by the progress we were making in FY2019 and pleased that we are fully aligned with the right strategy to drive future growth for our Group.

The Covid-19 outbreak will have an impact on our Group to a certain extent as some patients and clients defer their medical appointments and healthcare programmes in the near term. The Group will endeavour to keep abreast of developments and maintain operational and financial prudence in the face of this challenge. We have a dedicated team and will continue to build a sustainable business for the long-term focusing on delivering services and solutions that support quality of care for our patients and clients. Our reputation as a respected and trusted provider of quality services and care at competitive prices will benefit us as the situation recovers.

SUSTAINABILITY REPORT

The Company has published the sustainability report for FY2018 through the SGXNet in May 2019. This year, we will be publishing the sustainability report for FY2019 through the SGXNet by 31 May 2020.

IN APPRECIATION

I would like to express my appreciation to the Board of Directors for their invaluable guidance and support. I would like to thank Lawrence Lim, who is retiring, for his contribution. On behalf of the Board, I would like to thank all our stakeholders: shareholders, clients, business partners and staff for their continuous support and commitment. We remain committed to improving value for our stakeholders. Last but not least, my sincere gratitude to shareholders who supported the Rights Issue.

CHARLES WANG

Chairman

FINANCIAL REVIEW

The Group's revenue increased by S$161,000 or 1% to S$19.0 million for the year ended 31 December 2019 ("**FY2019**") from S$18.8 million for the year ended 31 December 2018 ("**FY2018**"). The increase was due mainly to higher revenue from the wellness business, partially offset by the decrease in the revenue of Complete Healthcare International ("**CHI**").

Other income decreased to S$204,000 in FY2019 from S$342,000 in FY2018 due mainly to lower government grants received.

Consumables used decreased by S$304,000 or 15%, in line with the decrease in revenue from CHI.

The increase in depreciation and amortisation expenses and the decrease in operating lease expenses were mainly attributable to the adoption of SFRS(I) 16 discussed in Section 5. Excluding the effect of SFRS(I) 16, depreciation and amortisation expenses decreased by S$145,000 or 13% due mainly to certain property, plant and equipment being fully depreciated in FY2019. Operating lease expenses decreased by S$344,000 or 16% due mainly to the relocation of CHI's clinic in January 2019 to our main premises with lower rentals. Finance costs increased to S$456,000 from S$97,000 in FY2018 due mainly to the adoption of SFRS(I) 16 and the increase in shareholder's loans. There were no impairments and provisions in FY2019. The share of results of associate increased by S$163,000 or 41% as the associate registered a higher profit for FY2019 due to higher sales.

As a result, the Group recorded a lower loss attributable to shareholders of S$588,000 in FY2019 compared with a loss of S$4.8 million FY2018.

BALANCE SHEET

NON-CURRENT ASSETS

Non-current assets increased to S$11.5 million as at 31 December 2019 from S$6.5 million as at 31 December 2018 due mainly to the recognition of right-of-use asset of S$6.3 million as a result of adoption of SFRS(I) 16.

CURRENT ASSETS

Current assets increased to S$7.7 million as at 31 December 2019 from S$6.5 million as at 31 December 2018 due mainly to the increase in trade receivables. Trade receivables increased to S$2.9 million as at 31 December 2019 from S$1.6 million as at 31 December 2018 due mainly to health screening projects with government agencies.

CURRENT LIABILITIES

Current liabilities increased to S$5.8 million as 31 December 2019 from S$5.0 million as at 31 December 2018 due mainly to the recognition of lease liability as a result of the adoption of SFRS(I) 16, partially offset by the decrease in obligations under finance leases.

NET CURRENT ASSETS

As a result of the higher increase in current assets as compared to current liabilities, net current assets increased to S$2.0 million as at 31 December 2019 from S$1.5 million as at 31 December 2018.

NON-CURRENT LIABILITIES

Non-current liabilities increased to S$9.6 million as at 31 December 2019 from S$3.7 million as at 31 December 2018 due mainly to the recognition of lease liability of S$4.0 million as a result of the adoption of SFRS(I) 16 and the additional shareholder's loans of S$2.0 million received from Luye Medical Group Pte Ltd.

CASH FLOW

The Group has a cash inflow from operations of S$90,000 in FY2019 compared with an outflow of S$1.6 million in FY2018 due mainly to a lower loss for the year and the adoption of SFRS(I) 16 offset by a higher working capital. Cash flows from investing activities were S$231,000 in FY2019 compared with an outflow of S$522,000 in FY2018 due mainly to lower purchase of property, plant and equipment. Cash flows used in financing activities were S$378,000 in FY2019 compared with an inflow of S$2.4 million in FY2018 due mainly to the adoption of SFRS(I) 16.

FINANCIAL HIGHLIGHTS

	2015	2016	2017	2018	2019
	S$	S$	S$	S$	S$
Revenue	20,199,418	20,573,255	19,015,381	18,828,662	18,989,960
Loss before taxation	(1,873,457)	(2,029,304)	(4,228,107)	(4,043,913)	(588,233)
Loss for the year	(1,734,384)	(1,628,206)	(4,226,687)	(4,774,824)	(588,233)
Net loss after tax attributable to owners of the Company	(1,779,182)	(1,628,440)	(4,226,687)	(4,774,824)	(588,233)
Share capital and reserves	12,183,313	13,381,895	9,138,913	4,376,695	3,813,674*
	Cents	Cents	Cents	Cents	Cents
Earnings per share – Basic	(0.53)	(0.42)	(1.08)	(1.22)	(0.15)
– Diluted	(0.53)	(0.42)	(1.08)	(1.22)	(0.15)
Net asset value per share	3.59	3.43	2.34	1.12	0.98

* On 14 January 2020, the Company raised net proceeds of S$8,523,000 in connection with its Rights Issue.

GROUP STRUCTURE

SUBSIDIARIES (100%)

The Orchard Imaging Centre Pte Ltd
AsiaMedic Heart & Vascular Centre Pte Ltd
AsiaMedic PET/CT Centre Pte Ltd
AsiaMedic Wellness Assessment Centre Pte Ltd
Complete Healthcare International Pte Ltd
AsiaMedic Astique The Aesthetic Clinic Pte Ltd
AMC Healthcare Pte Ltd*
AsiaMedic Eye Centre Pte Ltd*

ASSOCIATE (33%)

Positron Tracers Pte Ltd

* Inactive

CORPORATE GOVERNANCE **REPORT**

The Board of Directors of AsiaMedic Limited (the "Company") is committed to ensuring that high standards of corporate governance and transparency are practised for the interest of all shareholders. This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code of Corporate Governance 2018 (the "Code") pursuant to Rule 710 of the Listing Manual (Section B: Rules of Catalist) (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the financial year ended 31 December 2019 ("FY2019"). The Company confirms that it has adhered to the principles and guidelines of the Code and (where applicable), has specified each area of non-compliance, where appropriate. The Company will continue to improve its systems and corporate governance processes in compliance with the Code. There are other sections in this Annual Report which contain information required by the Code. Hence, shareholders should read this Annual Report in entirety.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long term success of the company.

The Board of Directors (the "Board") comprises five Directors having the appropriate mix of core competencies and diversity of experience to direct and lead the Company. As at the date of this report, the Board comprises the following members:

Mr Charles Wang Chong Guang	Non-Executive Chairman (appointed on 22 March 2019)
Mr Tan Soo Kiat	Non-Executive Director
Mr Goh Kian Chee	Independent Director
Mr Chua Keng Woon	Independent Director
Mr Lawrence Lim Peter Lim Hong Haw	Independent Director (appointed on 1 October 2019, retiring at the forthcoming Annual General Meeting)

Mr Lawrence Lim will be retiring at the forthcoming Annual General Meeting and does not seek re-election.

Provision 1.1
Board's role

The primary role of the Board is to lead and control the Group. It provides entrepreneurial leadership and sets the strategies of the Group (comprising the Company and its subsidiaries). The Board sets directions and goals for the Management (comprising the key executive officers of the Group) which include appropriate focus on value creation, innovation and sustainability. The Board believes that focus on sustainability will place the Group in a better position to create value for shareholders while looking after the broader stakeholder community.

The Board also reviews to ensure that the Group has the necessary financial and human resources in place to meet the goals and objectives. The Board is responsible for establishing and maintaining a sound risk management framework to effectively monitor and manage risks, and to achieve an appropriate balance between risks and company performance. The Board supervises the Management and monitors its performance.

The Board is responsible for the overall corporate governance of the Group including instilling an ethical corporate culture and ensuring that the Company's values, standards, policies and practices are consistent with the culture. The Board has put in place a code of conduct and ethics which require the Directors facing conflicts of interest to recuse themselves from discussion and decisions involving the issues of conflict. The Board also adopted internal guidelines governing matters that require the Board's approval.

CORPORATE GOVERNANCE **REPORT**

Provision 1.2
Scope of director's duties

The Board is accountable to the shareholders and the Directors are aware of their duties at law which require them to act in good faith and the best interests of the Company and to comply with the Catalist Rules. The Directors have each signed the respective undertaking in the form set out in Appendix 7H of the Catalist Rules to undertake to use their best endeavours to comply with the Catalist Rules and to procure that the Company shall so comply. The Directors have also procured a similar undertaking by the Chief Operating Officer ("COO") and the Group Financial Controller ("GFC") in their capacity as Executive Officers.

Induction, training and development of new and existing directors

The Company has in place an orientation process. A new incoming Director is issued a formal letter of appointment setting out his duties and obligations.

The new Director will also be briefed by the other Directors and the Management on the Group's strategic direction, corporate governance practices, business and organisation structure, and industry-specific knowledge. The new Director will also be introduced to the senior management to facilitate independent communication channels between the new Director and the senior management.

Mr Lawrence Lim who was appointed to the Board on 1 October 2019 had attended the Board Performance Course conducted by the Singapore Institute of Directors.

The Nominating Committee reviews and makes recommendations on the training and professional development programs to the Board as and when applicable.

On at least a half yearly basis, and as and when appropriate, the Board is briefed:

(1) By the Company Secretary and/or the external auditors on the financial, legal and regulatory requirements which include the following:

  (a) directors' duties in respect of the Group's financial statements;

  (b) provisions under the Catalist Rules;

  (c) provisions of the Singapore Companies Act, Chapter 50;

  (d) Code of Corporate Governance; and

  (e) financial reporting standards relevant to the Group.

(2) By the Management on the business environment and outlook for the Group's operations.

Provision 1.3
Internal guidelines on matters requiring Board's approval

Besides matters which are specifically required to be approved by the Board by statutes, the Company's Constitution, and the Catalist Rules, material transactions that require the Board's approval, amongst others, are:

(a) corporate strategies and initiatives;

(b) acquisitions, disposals, investments, and divestments of assets (which include equity, debt, business undertakings, and options to acquire/dispose of assets);

(c) internal controls, audit, risk management, and corporate governance practices;

CORPORATE GOVERNANCE **REPORT**

(d) financial plans and budgets;

(e) capital structure and funding decisions;

(f) financial reports (including financial statements announcements and Annual Reports);

(g) accounting, financial, and remuneration policies and practices;

(h) material contracts, guarantees and commitments;

(i) conflicts of interest (where permitted by the Company's Constitution), related party transactions, and interested person transactions; and

(j) resolutions and corresponding documentation to be put forward to shareholders at general meetings.

All Directors are obliged to exercise due diligence and independent judgment, and make decisions objectively in the interests of the Group.

Provision 1.4
Delegation of authority to board committees

As at the date of this report, the Board comprises five members, of whom two are Non-Executive Directors and three are Independent Directors.

	Board		Board Committees		
Name of Director	**Non-Executive Directors**	**Independent Directors**	**ARMC**	**RC**	**NC**
Mr Charles Wang Chong Guang	Chairman	–	–	Member	–
Mr Tan Soo Kiat	Member	–	Member	–	Member
Mr Goh Kian Chee	–	Member	Chairman	Chairman	–
Mr Chua Keng Woon	–	Member	Member	–	Chairman
Mr Lawrence Peter Lim Hong Haw	–	Member	–	Member	Member

The Board has formed the Audit and Risk Management Committee ("ARMC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") (collectively, the "Board Committees" or individually, a "Board Committee") to assist in carrying out and discharging its duties and responsibilities efficiently and effectively.

These Board Committees function within clearly defined terms of reference and operating procedures including procedures for dealing with conflicts of interest. A Board Committee member is required to disclose his interest and recuse himself from discussions and decisions involving a conflict of interest. The effectiveness of each Board Committee is constantly reviewed by the Board.

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Provision 1.5
Meetings of Board and board committees

The following table discloses the number of meetings held for Board and Board Committees and the attendance of the Directors in FY2019:

	Board	ARMC	RC	NC
Number of meetings held	9	2	2	1
		Number of meetings attended		
Mr Charles Wang Chong Guang(1)	4	na	na	na
Mr Tan Soo Kiat(2)	9	2	2	1
Mr Goh Kian Chee(3)	9	2	2	1
Mr Chua Keng Woon(2)	9	2	2	1
Mr Lawrence Peter Lim Hong Haw(4)	2	na	na	na
Mr Koh Boon How(5)	4	na	na	na

(1) Mr Charles Wang Chong Guang was appointed as Non-Executive Chairman effective 22 March 2019 and RC member effective 1 January 2020

(2) Mr Tan Soo Kiat and Mr Chua Keng Woon ceased as RC members effective 31 December 2019

(3) Mr Goh Kian Chee ceased as NC member effective 31 December 2019

(4) Mr Lawrence Peter Lim Hong Haw was appointed as Independent Director effective 1 October 2019 and NC and RC member effective 1 January 2020

(5) Mr Koh Boon How was a Non-Executive Director from 3 January 2019 to 22 March 2019

In addition to the above official meetings, the Directors also had several meetings outside the formal meeting basis in the course of the financial year.

The NC takes into consideration other listed board representations held by the Directors and ensures that Directors give sufficient time and attention to the affairs of the Group. While the Board considers Directors' attendance at Board meetings as important, it should not be the only criterion to measure their contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, provision of guidance and advice on various matters relating to the Group.

The Constitution of the Company provides for Directors to conduct meetings by teleconferencing or videoconferencing. When a physical meeting is not possible, timely communication with members of the Board can be achieved through electronic means. The Board and Board Committees may also make decisions through circular resolutions.

Provision 1.6
Board's access to information

All Directors are from time to time furnished with information concerning the Group to enable them to be fully cognizant of the decisions and actions of the Management. The Board has unrestricted access to the Group's records and information. As a general rule, Board and Board Committee papers are circulated at least three business days prior to the meeting. The Board receives monthly financial reports by management which includes explanations on material variances between projections and actual results.

The Management are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings, or by external consultants engaged on specific projects.

CORPORATE GOVERNANCE **REPORT**

Provision 1.7
Board's access to Management, Company Secretary and external advisers

The Board has separate and independent access to the Company Secretary and the Management at all times in carrying out their duties. The Company Secretary attends all meetings of the Board and the Board Committees of the Company, and ensures that relevant Board and Board Committee procedures are followed and that applicable rules and regulations are complied with. The minutes of all Board and Board Committee meetings are circulated to the Board. The appointment and removal of the Company Secretary is subject to the approval of the Board.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

BOARD COMPOSITION AND BALANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1
Independence of directors

The criterion for independence is based on the definition given in the Code. The Code has defined an "independent" director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Group. The independence of each Director is reviewed annually by the NC, based on the definition of independence as stated in the Code.

The independence of Mr Goh Kian Chee, Mr Chua Keng Woon and Mr Lawrence Peter Lim Hong Haw as Independent Directors are reviewed by the NC. They have confirmed their independence and that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent judgement with a view to the best interests of the Company. The NC has determined that the Independent Directors constructively challenge and help develop proposals on strategy and review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance. The NC considers them to be independent. They have abstained from the NC's deliberations of their respective independence.

Mr Goh has served as Independent Director for more than nine years. The Board has reviewed the assessment and recommendation of the NC on Mr Goh's independence and undertaken a rigorous review of the same. The Board is of the view that Mr Goh has engaged the Board in constructive discussion, his contributions are relevant and reasoned, and he has demonstrated independent judgement in his deliberations at Board and Board Committee meetings. The Board recognises that Mr Goh has over time developed significant insights in the Group's business and operations, accumulated a wealth of institutional memory for the orderly transfer of such knowledge and provided significant and valuable contribution objectively to the Board as a whole. Hence, the Board considers Mr Goh independent and that his length of services has not affected his independence. Mr Goh has abstained from the Board's review of his independence.

Notwithstanding the Board has considered Mr Goh independent, the NC has recognised the importance of the independent directors being independent and be perceived by all stakeholders to be so. The Company has begun a transition to include new independent directors to further strengthen the independence element of the Board with the appointment of Mr Lawrence Peter Lim Hong Haw as an Independent Director on 1 October 2019.

Provisions 2.2 and 2.3
Independent element of the Board

The Board consists of five Directors, two of whom are Non-Executive Non-Independent Directors and three are Independent Directors.

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The Company satisfies the requirements of Catalist Rule 406(3)(c) and the Code as the Board comprises wholly Non-Executive Directors and a majority of the Board is made up of Independent Directors.

Provision 2.4
Composition and competency of the Board

The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience and collectively possess the necessary core competencies for effective functioning and informed decision-making. The NC also considers the renewal of the Board for good governance.

Provisions 2.5
Role of non-executive directors

During the year, the Non-Executive Directors (which include the Independent Directors) constructively challenge and help develop both the Group's short-term and long-term business strategies. The Management's progress and performance in implementing such agreed business strategies are monitored by the Non-Executive Directors.

During the year, the Non-Executive Directors (which include the Independent Directors) communicated among themselves without the presence of the Management as and when a need arose. The Company also benefited from the Management's ready access to its Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board Committee meetings.

The Non-Executive Directors meet without the presence of the Management at least once a year.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1
Separate roles of Chairman and Chief Executive Officer

Mr Charles Wang is the Non-Executive Chairman of the Board with effect from 22 March 2019. Prior to that, Mr Tan Soo Kiat was the Non-Executive Chairman of the Board.

Mr Choo Kin Poo was the Chief Executive Officer ("CEO") until 28 February 2019. Dr Wong Kae Thong (who has been with the Group since 2007) was appointed Acting Chief Operating Officer ("Acting COO") on 8 April 2019 and became the Chief Operating Officer ("COO") with effect from 1 January 2020. The Chairman, CEO and COO are not related to each other.

Provision 3.2
Roles and Responsibilities of the Chairman

The roles of the Chairman and CEO/COO are separate and distinct, each having his own areas of responsibilities.

The Chairman chairs the meetings of the Board and ensures effectiveness of the Board including setting agenda for Board meetings with input from the Management, and ensures there is sufficient allocation of time for thorough discussion of each agenda item, promoting open environment for debate, and ensuring that all the Directors are able to speak freely and contribute effectively.

The Company's COO heads the Management and is responsible for the day-to-day management and business affairs of the Group. The Company's COO reports to the Board and is responsible for ensuring that policies and strategies adopted by the Board are implemented.

CORPORATE GOVERNANCE **REPORT**

Provision 3.3
Lead independent director

Mr Goh Kian Chee was the Lead Independent Director ("LID") until 31 December 2019. The Board has considered the Group's current business scale and operations and noted that three out of its five board members are Independent Directors. The Independent Directors and the Non-Executive Directors individually and collectively are available to shareholders as a channel of communication between shareholders and the Board or management. Accordingly, there is no need for a LID. The Board will review the need for the appointment of a LID periodically.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provisions 4.1 and 4.2
Nominating Committee

The NC comprises three members, a majority of whom are independent. The members of the NC are:

Mr Chua Keng Woon	Chairman	Independent Director
Mr Lawrence Peter Lim Hong Haw (from 1 January 2020)	Member	Independent Director
Mr Tan Soo Kiat	Member	Non-Executive Director
Mr Goh Kian Chee (until 31 December 2019)	Member	Independent Director

The NC has written terms of reference, under which the key functions of the NC are as follows:

(a) review of succession plans for directors and key management, in particular, the Chairman and the CEO;

(b) develop a process for evaluation of the performance of the Board, its Board Committees and Directors, and undertake assessment of the effectiveness of the Board, Board Committees and Directors, including reviewing multiple board representations of directors where applicable;

(c) review the training and professional development programs for the Board;

(d) recommend to the Board the appointment and re-appointment of Directors; and

(e) assess the independence of Independent Directors.

The NC will review Board succession plans for Directors and will seek to refresh the Board membership in an orderly manner where it deems applicable.

Provision 4.3
Process for the selection and appointment and re-appointment of directors

The NC will conduct an annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. It may, if it deems appropriate, recommend the appointment of additional directors to strengthen the composition of the Board or as part of ongoing Board renewal process. The NC will review and identify the desired competencies for a new appointment.

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Where there is a resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the competencies for the replacement. Once the NC has determined the desired competencies for an additional or replacement director to complement the skills and competencies of the existing Directors, it will submit its recommendations to the Board for approval. Candidates are first sourced through a network of contacts and identified based on the established criteria. Recommendations from the Directors and the Management are the usual source for potential candidates. Where applicable, search through external search consultants can be considered.

The NC will shortlist candidates and conduct formal interviews with each of them to assess their suitability and to verify that the candidates are aware of the expectations and the level of commitment required. The sponsor will also interview the candidates for their suitability as directors. Finally, the NC will make recommendations on the appointment(s) to the Board for approval.

The Constitution of the Company requires a Director appointed by the Board to hold office only until the next Annual General Meeting and shall be eligible for re-election. Accordingly, Mr Lawrence Peter Lim Hong Haw who was appointed by the Board on 1 October 2019 will retire at the forthcoming annual general meeting ("AGM") pursuant to Regulation 88 of the Constitution of the Company. However, Mr Lim will not seek re-election as a Director.

The Constitution of the Company requires one-third of the Board to retire from office at each AGM. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years. Mr Tan Soo Kiat and Mr Chua Keng Woon will retire by rotation at the forthcoming AGM pursuant to Regulation 89 of the Constitution of the Company. Mr Tan and Mr Chua have consented to stand for re-election at the forthcoming AGM.

In accordance with Catalist Rule 720(5), information as set out in Appendix 7F on Mr Tan and Mr Chua are provided together with the resolutions on their proposed re-election.

Provision 4.4
Determining directors' independence

Each Director completes a checklist to confirm his independence on an annual basis. The NC has reviewed the independence of the Directors as mentioned under Provision 2.1.

Provision 4.5
Multiple board representations

The NC considers and it is of the view that it would not be appropriate to set a limit on the number of directorships that a Director may hold because Directors have different capabilities, and the nature of the organisations in which they hold appointments and the kind of committees on which they serve are of different complexities, and for each Director to personally determine the demands of his or her competing directorships and obligations and assess the number of directorships they could hold and serve effectively.

There is no appointment of alternate by any Director, and the NC has considered other listed board representations held by the Directors to satisfy itself that the Directors give sufficient time and attention to the affairs of the Group.

Key information on Directors

Particulars of interests of Directors, who held office at the end of the financial year, in shares in the Company and in related corporations (other than wholly-owned subsidiaries) are set out in the Directors' Statement of the Annual Report.

Other key information of each member of the Board including directorships and chairmanships in other listed companies, other major appointments, and academic/professional qualifications can be found in the Board of Directors' profile section of the Annual Report.

CORPORATE GOVERNANCE **REPORT**

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2
Conduct of Board performance

The NC examines the Board's size to satisfy that it is appropriate for effective decision making, taking into account the nature and scope of the Group's operations.

The NC has reviewed and evaluated the performance of the Board as a whole, taking into consideration the attendance record at the meetings of the Board and Board Committees and also the contribution of each Director to the effectiveness of the Board. Notwithstanding that some of the Directors have multiple board representations, the NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group.

This process includes having the Directors complete a performance evaluation form seeking their evaluation on various aspects of board performance, such as the Board's level of governance, effective delegation to the Board Committees, leadership and accountability, which are the same performance criteria used in previous evaluation. The individual Directors also complete a self and peer assessment form. The Company Secretary compiles the Board and individual Directors' evaluation into a consolidated report. The report is discussed at the NC meeting and also shared with the entire Board.

The NC has reviewed the evaluations of the Board and individual Directors and is satisfied that the Board and each of the Board Committees have been effective in the conduct of its duties and the Directors have each contributed to the effectiveness of the Board and the Board Committees.

The individual Director is assessed on his knowledge of the Group's business and operations, business acumen, knowledge of corporate governance, contribution and engagement, communication and integrity. The Chairman will act on the results of the performance evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his duties as a Director of the Company. For the current year, the Board is satisfied that each Director has allocated sufficient time and resources to the affairs of the Company.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, and will consider the use of such facilitator as and when appropriate.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

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Provisions 6.1 and 6.2
Remuneration Committee

The RC comprises three members, all of whom are Non-Executive and a majority of whom are Independent Directors, including the Chairman of the RC. The members of the RC are:

Mr Goh Kian Chee	Chairman	Independent Director
Mr Lawrence Peter Lim Hong Haw (from 1 January 2020)	Member	Independent Director
Mr Charles Wang Chong Guang (from 1 January 2020)	Member	Non-Executive Director
Mr Tan Soo Kiat (until 31 December 2019)	Member	Non-Executive Director
Mr Chua Keng Woon (until 31 December 2019)	Member	Independent Director

The RC carried out their duties in accordance with the terms of reference which include the following among other things:

(a) review and recommend to the Board a framework for remuneration for the Directors, CEO, COO and key management personnel of the Group;

(b) review and recommend Directors' fees for Non-Executive Directors (including Independent Directors) for approval at the AGM;

(c) determine specific remuneration packages for each executive director (if applicable), CEO, COO as well as key management personnel;

(d) review the Group's obligations arising in the event of termination of the executive directors', CEO's, COO's and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and

(e) review the remuneration of employees who are immediate family members of Directors or the CEO or COO to ensure that the remuneration of each of such employee commensurates with his or her duties and responsibilities, and no preferential treatment is given to him or her.

Provision 6.3
Review of remuneration

There are currently no Executive Directors and CEO. There are no termination and retirement benefits that may be granted to the COO or any key management personnel.

All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses and benefits in-kind, will be covered by the RC. Each RC member will abstain from voting on any resolution in respect of his remuneration package. The recommendations of the RC will be submitted to the Board for endorsement.

Provision 6.4
Engagement of remuneration consultants

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expenses of such services shall be borne by the Company.

The RC may seek expert advice on Directors' remuneration matters when necessary.

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LEVEL, MIX AND DISCLOSURE OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1
Remuneration of executive directors and key management personnel

In setting remuneration packages, the RC will take into consideration the pay and employment conditions within the industry and in comparable companies.

There are currently no executive directors and CEO. The COO is paid a basic salary, responsibility allowances and performance-related variable bonus pursuant to her service agreement. The key management personnel of business units (other than GFC) are paid a basic salary, productivity incentives and performance-related variable bonus pursuant to their respective service agreements. The GFC is paid a basic salary and performance-related variable bonus pursuant to his respective service agreement. The factors for paying the variable bonus are the Group's performance and the performance of the personnel which contributed to the Group's performance.

The Company does not have any contractual provisions in the employment contracts for the Company to reclaim incentive components of remuneration from CEO, COO or key management personnel. The Board is of the view that as the Group pays bonuses based on the actual performance (and not on forward-looking results or targets) of the operating unit as well as the individual, "claw-back" provisions are not relevant or appropriate.

The RC has reviewed the remuneration framework of the key management personnel to ensure that their compensation aligns with the long term interest of the Group.

Provision 7.2
Remuneration of non-executive directors

Non-Executive and Independent Directors do not have service contracts. Their fee comprises a basic retainer fee and additional fees for appointment to Board Committees in accordance with their level of responsibilities as chairman or member of the Board Committees or other additional duties.

The RC has reviewed the fee structure for the Non-Executive Directors and Independent Directors as being reflective of their responsibilities and work commitments and recommends the Directors' fee for FY2019 for shareholders' approval at the Company's AGM.

Provision 7.3
Appropriate remuneration to attract, retain and motivate key management personnel and directors

The Company has in place share award and share option schemes, namely the AsiaMedic Share Award Scheme and the AsiaMedic Employee Share Option Scheme 2016. Non-Executive Independent Directors and Non-Executive Non-Independent Directors are also eligible for participation in the above schemes. The schemes are means to attract, retain and motivate key management personnel and where applicable, Non-Executive Directors.

DISCLOSURE OF REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1
Remuneration report

The performance of all staff (including key management personnel) are evaluated annually. Key performance indicators of key management personnel include their departmental performance, operational efficiencies and cost controls. The overall assessment of the key management personnel as well as their remuneration package are submitted to the RC for review.

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The Company does not have any Executive Directors. Non-Executive Directors are paid fees comprising a basic retainer fee and additional fees for appointment to Board Committees in accordance with their level of responsibilities as chairman or member of the Board Committees or other additional duties.

Directors and CEO

The remuneration of the Directors and the former CEO for FY2019 were as follows:

	Directors' fee %	Salary %	Bonus %	Other benefits %	Total %
Below S$250,000					
Non-Executive Directors					
Mr Charles Wang Chong Guang	100%	–	–	–	100%
Mr Tan Soo Kiat	100%	–	–	–	100%
Mr Koh Boon How	100%	–	–	–	100%
Independent Directors					
Mr Goh Kian Chee	100%	–	–	–	100%
Mr Chua Keng Woon	100%	–	–	–	100%
Mr Lawrence Peter Lim Hong Haw	100%	–	–	–	100%
Former Chief Executive Officer					
Mr Choo Kin Poo(1)	–	89%	–	11%	100%
S$250,000 – S$500,000					
Acting Chief Operating Officer					
Dr Wong Kae Thong(2)	–	80%	–	20%	100%

Notes:
(1) Mr Choo Kin Poo resigned on 28 February 2019.
(2) Dr Wong Kae Thong was appointed as Acting COO on 8 April 2019.

The aggregate Directors' fee was S$154,096 for FY2019.

Top five key management personnel (who are not Directors or the CEO or COO)

The aggregate remuneration of the top 5 management personnel amounted to S$1,184,000 for FY2019. As the number of key management personnel is less than 5 under the Group's organisational structure, the list of top 5 management personnel includes key managerial positions.

The Code recommends that the names and remuneration of at least the top five key management personnel (who are not Directors or the CEO) be shown in bands of S$250,000. However, the Company believes that it is not in the best interests of the Company to disclose the names and details of the remuneration of such personnel given the highly competitive industry conditions.

Provision 8.2
Employee related to Directors, CEO or COO

The Group does not have any employee who is an immediate family member of a Director, CEO or COO whose remuneration exceeded S$100,000 in FY2019.

Provision 8.3
Employee share award and share option schemes

The Company has in place an employee share award scheme and an employee share option scheme to allow the Company to have the flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees. No share awards or share options were issued in FY2019.

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ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1
Risk management and internal controls system

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of operational, financial and compliance risks. The Board approves the key management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk focused culture throughout the Group for effective risk governance.

The Board has approved a Group Risk Management Framework for the identification of key risks within the business.

The ARMC assists the Board in its risk oversight to ensure that a review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management systems, is conducted annually.

<u>Management's responsibilities in risk management</u>

The Management reports to the ARMC on the Group's risk profile, the status of risk mitigation action plans and updates on the following areas:

- Assessment of the Group's key risks by major business units and risk categories.
- Identification of specific risk owners who are responsible for the risks identified.
- Description of the processes and systems in place to identify and assess risks.
- Status and changes in action plan undertaken to manage key risks.
- Description of the risk monitoring and escalation processes and also the control systems in place.

<u>Annual review of risk management and internal control systems</u>

The Board with the assistance of the ARMC has undertaken an annual assessment on the adequacy and effectiveness of the Group's risk management and internal control systems. The assessment considered issues dealt with in reports reviewed by the ARMC and the Board during the year together with any additional information necessary to ensure that the Board has taken into account all significant aspects of risks and internal controls for FY2019.

In order to obtain assurance that the risks are managed adequately and effectively, the Board had reviewed an overview of the risks which the Group is exposed to, as well as an understanding of what counter-measures and internal controls are in place to manage them.

The Management is responsible for designing, implementing and monitoring the risk management and internal control systems in accordance with the policies on risk management and internal controls.

Provision 9.2
Assurances from COO and GFC

The Board has obtained a written confirmation from the COO and the GFC that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the risk management and internal control systems are adequate and effective in addressing the operational, financial, compliance, and information technology risks faced by the Group.

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Board's comment on adequacy and effectiveness of internal controls and risk management systems

Based on the internal controls and risk management established and maintained by the Group, work performed by the internal and external auditors, whistle blowing policy and reviews performed by the Management, the Board and relevant Board Committees, the Board is of the opinion that the Group's risk management and internal control systems (comprising financial, operational, compliance and information technology controls) for FY2019 are adequate and effective. The ARMC concurs with the Board's opinion based on their reviews of audit findings on internal controls and risks with the internal and external auditors, and the whistle blowing policy and procedures which are in place.

The Board notes that the system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provisions 10.1 and 10.2
Audit and Risk Management Committee

The ARMC comprises three members, all of whom are Non-Executive and the majority of whom are Independent Directors. The ARMC comprises the following members:

Mr Goh Kian Chee	Chairman	Independent Director
Mr Chua Keng Woon	Member	Independent Director
Mr Tan Soo Kiat	Member	Non-Executive Director

Widely experienced in regional management and finance, Mr Goh Kian Chee had previously held senior executive positions with large multinational companies. The other members of the ARMC have extensive experience in accounting, corporate finance, business management and strategic planning. In addition to the activities undertaken to fulfil its responsibilities, the ARMC is kept up to date by the management, external and internal auditors on changes to financial reporting and accounting standards, the SGX-ST rules and other codes and regulations which can have an impact on the Group's business and financial statements.

The Board is satisfied that the members of the ARMC have recent and relevant accounting or related financial management expertise or experience to discharge the ARMC's functions.

Roles, responsibilities and authorities of ARMC

The ARMC functions under the terms of reference which set out the following among other things:

(a) to review the audit plans of both the internal and external auditors;

(b) to review the auditors' reports and their evaluation of the Group's system of internal controls;

(c) to review the co-operation given by the Group's officers to the internal and external auditors;

(d) to review the effectiveness, adequacy, independence, scope and results of the external audit and the internal audit;

(e) to review the financial statements of the Group with external auditors and to receive assurance from the CEO (or the COO) and the GFC (or equivalent) before submission to the Board;

(f) to review the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

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(g) to nominate and review the appointment of the internal and external auditors;

(h) to review interested person transactions and potential conflicts of interest; and

(i) to review arrangements by which the staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting.

The ARMC has the power to conduct or authorise investigations into any matter within the ARMC's scope of responsibility. The ARMC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company.

Each member of the ARMC shall abstain from voting on any resolutions in respect of matters he is interested in.

The ARMC has full access to and co-operation of the Management and has full discretion to invite any Director, employee or consultant to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

ARMC's comments on key audit matters

The ARMC also reviewed the key audit matters ("KAMs") set out in the external auditor's report for FY2019. The external auditor has identified the KAMs as (i) going concern assessment, (ii) impairment assessment on goodwill, (iii) impairment assessment on property, plant and equipment, and right-of-use assets, and (iv) impairment assessment on investment in subsidiaries and amounts due from subsidiaries.

In connection with the going concern matter identified by the external auditor, the ARMC and the Board noted that the Group will still maintain a positive cash balance in March 2021 if the Group's average monthly revenue for the period between January 2020 and March 2021 decreases by approximately 26% as compared to FY2019 based on the key assumptions adopted. Accordingly, although the extent of the impact of COVID-19 on the Group cannot be determined at this stage, based on the projections and the cash and cash equivalents position of the Group after the completion of the Rights Issue in January 2020, the ARMC and the Board believe that the Group will be able to continue as a going concern and will be able to pay its debts as and when they fall due for the next 12 months.

In respect of the other KAMs, the ARMC considered and evaluated the methodology and key assumptions applied by the management for the following:

– Impairment assessment on goodwill;

– Impairment assessment on property, plant and equipment, and right-of-use assets; and

– Impairment assessment on investment in subsidiaries.

The ARMC reviewed the appropriateness and reasonableness of the underlying assumptions applied in determining the recoverable amount of the cash-generating unit identified for the above impairment assessments.

Additionally, the ARMC considered and evaluated the methodology and key assumptions applied in management's Expected Credit Loss ("ECL") model to determine the ECL allowance to be recognised on the amounts due from subsidiaries. The ARMC reviewed the appropriateness and reasonableness of the underlying assumptions applied in determining the recoverable amounts of the subsidiaries identified in the impairment assessment on amounts due from subsidiaries.

The ARMC also reviewed the audit findings report presented by the external auditor during the year end meeting. The ARMC concurred with the management's assessment on (i) goodwill, (ii) property, plant and equipment, and right-of-use assets, and (iii) investment in subsidiaries and amounts due from subsidiaries, and the impairments recognised for the financial year ended 31 December 2019.

CORPORATE GOVERNANCE **REPORT**

Independence and quality of external auditors

The external auditors of the Group are Ernst & Young LLP. They are registered with the Accounting and Corporate Regulatory Authority and a suitable audit firm in accordance with Rule 712 of the Catalist Rules. A different auditor has been appointed for the Group's associated company. The name of the auditor is disclosed in the financial statements. The Board and the ARMC are satisfied that the appointment of different auditor for its associated company would not compromise the standard and effectiveness of the audit of the Group, and accordingly, Rule 716 of the Catalist Rules has been complied with.

The ARMC considers the external auditors' findings and where necessary sought further confirmation or explanation from the Management. On the key audit matters mentioned by the external auditors, the ARMC discussed with the external auditors and the Management and deemed that the list of key audit matters has been appropriately addressed and disclosed in the financial statements.

The ARMC is also satisfied with the adequacy of the scope and quality of the audit reviews performed by the external auditors, taking into consideration the audit quality indicators of the external auditors. The ARMC has recommended that Ernst & Young LLP be nominated for re-appointment as auditors at the forthcoming AGM.

Whistle-blowing

The Company has in place a whistle-blowing policy which is published in the employee handbook of the human resources department. The handbook clearly defines the scope of the whistle-blowing and sets out the procedures for raising concern or making a complaint and the process of investigation and dealing with the outcome of the investigation.

Staff are free to bring complaints to the attention of their supervisors and department heads, the human resources manager, or any of the senior management. The recipient of such complaints shall forward them promptly to the ARMC Chairman. Staff also can choose to send the complaint directly to the ARMC Chairman. The ARMC Chairman will treat all information received confidentially and protect the identity of all whistle-blowers. Following investigation and evaluation of a complaint, the ARMC Chairman shall report to the ARMC on recommended disciplinary or remedial action, if any. The action determined by the ARMC to be appropriated shall then be brought to the Board or to appropriate members of senior management for authorization and implementation respectively.

The policy is communicated to all staff of the Group as part of the Company's efforts to promote awareness of fraud control.

Provision 10.3
Partners or directors of the company's auditing firm

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARMC.

Provision 10.4
Internal audit function

The Company outsources its internal audit function to Yang Lee & Associates. The internal auditors report directly to the ARMC and internal control weaknesses identified during the internal audit reviews and the recommended corrective actions are reported to the ARMC periodically.

The ARMC reviews and approves the internal audit scope and plan to ensure that there is sufficient coverage of the Group's activities. It also oversees the implementation of the internal audit plan and ensures that the management provides the necessary co-operation to enable the internal auditors to perform its function.

The internal auditors are guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

The ARMC reviews the independence and adequacy of the internal audit function annually to ensure that the internal audits are performed effectively. The ARMC is satisfied that the internal auditors are staffed by qualified and experienced personnel.

CORPORATE GOVERNANCE **REPORT**

The internal auditors completed one review during FY2019 in accordance with the internal audit plan approved by the ARMC with reference to the Group risk management framework. During the review, the internal auditors have unfettered access to the relevant documents, records, properties and personnel of the Group. The findings and recommendations of the internal auditors, the management's responses, and the management's implementation of the recommendations have been reviewed and approved by the ARMC. The ARMC is of the view that the internal audit function is independent, effective and adequately resourced.

Provision 10.5
Meeting with external and internal auditors without presence of the Management

The ARMC meets with both the internal and external auditors without the presence of the Management at least once a year

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1
Shareholders participation and voting at general meetings

To facilitate participation by Shareholders, all general meetings of the Company are held in Singapore. Shareholders have the opportunity to participate effectively in and to vote at general meetings of Shareholders.

Shareholders are encouraged to attend the general meetings and to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Notices of the meetings are advertised in the newspapers and announced on the SGXNET.

At the Company's AGM, shareholders are given the opportunity to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters.

All resolutions at the forthcoming AGM would be put to vote by poll which allow greater transparency and more equitable participation by shareholders. Voting and vote tabulation procedures are disclosed at the general meetings. The poll results will be read out to shareholders immediately after vote tabulations. The result of the resolutions will be announced after the general meetings via SGXNET.

Provision 11.2
Separate resolutions at general meetings

The Company has and will continue to have separate resolutions at general meetings on each distinct issue.

Provision 11.3
Attendance of directors and auditors at general meetings

The Directors, including the chairpersons of each of the Board Committees are available at the meetings to address shareholders' queries. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Provision 11.4
Absentia voting

The Company's constitution allows the appointment of proxies for a shareholder who is absent from a general meeting to exercise his vote in absence through his proxy or proxies.

The Company's Constitution allows a member (other than a relevant intermediary as defined in Section 181 of the Companies Act) to appoint one or two proxies to attend and vote at its general meetings.

CORPORATE GOVERNANCE **REPORT**

For shareholders who hold their shares through relevant intermediary, the Companies Act allows relevant intermediaries which include CPF agent bank nominees to appoint multiple proxies and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

Provision 11.5
Minutes of general meetings

Minutes of general meetings will be taken and published in the Company's corporate website at www.asiamedic.com.sg.

Provision 11.6
Dividend

The details of dividend payment to shareholders will be disclosed via the release of the announcements through SGXNet. No dividend is declared or recommended due to the performance of the Group for FY2019. The Company does not have a policy on payment of dividend. The Board will consider the Group's level of cash and retained earnings and projected working capital requirements, capital expenditure and investments in proposing a dividend.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1
Avenues for communication between the Board and shareholders

In line with the continuous obligations of the Company pursuant to the Catalist Rules, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

The Company's AGM is the principal forums for dialogue and interaction and exchange of views among the Directors, Management and shareholders. The Group also maintains a website at asiamedic.com.sg at which shareholders can access information on the Group. The website provides, *inter alia*, corporate announcements, press releases and profiles of the Group.

Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news releases;

(b) Annual Reports issued to all shareholders;

(c) press releases on major developments of the Group;

(d) notices of and explanatory notes for the AGMs and extraordinary general meetings ("EGMs"); and

(e) the Company's website at www.asiamedic.com.sg, where shareholders can access information on the Group.

In accordance with the Catalist Rules of the SGX-ST, the Company does not practise selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Rules.

Provisions 12.2 and 12.3
Investor relations

The Company strives to reach out to shareholders and investors via its online investor relations site within its corporate website at www.asiamedic.com.sg where it updates shareholders and investors on the latest news and business developments of the Group.

CORPORATE GOVERNANCE **REPORT**

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1 and 13.2
Engage with its material stakeholder groups

The Group's material stakeholders are its shareholders, customers, employees, regulator and suppliers. The engagement with them is set out in its Sustainability Report for FY2018 published on 16 May 2019 on SGXNET.

The Company will publish its Sustainability Report for FY2019 in May 2020.

Provision 13.3
Corporate website to communicate and engage with stakeholders.

The Group maintains a corporate website at asiamedic.com.sg at which stakeholders can access information on the Group. The website provides, *inter alia*, corporate announcements, press releases and profiles of the Group. The Company has an online investor relations site within its corporate website as an outreach to shareholders and all other stakeholders.

DEALINGS IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules, the Company does not deal in its own shares one month before the announcement of the Group's half-year and year-end financial statements. The Company issues circulars to its Directors and staff to remind them that (i) they should not deal in shares of the Company on short-term considerations or if they are in possession of unpublished material price-sensitive information; and (ii) they are required to report on their dealings in shares of the Company. The Directors and staff are also reminded of the prohibition in dealing in shares of the Company one month before the announcement of the Group's half-year and year-end financial statements. The restriction in dealings in securities is also extended to directors, employees and staff of the subsidiary companies.

INTERESTED PERSON TRANSACTIONS

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Brookline Medical Pte. Ltd.	Associate of controlling shareholder	Nil	S$154,028 (Provision of imaging services under the general mandate)
Luye Medical Group Pte. Ltd.	Controlling shareholder	S$192,642 (Loan interest payable)	

Saved as disclosed, there were no other reportable interested person transactions.

CORPORATE GOVERNANCE **REPORT**

USE OF PROCEEDS FROM RIGHTS ISSUE

The Company issued 729,034,145 new ordinary shares on 14 January 2020 in connection with its Rights Issue. The net proceeds have been utilised as follows:

Use of proceeds	Net proceeds	Amount utilised to date	Balance
	S$'000	S$'000	S$'000
Reducing indebtedness of the Group[1]	5,000	5,000	–
For general corporate and working capital purposes including but not limited to operating costs, capital expenditure and making strategic investments and/or acquisitions if opportunities arise	3,523	–	3,523
Total	8,523	5,000	3,523

Note:

(1) Reducing indebtedness of the Group in relation to the Offsetting Arrangement (as defined in the Company's circular to shareholders dated 14 November 2019).

Under the Offsetting Arrangement, the Company and Luye Medical Group Pte Ltd (the "Undertaking Shareholder") have mutually agreed that the subscription monies due from the Undertaking Shareholder to the Company for the subscription by the Undertaking Shareholder of 381,725,584 rights shares and 34,941,082 excess rights shares will be offset entirely against the aggregate outstanding loan amount owing by the Company to the Undertaking Shareholder of S$5 million.

MATERIAL CONTRACTS

Saved as disclosed, there were no material contracts entered into by the Company or any of its subsidiary companies involving the interest of the Directors or a controlling shareholder.

NON-SPONSOR FEES

No non-sponsor fee was paid in FY2019.

AUDIT FEES

The audit fee for FY2019 is S$105,000. There is no non-audit fee.

DIRECTORS' STATEMENT

The Directors hereby present their statement to the members together with the audited consolidated financial statements of AsiaMedic Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2019.

1. Opinion of the Directors

In the opinion of the Directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The Directors of the Company in office at the date of this statement are:

Charles Wang Chong Guang	Non-Executive Chairman	(Appointed on 22 March 2019)
Tan Soo Kiat	Non-Executive Director	
Goh Kian Chee	Independent Director	
Chua Keng Woon	Independent Director	
Lawrence Peter Lim Hong Haw	Independent Director	(Appointed on 01 October 2019)

3. Arrangements to enable Directors to acquire shares and debentures

Except as described in section 5 and 6 below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. Directors' interests in shares and debentures

The following Directors, who held office at the end of financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of Director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Tan Soo Kiat	–	–	8,000,000	8,000,000
Share options of the Company				
Goh Kian Chee	150,000	150,000	–	–

DIRECTORS' STATEMENT

Tan Soo Kiat's deemed interest arises from ordinary shares held in a nominee account.

There was no change in the above-mentioned interests between the end of the financial year and 21 January 2020 except for the interests of Mr Tan Soo Kiat in connection with the Rights Issue (as disclosed in Note 39 to the financial statements) as follows:

	Direct interest		Deemed interest	
Name of Director	**At 1 January 2020**	**After Rights Issue on 14 January 2020**	**At 1 January 2020**	**After Rights Issue on 14 January 2020**
Ordinary shares of the Company				
Tan Soo Kiat	–	–	8,000,000	12,000,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations (other than wholly-owned subsidiaries), either at the beginning of the financial year, date of appointment if later, or at the end of the financial year.

5. AsiaMedic Employee Share Option Scheme

At an extraordinary general meeting held on 19 January 2016, shareholders approved the "AsiaMedic Employee Share Option Scheme 2016" for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible employees, Directors and consultant radiologists.

The scheme is administered by the Remuneration Committee.

The options that are granted under the scheme may have exercise prices that are set at the market price or at a discount to the market price (subject to a maximum discount of 20%). Options which are fixed at the market price may be exercised after the first anniversary of the date of grant while options exercisable at a discount to the market price may only be exercised after the second anniversary from the date of grant. Options granted under the scheme will have a life span of up to 10 years. Options are forfeited if the grantee leaves the Group.

No share options under the scheme were granted during the financial year.

Date of grant	Balance at 1 Jan 2019	Aggregate options lapsed/ forfeited during the financial year	Balance at 31 Dec 2019	Exercise price	Discount to prevailing market price
15 Jun 2016	1,524,000	–	1,524,000	$0.056	11.1%

The exercisable period for the share options is 16 June 2018 to 14 June 2026. Particulars of employee share options scheme granted in 2016 were set out in the Directors' statement for the financial year ended 31 December 2016.

The information on the Director of the Company still participating in the scheme is as follows:

Name of Grantee	Options granted during the financial year under review	Aggregate options granted since commencement of scheme to the end of the financial year under review	Aggregate options exercised/lapsed since commencement of the scheme to the end of the financial year under review	Aggregate options outstanding as at the end of the financial year under review
Goh Kian Chee	–	150,000	–	150,000

Mr Goh Kian Chee did not participate in any deliberation or decision in respect of the options granted to him.

DIRECTORS' STATEMENT

Since the commencement of the scheme till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates (as defined in the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited).

- No grantee has received 5% or more of the total options available under the scheme.

- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporations have been granted.

6. AsiaMedic Share Award Scheme

The Company has a remuneration scheme known as the "AsiaMedic Share Award Scheme" pursuant to approval obtained from its shareholders at an extraordinary general meeting held on 30 April 2011.

The scheme is administered by the Remuneration Committee. No award has been granted since the adoption of the scheme.

7. Audit and Risk Management Committee

The Audit Committee of the Company was re-designated the Audit and Risk Management Committee (ARMC) on 28 February 2014 to better reflect its risk oversight responsibilities. The ARMC carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors

- Reviewed the half yearly and annual financial results announcement and the independent auditor's report on the annual financial statements of the Group and the Company and to receive assurance from the Chief Operating Officer, and the Group Financial Controller before their submission to the Board of Directors

- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor

- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARMC

- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators

- Reviewed the cost effectiveness and the independence and objectivity of the external auditor

- Reviewed the nature and extent of non-audit services provided by the external auditor

- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit

- Reported actions and minutes of the ARMC to the Board of Directors with such recommendations as the ARMC considered appropriate

- Reviewed interested person transactions in accordance with the requirements of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited

DIRECTORS' STATEMENT

The ARMC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor.

The ARMC convened two meetings during the year with full attendance from all members.

The ARMC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the ARMC are disclosed in the Corporate Governance Report.

8. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of Directors:

Charles Wang Chong Guang
Director

Tan Soo Kiat
Director

Singapore

2 April 2020

INDEPENDENT AUDITOR'S REPORT **TO THE MEMBERS OF ASIAMEDIC LIMITED**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AsiaMedic Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2019, the statement of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our procedures, including the procedures performed to address the matters below, provide the basis for our opinion on the accompanying financial statements.

Going concern assessment

As explained in Note 2.1 in the financial statements, the Group incurred a net loss of $588,233 and net cash outflows of $56,542 during the financial year ended 31 December 2019. The Group derives significant revenue from a single customer. As disclosed in Note 2.1, the COVID-19 outbreak has impacted the revenue and cashflows of the Group subsequent to year-end and may continue to significantly disrupt the business activities of the Group, the prolonged result of which may materially affect the Group's ability to generate sufficient cash flows from operations.

The consolidated financial statements have been prepared on a going concern basis. Management's assessment of the Group's ability to generate sufficient operating cash flows and availability of sufficient funds for its operations amidst the disruptions caused by the COVID-19 outbreak are important considerations in our assessment of the appropriateness of the going concern assumption used in the preparation of the financial statements. As management's going concern assessment is a significant aspect of our audit, we have identified this as a key audit matter.

INDEPENDENT AUDITOR'S REPORT **TO THE MEMBERS OF ASIAMEDIC LIMITED**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

In response to this area of focus, we performed the following procedures, amongst others:

– obtained an understanding of management's consideration of the going concern assessment, including the current business environment and the mitigation plans, to corroborate our review of the key assumptions used by management;

– evaluated the reasonableness of the key assumptions, such as revenue and timing of significant cash flows, used in the forecasts by comparing to historical data, financial budgets approved by the board and available external data taking into consideration the current economic situation affected by COVID-19;

– performed stress test on certain key assumptions used in the cashflow forecast, particularly the revenue and operating costs, to assess the potential headroom; and

– assessed the adequacy of the disclosures in Note 2.1 to the financial statements.

Impairment assessment on goodwill

The Group recorded goodwill of $523,864 arising from the acquisition of AsiaMedic Astique The Aesthetic Clinic ("AATAC") in 2013. Following management's impairment assessment, no impairment charge was recorded for AATAC for the year ended 31 December 2019.

In determining the recoverable amount of the cash-generating unit ("CGU"), management used a value-in-use calculation that was based on budgets and forecasted cash flows. The estimation of the recoverable amount was dependent on certain estimates such as expected cash flows, growth rates and discount rates. Accordingly, we have identified this as a key audit matter.

In response to this area of focus, we performed the following procedures, amongst others:

– obtained an understanding of management's process in their determination of recoverable amount of the CGU;

– tested the reasonableness of the inputs, data and methodology used by management to derive the recoverable amounts of the CGU by comparing to historical data, financial budgets approved by the board and external data such as growth rate. We discussed with management to obtain an understanding of the business environment to corroborate our testing of the reasonableness of the data used by management;

– involved our internal valuation specialist to assist us in the evaluation of the reasonableness of discount rate applied in the value-in-use model;

– reviewed the results of the impairment assessment performed by management by comparing the carrying value of the CGU to its recoverable amount, and assessed if the carrying amount exceed the recoverable amount, and

– assessed the adequacy of the disclosures in Note 14 to the financial statements.

Impairment assessment on property, plant and equipment and right-of-use assets

The carrying value of the Group's property, plant and equipment ("PPE"), which consist principally of medical equipment, and right-of-use assets ("ROUAs"), as of 31 December 2019 amounted to $2.5 million (2018: $4.0 million) and $6.3 million (2018: $nil) respectively. PPE and ROUAs are tested for impairment whenever there are indications of impairment. Following management's impairment assessment, no impairment charge was recorded for the year ended 31 December 2019.

The carrying values of the Group's PPE and ROUA were significant to our audit due to its magnitude and the significant management judgment involved in the impairment assessment. The estimation of the recoverable amount was dependent on certain estimates such as expected cash flows, growth rates and discount rates. Accordingly, we have identified this as a key audit matter.

INDEPENDENT AUDITOR'S REPORT **TO THE MEMBERS OF ASIAMEDIC LIMITED**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

In responding to this area of focus, we performed the following procedures, amongst others:

– obtained an understanding of management's process and their determination of recoverable amounts;

– tested the reasonableness of the inputs and data used by management to derive the recoverable amounts by comparing to historical data, financial budgets approved by the board and external data such as growth rate. We also discussed with management to obtain an understanding of the business environment to corroborate our testing of the reasonableness of the data used by management;

– involved our internal valuation specialist to assist us in the evaluation of the reasonableness of discount rate applied in the value-in-use model;

– reviewed the results of the impairment assessment performed by management by comparing the carrying values of the assets to their respective recoverable amounts, and checked management's computation in recognizing impairment losses for those plants and equipment whose carrying amounts exceeded the recoverable amounts; and

– assessed the adequacy of the disclosures in Note 10 and 32 to the financial statements.

Impairment assessment on investment in subsidiaries and amounts due from subsidiaries

The carrying amounts of the Company's investment in subsidiaries and amounts due from subsidiaries were $0.3 million and $3.0 million respectively as at 31 December 2019. The impairment assessments on investment in subsidiaries and amount due from subsidiaries were significant to our audit due to the magnitude and significant management judgment involved in the impairment assessment process. Accordingly, we have identified this as a key audit matter.

Management performed impairment assessment for investment in subsidiaries as there were indicators of impairment. Based on management's assessment, impairment charge of $0.1 million was recorded to write down the carrying amount of the investment in subsidiaries during the year.

In response to this area of focus, we performed the following procedures, amongst others:

– obtained an understanding of management's process in their determination of recoverable amounts of the investment in subsidiaries;

– tested the reasonableness of the inputs, data and methodology used by management to derive the recoverable amounts by comparing to historical data of the subsidiaries, financial budgets approved by the board and external data such as growth rate. We discussed with management to obtain an understanding of the business environment to corroborate our testing of the reasonableness of the data used by management;

– involved our internal valuation specialist to assist us in the evaluation of the reasonableness of discount rate applied in the value-in-use model; and

– reviewed the results of the impairment assessment performed by management by comparing the carrying values of the investments in subsidiaries to their respective recoverable amounts, and checked management's computation in recognizing impairment losses when their carrying amounts exceeded the recoverable amounts.

INDEPENDENT AUDITOR'S REPORT **TO THE MEMBERS OF ASIAMEDIC LIMITED**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The Company provided for expected credit loss ("ECL") on the amounts due from subsidiaries based on the general approach. Based on management's assessment, an ECL allowance of $4.4 million was recognised on the amounts due from its subsidiaries during the year.

For impairment assessment on amounts due from subsidiaries, we performed the following procedures, amongst others:

- obtained an understanding and reviewed the key data sources used in the ECL model;
- checked the appropriateness of the Company's assumptions in the determination of significant increase in credit risk and the resultant basis of classification of exposures into various stages under the ECL general approach;
- discussed with management and corroborated the assumptions using historical data and publicly available information where available, in relation to the estimation of default rate and loss exposure at default used by the Company, and consideration of forward-looking adjustments; and
- checked arithmetic computation of the loss allowance used in the ECL model

We assessed the adequacy of the disclosures investment in subsidiaries and amounts due from subsidiaries in Note 11 and 18 to the financial statements.

Other information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT **TO THE MEMBERS OF ASIAMEDIC LIMITED**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT **TO THE MEMBERS OF ASIAMEDIC LIMITED**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

2 April 2020

CONSOLIDATED **STATEMENT OF COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
Revenue	4	18,989,960	18,828,662
Other income	5	204,328	341,770
Items of expense			
Consumables used		(1,682,800)	(1,986,310)
Personnel expenses	31	(10,922,815)	(11,072,170)
Depreciation and amortisation of non-current assets		(2,495,511)	(1,152,244)
Operating lease expenses		(133,951)	(2,085,210)
Maintenance of equipment		(871,728)	(882,834)
Laboratory and consultancy fees		(1,660,538)	(2,026,000)
Finance costs	6	(455,663)	(96,662)
Other operating expenses		(2,118,087)	(2,287,925)
Impairments and provisions		–	(2,020,447)
Share of results of associate		558,572	395,457
Loss before tax	7	(588,233)	(4,043,913)
Income tax expense	8	–	(730,911)
Loss for the year, representing total comprehensive income for the year, attributable to owners of the Company		(588,233)	(4,774,824)
Loss per share (cents per share)			
Basic	9	(0.15)	(1.22)
Diluted	9	(0.15)	(1.22)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2019

	Note	Group		Company	
		2019	2018	2019	2018
		$	$	$	$
Non-current assets					
Property, plant and equipment	10	2,460,066	3,980,301	47,408	43,035
Investment in subsidiaries	11	–	–	306,547	406,547
Investment in associate	12	2,007,470	1,844,898	181,500	181,500
Right-of-use assets	32	6,347,253	–	5,345,828	–
Goodwill	14	523,864	523,864	–	–
Reinstatement asset	23	119,798	143,758	–	–
		11,458,451	6,492,821	5,881,283	631,082
Current assets					
Inventories	16	269,727	240,878	–	–
Trade receivables	17	2,892,323	1,645,016	–	–
Other receivables and deposits	18	480,841	679,555	3,306,747	2,243,443
Prepayments		325,706	272,912	137,036	44,836
Cash pledged as security	19	855,682	714,562	–	–
Cash and cash equivalents	20	2,889,527	2,946,069	1,527,190	1,341,795
		7,713,806	6,498,992	4,970,973	3,630,074
Current liabilities					
Trade payables	21	1,291,599	1,172,526	–	–
Other payables and accruals	22	1,683,877	1,945,066	633,915	752,918
Deferred income	24	1,271,117	1,221,933	–	–
Loans and borrowings	25	–	77,011	–	–
Obligations under finance leases	26	–	539,388	–	–
Lease liabilities, current portion	32	1,506,554	–	1,415,238	–
		5,753,147	4,955,924	2,049,153	752,918
Net current assets		1,960,659	1,543,068	2,921,820	2,877,156
Non-current liabilities					
Provision for reinstatement	23	547,898	545,310	241,552	241,552
Obligations under finance leases	26	–	91,316	–	–
Loans from controlling shareholder	27	5,000,000	3,000,000	5,000,000	3,000,000
Lease liabilities, non-current portion	32	4,034,970	–	4,034,970	–
Deferred tax liabilities	15	22,568	22,568	–	–
		9,605,436	3,659,194	9,276,522	3,241,552
Net assets/(liabilities)		3,813,674	4,376,695	(473,419)	266,686
Equity attributable to owners of the Company					
Share capital	28	24,761,027	24,761,027	24,761,027	24,761,027
Treasury shares	29	(2,866)	(2,866)	(2,866)	(2,866)
Other reserves	30	(561,121)	(586,333)	99,612	74,400
Accumulated losses		(20,383,366)	(19,795,133)	(25,331,192)	(24,565,875)
Total equity		3,813,674	4,376,695	(473,419)	266,686

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Attributable to owners of the Company				
	Share capital $	Other reserves $	Treasury shares $	Accumulated losses $	Total share capital and reserves $
Group					
Balance at 31 December 2017 and 1 January 2018	24,761,027	(598,939)	(2,866)	(15,020,309)	9,138,913
Loss for the year, representing total comprehensive income for the year	–	–	–	(4,774,824)	(4,774,824)
Grant of equity-settled share options to employees	–	12,606	–	–	12,606
Balance at 31 December 2018	24,761,027	(586,333)	(2,866)	(19,795,133)	4,376,695
Loss for the year, representing total comprehensive income for the year	–	–	–	(588,233)	(588,233)
Grant of equity-settled share options to employees	–	25,212	–	–	25,212
Balance at 31 December 2019	24,761,027	(561,121)	(2,866)	(20,383,366)	3,813,674

	Share capital $	Other reserves $	Treasury shares $	Accumulated losses $	Total $
Company					
Balance at 31 December 2017 and 1 January 2018	24,761,027	61,794	(2,866)	(18,423,798)	6,396,157
Loss for the year, representing total comprehensive income for the year	–	–	–	(6,142,077)	(6,142,077)
Grant of equity-settled share options to employees	–	12,606	–	–	12,606
Balance at 31 December 2018	24,761,027	74,400	(2,866)	(24,565,875)	266,686
Loss for the year, representing total comprehensive income for the year	–	–	–	(765,317)	(765,317)
Grant of equity-settled share options to employees	–	25,212	–	–	25,212
Balance at 31 December 2019	24,761,027	99,612	(2,866)	(25,331,192)	(473,419)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Cash flows from operating activities		
Loss before tax	(588,233)	(4,043,913)
Adjustments:		
Depreciation and amortisation of non-current assets	813,510	1,156,639
Amortisation of reinstatement asset	23,960	–
Depreciation of right-of-use assets	1,658,041	–
Impairment of goodwill	–	1,000,447
Gain on disposal of property, plant and equipment	(500)	(3,500)
Property, plant and equipment written off	2,125	2,050
Impairment loss on property, plant and equipment	–	700,000
Write-back of trade receivables	–	(1,890)
Finance costs	455,663	96,662
Interest income	(6,864)	(4,090)
Grant of equity-settled share options to employees	25,212	12,606
Share of results of associate	(558,572)	(395,457)
Cost for de-installation of plant and equipment	–	320,000
Operating cash flows before changes in working capital	1,824,342	(1,160,446)
Changes in working capital:		
(Increase)/decrease in inventories	(28,849)	53,202
Increase in trade receivables, other receivables and deposits, and prepayments	(1,101,387)	(597,616)
(Decrease)/increase in trade and other payables	(652,958)	88,503
Increase in deferred income	49,184	14,750
Cash flows from/(used in) operations	90,332	(1,601,607)
Payment of proposed acquisition expenses	–	(461,740)
Net cash flows from/(used in) operating activities	90,332	(2,063,347)
Cash flows from investing activities		
Interest received	6,864	4,090
Dividend received from associate	396,000	264,000
Purchase of property, plant and equipment	(172,450)	(794,089)
Proceeds from disposal of property, plant and equipment	500	3,500
Net cash flows from/(used in) investing activities	230,914	(522,499)
Cash flows from financing activities		
(Increase)/decrease in cash pledged as security	(141,120)	216,922
Interest paid	(260,433)	(44,607)
Loans from controlling shareholder	2,000,000	3,000,000
Payment of principal portion of lease liabilities and finance lease rental payments	(1,899,224)	(689,298)
Repayment of loans and borrowings	(77,011)	(127,184)
Net cash flows (used in)/from financing activities	(377,788)	2,355,833
Net decrease in cash and cash equivalents	(56,542)	(230,013)
Cash and cash equivalents at 1 January	2,946,069	3,176,082
Cash and cash equivalents at 31 December	2,889,527	2,946,069

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

1. Corporate information

AsiaMedic Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist of the Singapore Exchange Securities Trading Limited.

The registered office and principal place of business of the Company is located at 350 Orchard Road, #08-00 Shaw House, Singapore 238868.

The principal activities of the Company are those relating to investment holding and the provision of management services. The principal activities of the subsidiaries and associate are set out in Note 11 and 12 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $).

Going concern uncertainty

The Group incurred a net loss of $588,233 (2018: $4,774,824) and net cash outflows of $56,542 (2018: $230,013) during the financial year ended 31 December 2019. On 23 January 2020, Singapore reported its first imported case of COVID-19. Following which, there was also an increasing number of cases in Singapore. As disclosed in Note 39, the COVID-19 outbreak has impacted the revenue and cashflows of the Group subsequent to year-end and may continue to significantly disrupt the business activities of the Group, the prolonged result of which may materially affect the Group's ability to generate sufficient cash flows from operations.

The financial statements have been prepared on a going concern basis as the management is reasonably confident that the Group will be able to pay its debts as and when they fall due as the Group is expected to be able to generate sufficient cash flows from its operations. Subsequent to year end, the Company has also undertaken a Rights Issue Subscription as disclosed in Note 39 to the financial statements.

2.2 New accounting standards effective on 1 January 2019

The Group applied SFRS(I) 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

SFRS(I) 16 *Leases*

SFRS(I) 16 supersedes SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases-Incentives* and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under SFRS(I) 16 is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17. Therefore, SFRS(I) 16 does not have an impact for leases where the Group is the lessor.

2. Summary of significant accounting policies (cont'd)

2.2 New accounting standards effective on 1 January 2019 (cont'd)

SFRS(I) 16 *Leases* (cont'd)

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption, with the date of initial application of 1 January 2019. Under this approach, comparative information is not restated. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying SFRS(I) 1-17 and SFRS(I) INT 4 at the date of initial application. The Group also elected to apply the recognition exemptions to lease contracts that have a lease term of 12 months or less from the date of initial application and do not contain a purchase option, and lease contracts for which the underlying asset is of low value.

The Group has lease contracts for premises for use as clinics, office and warehouse. Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as an operating lease. Refer to Note 2.19 for the accounting policy prior to 1 January 2019.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.19 for the accounting policy beginning 1 January 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

As a lessee – Leases previously classified as finance leases

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases. Accordingly, the carrying amounts of the right-of-use assets and the lease liabilities as at 1 January 2019 were the carrying amounts of the recognised assets and liabilities (i.e., obligations under finance leases) measured under SFRS(I) 1-17.

As a lessee – Leases previously classified as operating leases

The Group recognised right-of-use ("ROU") assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The ROU assets for all leases were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounting using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:
- Used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- Applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application; and
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 January 2019:
- ROU assets of $8,005,294 were recognised and presented separately in the balance sheet. This includes the lease asset previously recognised under finance lease of $1,195,250 that was reclassified from property, plant and equipment; and
- Lease liabilities (current and non-current portion) of $7,440,748 were recognised and presented separately in the balance sheet. This includes assets under finance leases of $630,704 that was reclassified from obligations under finance leases.

There is no impact to the opening retained earnings at the date of initial application, 1 January 2019 as the Group chose to measure its right-of-use assets at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

2. Summary of significant accounting policies (cont'd)

2.2 New accounting standards effective on 1 January 2019 (cont'd)

SFRS(I) 16 *Leases* (cont'd)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

Operating lease commitments as at 31 December 2018	4,637,200
Less: Commitments relating to short-term leases	(62,920)
Less: Commitments relating to low-value assets	(19,734)
	4,554,546
Weighted average incremental borrowing rate as at 1 January 2019	4%
Discounted operating lease commitments as at 1 January 2019	3,998,386
Add:	
Obligations under finance leases recognised as at 31 December 2018	630,704
Lease payments relating to renewal periods not included in operating lease commitments as at 31 December 2018	2,811,658
Lease liabilities as at 1 January 2019	7,440,748

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to SFRS(I) 3: *Definition of a Business*	1 January 2020
Amendments to SFRS(I)1-1 and SFRS(I) 1-8: *Definition of Material*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: *Interest Rate Benchmark Reform*	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

The Directors expect that the adoption of the standard above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation and business combinations

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency (cont'd)

(b) Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	–	6 years
Furniture, fittings, fixtures and office equipment	–	3 to 6 years
Medical equipment	–	3 to 10 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.7 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.7 Intangible assets (cont'd)

Customer relationship

Customer related intangible assets are acquired through business combinations and measured at fair value as at the date of acquisition. Subsequently, customer related intangible assets are amortised on a straight-line basis over their estimated useful lives of 5 years. Customer related intangible assets were fully amortised in the previous financial year.

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less any impairment losses.

2.10 Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of these policies.

The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable asset and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of the results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.10 Associates (cont'd)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures the retained interest at its fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date of the equity method was discontinued is recognised in profit or loss.

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment losses.

2.11 Financial instruments

(a) ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.11 Financial instruments (cont'd)

(a) ***Financial assets (cont'd)***

Subsequent measurement (cont'd)

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.11 Financial instruments (cont'd)

(b) ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.14 Inventories

Inventories, comprising medical supplies, are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a first-in, first-out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Government grants

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss as "Other income".

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.18 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Employee share option scheme

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employee is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share option reserve is transferred to retained earnings upon expiry of the share option.

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) *Where the Group is the lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use ("ROU") assets representing the right to use the underlying assets.

Right-of-use ("ROU") assets

The Group recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The ROU assets are also subjected to impairment. The accounting policy for impairment is set out in Note 2.8.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.19 Leases (cont'd)

(a) *Where the Group is the lessee (cont'd)*

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of the lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of warehouse premises (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies to the lease of low-value assets recognition exemption to leases of warehouse premises that are considered to be low value. Lease payments on short-term leases and leases of low value are recognised as expense on a straight-line basis over the lease term.

(b) *Where the Group is the lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as sub-lease income. The accounting policy for sub-lease income is set out in Note 2.20(d).

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.20 Revenue (cont'd)

(a) *Rendering of services*

The Group renders diagnostic imaging and radiology services, health screening and medical wellness services, general medical services, and medical aesthetic services to customers.

Revenue from services in the ordinary course of business is recognised when the Group satisfies a performance obligation by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the performance obligation. If a performance obligation is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation.

Revenue from the provision of aesthetic package services is recognised upon completion of the series of distinct services rendered over time. The measure of progress is based on the number of sessions utilised as a percentage of the total sessions sold in a package.

(b) *Sales of pharmaceuticals and aesthetic products*

Revenue from the sales of pharmaceuticals and aesthetic products is recognised at the point in time when goods are delivered and accepted by the customer.

(c) *Interest income*

Interest income is recognised using the effective interest method.

(d) *Sub-lease income*

Sub-lease income is recognised on a straight-line basis over the lease terms of ongoing leases.

2.21 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.21 Taxes (cont'd)

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. Summary of significant accounting policies (cont'd)

2.21 Taxes (cont'd)

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.21 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.23 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

3. Significant accounting judgements and estimates

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements.

Determination of lease term of contracts with renewal options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group's lease contract for certain office premise includes extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

The Group included the extension option in the lease term for certain office premise lease because of the leasehold improvements and renovation made and the significant costs that would arise to replace the assets.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Impairment of goodwill*

As disclosed in Note 14 to the financial statements, the recoverable amount of the cash-generating unit which goodwill has been allocated to is determined based on value in use calculation. The value in use calculation is based on discounted cash flow model. The recoverable amount is most sensitive to the discount rates and the forecasted annual growth rates used during the discounted cash flow period. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 14 to the financial statements.

In the previous financial year, impairment loss of $1,000,447 was recognised on the carrying amount of goodwill allocated to Complete Healthcare International Pte Ltd ("CHI").

(b) *Impairment of property, plant and equipment*

The Group assesses at each reporting period whether there is an indication that its property, plant and equipment may be impaired. The assessment requires an estimation of the recoverable amount of the property, plant and equipment. This requires the Group to make an estimate of the expected cash flows from operating the property, plant and equipment and to choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount is most sensitive to the discount rates and the forecasted annual growth rates used during the discounted cash flow period. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 10 to the financial statements.

The carrying value of the Group's property, plant and equipment as at 31 December 2019 was $2,460,066 (2018: $3,980,301). In the previous financial year, the Group recorded an impairment loss on property, plant and equipment of $700,000.

3. Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

(c) *Impairment of right-of-use assets*

The Group assesses at each reporting period whether there is an indication that its right-of-use assets may be impaired. The assessment requires an estimation of the recoverable amount of the right-of-use assets. This requires the Group to make an estimate of the Group's expected operating cash flows and to choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amount is most sensitive to the discount rates and the forecasted annual growth rates used during the discounted cash flow period. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 32 to the financial statements.

Following management's impairment assessment, no impairment was recognised for the financial year ended 31 December 2019.

(d) *Impairment of investment in subsidiaries*

The Company's investment in subsidiaries amounted to $306,547 as at 31 December 2019. The investment in subsidiaries is tested for impairment whenever there are indications of impairment. Management has identified indicators of impairment on the investment in AsiaMedic Heart & Vascular Centre Pte Ltd.

Following management's impairment assessment, impairment amounting to $100,000 (2018: $1.6 million) was recorded to write down the carrying amounts of the investments in subsidiaries.

As disclosed in Note 11 to the financial statements, the recoverable amounts of investment in subsidiaries have been determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate and forecasted annual growth rates used during the discounted cash flow period. The key assumptions applied in the determination of the value in use are disclosed and further explained in Note 11 to the financial statements.

(e) *Amounts due from subsidiaries*

The Company's amounts due from subsidiaries amounted to $2,997,402 as at 31 December 2019 (2018: $1,801,084). The amounts due from subsidiaries were tested for impairment under the expected credit loss model ("ECL"). The Company uses a provision matrix to calculate ECL for amounts due from subsidiaries. The provision rates are based on factors that affect the collectability of the accounts including historical payment patterns of the subsidiaries, as well as the cash flow position of the subsidiaries.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

Following management's impairment assessment, management has identified indicators of impairment on the amounts due from Complete Healthcare International Pte Ltd, AsiaMedic Heart & Vascular Centre Pte Ltd and AsiaMedic PET/CT Centre Pte Ltd. Impairment amounting to $4.4 million (2018: $5.0 million) was recorded to write down the carrying amounts of the amounts due from subsidiaries.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

3. Significant accounting judgements and estimates (cont'd)

Key sources of estimation uncertainty (cont'd)

(f) *Leases – Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. Revenue

Revenue represents fees for diagnostic imaging and radiology services, health screening and medical wellness services, general medical services and treatment, and medical aesthetic services and related products, net of discounts. In the rendering of these services and sales of these products, there are no material variable considerations noted in the contracts with customers.

Disaggregation of revenue

	Group	
	2019	**2018**
	$	**$**
Major product or service lines:		
Health screening and medical wellness services	9,345,276	8,097,144
Diagnostic imaging and radiology services	7,099,719	7,039,786
General medical services and treatment, and sales of pharmaceuticals products	1,323,181	2,458,476
Medical aesthetic services and sales of aesthetic products	2,301,949	2,289,622
	20,070,125	19,885,028
Less: Elimination of intercompany transactions	(1,080,165)	(1,056,366)
	18,989,960	18,828,662
Timing of transfer of goods or services:		
At a point in time	17,037,341	16,965,892
Over time	1,952,619	1,862,770
	18,989,960	18,828,662

Information about a major customer

Revenue from one major customer amounted to $5,452,000 (2018: $4,156,000). This relates to the delivery of myopia and school health screening to the schools, as well as the delivery of health screening and health coaching services to the community.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

5. Other income

	Group	
	2019 $	2018 $
Grant income	66,892	200,207
Sub-lease income	128,172	123,943
Interest income	6,864	4,090
Other income	2,400	13,530
	204,328	341,770

6. Finance costs

	Group	
	2019 $	2018 $
Interest on loans from controlling shareholder	192,642	52,055
Interest on loans and borrowings	2,192	6,409
Interest arising from obligations under finance leases	–	36,894
Interest on lease liabilities	258,211	–
Interest on reinstatement asset	2,588	–
Others	30	1,304
	455,663	96,662

7. Loss before tax

The following items have been included in arriving at loss before tax:

	Group	
	2019 $	2018 $
Audit fees	105,000	114,000
Gain on disposal of property, plant and equipment	(500)	(3,500)
Property, plant and equipment written off	2,125	2,050
Write-back of trade receivables	–	(1,890)
Impairments and provisions:		
Impairment of goodwill	–	1,000,447
Impairment of property, plant and equipment	–	700,000
Cost for de-installation of plant and equipment	–	320,000

8. Income tax expense

	Group	
	2019 $	2018 $
Income statement		
Deferred tax:		
Reversal of deferred tax assets	–	730,911
Income tax expense recognised in profit or loss	–	730,911

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

8. Income tax expense (cont'd)

A reconciliation between the tax expense and the product of accounting loss multiplied by the applicable corporate tax rate is as follows:

	Group	
	2019	**2018**
	$	**$**
Loss before tax	(588,233)	(4,043,913)
Tax calculated at a tax rate of 17% (2018: 17%)	(100,000)	(687,465)
Adjustments:		
Share of results of associate	(94,957)	(67,228)
Non-deductible expenses	424,154	511,188
Income not subject to taxation	(34)	(15,100)
Reversal of deferred tax assets	–	730,911
Deferred tax assets not recognised	–	351,818
Effect of partial tax exemption and tax relief	(93,979)	(92,370)
Utilisation of unutilised capital allowances under group relief	(136,760)	–
Others	1,576	(843)
Income tax expense recognised in profit or loss	–	730,911

9. Loss per share

Basic loss per share amounts are calculated by dividing loss for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

There were no potential dilutive ordinary shares. Share options are not included in the calculation of the diluted loss per share because they are anti-dilutive.

The following table reflects the loss and share data used in the computation of basic earnings per share for the years ended 31 December:

	Group	
	2019	**2018**
	$	**$**
Loss for the year attributable to owners of the Company	(588,233)	(4,774,824)
	Number of shares	**Number of shares**
Weighted average number of ordinary shares for basic and diluted loss per share computation	390,588,125	390,588,125

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

10. Property, plant and equipment

Group	Leasehold improvements $	Furniture, fittings, fixtures, and office equipment $	Medical equipment $	Asset under construction $	Total $
Cost:					
At 1 January 2018	3,191,870	2,600,903	12,407,519	41,642	18,241,934
Additions	63,168	119,173	189,408	49,340	421,089
Disposals	–	(35,000)	–	–	(35,000)
Write offs	–	(8,248)	(20,182)	–	(28,430)
Transfers	–	41,642	–	(41,642)	–
At 31 December 2018 and 1 January 2019	3,255,038	2,718,470	12,576,745	49,340	18,599,593
Effect of adoption of SFRS(I) 16	–	–	(2,698,990)	–	(2,698,990)
At 1 January 2019 (restated)	3,255,038	2,718,470	9,877,775	49,340	15,900,603
Additions	14,309	252,753	223,588	–	490,650
Disposals	–	(18,087)	–	–	(18,087)
Write offs	–	(23,580)	(22,500)	–	(46,080)
Transfers	49,340	–	–	(49,340)	–
At 31 December 2019	3,318,687	2,929,556	10,078,863	–	16,327,086
Accumulated depreciation and impairment loss:					
At 1 January 2018	2,923,986	2,042,950	7,861,492	–	12,828,428
Depreciation charge for the year	121,427	200,807	830,010	–	1,152,244
Disposals	–	(35,000)	–	–	(35,000)
Write offs	–	(7,998)	(18,382)	–	(26,380)
Impairment loss	–	–	700,000	–	700,000
At 31 December 2018 and 1 January 2019	3,045,413	2,200,759	9,373,120	–	14,619,292
Effect of adoption of SFRS(I) 16	–	–	(1,503,740)	–	(1,503,740)
At 1 January 2019 (restated)	3,045,413	2,200,759	7,869,380	–	13,115,552
Depreciation charge for the year	108,111	194,941	510,458	–	813,510
Disposals	–	(18,087)	–	–	(18,087)
Write offs	–	(23,580)	(20,375)	–	(43,955)
At 31 December 2019	3,153,524	2,354,033	8,359,463	–	13,867,020
Net carrying amount:					
At 31 December 2018	209,625	517,711	3,203,625	49,340	3,980,301
At 31 December 2019	165,163	575,523	1,719,400	–	2,460,066

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

Company	**Leasehold improvements** $	**Furniture, fittings, fixtures, and office equipment** $	**Asset under construction** $	**Total** $
Cost:				
At 1 January 2018	246,943	236,908	41,642	525,493
Additions	–	1,960	–	1,960
Write offs	–	41,642	(41,642)	–
At 31 December 2018 and 1 January 2019	246,943	280,510	–	527,453
Additions	–	33,789	–	33,789
Write offs	–	(23,580)	–	(23,580)
At 31 December 2019	246,943	290,719	–	537,662
Accumulated depreciation:				
At 1 January 2018	195,200	234,164	–	429,364
Depreciation charge for the year	40,259	14,795	–	55,054
At 31 December 2018 and 1 January 2019	235,459	248,959	–	484,418
Depreciation charge for the year	11,484	17,932	–	29,416
Write offs	–	(23,580)	–	(23,580)
At 31 December 2019	246,943	243,311	–	490,254
Net carrying amount:				
At 31 December 2018	11,484	31,551	–	43,035
At 31 December 2019	–	47,408	–	47,408

Impairment of assets

The Group carried out a review of the recoverable amount of their property, plant and equipment ("PPE"). The recoverable amount of the PPE was based on their value in use and the pre-tax discount rate used was 10.5% (2018: 10.5%).

No impairment was recognised for the financial year ended 31 December 2019.

In the previous financial year, impairment loss of $700,000 was recognised for the medical equipment of AsiaMedic PET/CT Centre Pte Ltd and AsiaMedic Heart & Vascular Centre Pte Ltd. This amount was included in the "impairments and provisions" line item of profit or loss.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

Impairment of assets (cont'd)

Key assumptions used in the value in use calculations

The calculations of value in use are most sensitive to the following assumptions:

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Projection period – Cash flow projections are generally based on the expected remaining lease terms of the principal places of business of the Group. The Group has not extrapolated its cash flow projections beyond these periods.

Future cash flows – Cash flow projections will be affected with the possible variations in the nature, amount or timing of the estimated future cash flows.

Sensitivity to changes in assumptions

Management recognises that changes in the future cash flows can have a significant effect on the value in use calculations. A reduction in the forecasted annual revenue growth rate may result in an impairment or further impairment.

Write-offs from wear and tear

During the financial year, the Group wrote off property, plant and equipment with a carrying value of $2,125 (2018: $2,050) arising from usual wear and tear of the assets.

Assets under finance leases

As at 31 December 2018, the property, plant and equipment included medical equipment with a net carrying amount of $1,195,250 which were acquired in the prior years by the means of finance leases (Note 26). Leased assets are pledged as securities for the related finance lease liabilities. As at 1 January 2019, the leased assets were reclassified from property, plant and equipment to right-of-use assets (Note 32).

Purchase of property, plant and equipment by other means

There were acquisitions of property, plant and equipment by the Group with a total cost of $172,450 by cash. As at 31 December 2019, $318,200 for the acquisitions of property, plant and equipment remains unpaid as at year end.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

11. Investment in subsidiaries

	Company	
	2019	2018
	$	$
Unquoted shares, at cost	4,695,573	4,695,573
Impairment losses	(4,389,026)	(4,289,026)
	306,547	406,547

The movement of the allowance account used to record impairment is as follows:

	Company	
	2019	2018
	$	$
At 1 January	4,289,026	2,724,366
Charge for the year	100,000	1,564,660
At 31 December	4,389,026	4,289,026

The Company has the following subsidiaries as at 31 December:

Name of subsidiary (Country of incorporation)	Principal activities	Effective equity interest held by the Group 2019 %	Effective equity interest held by the Group 2018 %
Held by the Company			
AMC Healthcare Pte Ltd[(1)] (Singapore)	Inactive	100	100
AsiaMedic Eye Centre Pte Ltd[(1)] (Singapore)	Inactive	100	100
The Orchard Imaging Centre Pte Ltd[(1)] (Singapore)	Provision of diagnostic imaging and radiology services	100	100
AsiaMedic Wellness Assessment Centre Pte Ltd[(1)] (Singapore)	Provision of health screening and medical wellness services	100	100
AsiaMedic PET/CT Centre Pte Ltd[(1)] (Singapore)	Provision of diagnostic imaging and radiology services	100	100
AsiaMedic Heart & Vascular Centre Pte Ltd[(1)] (Singapore)	Provision of diagnostic imaging and radiology services	100	100
Complete Healthcare International Pte Ltd[(1)] (Singapore)	Provision of primary care medical services	100	100
Held by the AsiaMedic Wellness Assessment Centre Pte Ltd			
AsiaMedic Astique The Aesthetic Clinic Pte Ltd[(1)] (Singapore)	Provision of medical aesthetic services and sale of aesthetic products	100	100

(1) Audited by Ernst & Young LLP, Singapore

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

11. Investment in subsidiaries (cont'd)

Impairment testing of investment in subsidiaries

During the financial year, management performed an impairment test for the investment in subsidiaries. An impairment loss of $100,000 was recognised to write down the cost of investment in AsiaMedic Heart & Vascular Centre Pte Ltd ("AHVC") to its recoverable amount. During the previous financial year, an impairment of $1,564,660 was recognised to write down the investment in Complete Healthcare International Pte Ltd to its recoverable amount.

The recoverable amount of the investment in AHVC has been determined based on a value in use calculation using cash flow projection from financial budgets approved by the management covering a five-year period (2018: six-year period). The pre-tax discount rate applied to the cash flows projection is 10.5% (2018: 10.5%).

The projection period of five-year period is consistent with the remaining lease term of the clinic's principal place of business.

12. Investment in associate

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Positron Tracers Pte Ltd	2,007,470	1,844,898	181,500	181,500

Name of associate (Country of incorporation)	Principal activities	Proportion (%) of ownership interest	
		2019	2018
		%	%
Positron Tracers Pte Ltd[1] (Singapore)	Manufacturing and sale of fludeoxyglucose (FDG) and other radioactive isotopes	33	33

(1) Audited by KPMG LLP, Singapore

The summarised financial information of Positron Tracers Pte Ltd, based on its FRS financial statements and reconciliation with the carrying amount of the investment in the consolidated financial statements is as follows:

Summarised balance sheet

	Positron Tracers Pte Ltd	
	2019	2018
	$	$
Current assets	6,601,751	5,793,572
Non-current assets	442,182	466,313
Total assets	7,043,933	6,259,885
Total liabilities	(960,690)	(669,286)
Net assets	6,083,243	5,590,599
Proportion of Group's ownership	33%	33%
Group's share of net assets	2,007,470	1,844,898
Carrying amount of the investment	2,007,470	1,844,898

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

12. Investment in associate (cont'd)

Summarised statement of comprehensive income

	Positron Tracers Pte Ltd	
	2019 $	2018 $
Revenue	3,972,744	3,289,133
Profit after tax representing total comprehensive income for the year	1,692,642	1,198,354

13. Intangible asset

	Group	
	2019 $	2018 $
Cost:		
At 1 January and 31 December	–	65,930
Accumulated amortisation:		
At 1 January	–	61,535
Charge for the year	–	4,395
At 31 December	–	65,930
Net book value:		
At 31 December	–	–

Customer relationship was identified as intangible asset arising from the acquisition of Complete Healthcare International Pte Ltd and has been fully amortised in the previous financial year.

Amortisation of intangible asset is included in "Other operating expenses" in profit or loss.

14. Goodwill

	Group	
	2019 $	2018 $
Cost:		
At 1 January	2,124,311	2,124,311
Accumulated impairment:		
At 1 January	1,600,447	600,000
Impairment for the year	–	1,000,447
At 31 December	1,600,447	1,600,447
Net book value:		
At 31 December	523,864	523,864

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

14. Goodwill (cont'd)

Impairment testing of goodwill

Goodwill acquired through business combinations have been allocated to two cash-generating units ("CGUs"), Complete Healthcare International Pte Ltd ("CHI") and AsiaMedic Astique the Aesthetic Clinic Pte Ltd ("AATAC") at $1,000,447 and $523,864 respectively.

During the previous financial year, management has determined that the carrying amount of goodwill attributable to CHI exceeds its estimated recoverable amount. Accordingly, a full impairment on the goodwill allocated to CHI has been recognised.

The recoverable amount of AATAC CGU is determined based on the value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period (2018: six-year period). The pre-tax discount rate applied is 10% (2018: 10%).

The cash flow projection period is consistent with the expected remaining lease term of the clinic's current principal place of business. Accordingly, there was no extrapolation of the cash flow projections beyond the five-year projection period.

<u>Key assumptions used in the value in use calculations</u>

The calculations of value in use for AATAC CGU is the most sensitive to the following assumptions:

Pre-tax discount rates – Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

Revenue growth rates – Projected revenue growth rates used do not exceed the projected growth rates in gross domestic product (GDP) and inflation rate forecasts for Singapore, as well as the historical growth rates achieved by the Group and the Company.

<u>Sensitivity to changes in assumptions</u>

With regards to the assessment of value in use for AATAC, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount. Therefore, no impairment loss was recognised to the carrying amount of goodwill for AATAC in the current and previous financial years.

NOTES TO **THE FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

15. Deferred tax liabilities

Deferred tax liabilities arose from differences in depreciation for tax purposes.

At the end of the reporting period, the Group has unutilised tax losses and capital allowances of approximately $8,851,000 (2018: $8,851,000), and $14,468,000 (2018: $13,571,000) respectively that are available for offset against future taxable profits of the companies in which the losses and capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and allowances is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of Singapore.

16. Inventories

	Group	
	2019 $	2018 $
Medical supplies	269,727	240,878
Inventories recognised as an expense in profit or loss	1,079,435	1,393,226

17. Trade receivables

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Due from third parties	2,878,747	1,640,965	–	–
Add:				
Other receivables and deposits (Note 18)	480,841	679,555	3,306,747	2,243,443
Cash pledged as security (Note 19)	855,682	714,562	–	–
Cash and cash equivalents (Note 20)	2,889,527	2,946,069	1,527,190	1,341,795
Total financial assets carried at amortised cost	7,104,797	5,981,151	4,833,937	3,585,238

Trade receivables due from third parties are unsecured, non-interest bearing and are generally on 60 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables due from subsidiaries are unsecured, non-interest bearing, repayable upon demand and are to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

17. Trade receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to $2,389,662 (2018: $734,542) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group	
	2019	**2018**
	$	**$**
Trade receivables past due:		
Less than 30 days	592,965	391,502
30 to 60 days	384,396	177,025
61 to 90 days	349,375	30,429
More than 90 days	1,062,926	135,586
	2,389,662	734,542

Receivables that are impaired

There are no trade receivables from third parties impaired as at 31 December 2019 and 2018. The movement of the allowance accounts used to record the impairment is as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Movement in allowance account:				
At 1 January	–	1,890	–	–
Reversal during the year	–	(1,890)	–	–
At 31 December	–	–	–	–

These receivables are not secured by any collateral or credit enhancements.

Concentration of credit risk relating to expected credit losses of trade receivables is limited due to the Group's many varied debtors. These debtors mainly consist of public and private clinics and hospitals, private businesses, and government agencies. The recorded expected credit losses are based on Group's historical experience in the collection of trade receivables, adjusted with forward-looking estimates and other macroeconomic conditions. Due to these factors, management believes that no additional credit risk beyond amounts provided for the expected credit losses is inherent in the Group's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

18. Other receivables and deposits

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
Deposits	478,892	544,100	309,345	309,545
Other debtors	1,949	135,455	–	132,814
Amounts due from subsidiaries	–	–	23,765,970	18,346,986
Allowance for impairment:				
Due from subsidiaries	–	–	(20,768,568)	(16,545,902)
	480,841	679,555	3,306,747	2,243,443

Receivables that are impaired

The movement of the allowance account used to record the impairment is as follows:

	Group		Company	
	2019	2018	2019	2018
	$	$	$	$
At 1 January	–	–	16,545,902	11,545,902
Charge for the year	–	–	4,427,443	5,000,000
Reversal during the year	–	–	(204,777)	–
At 31 December	–	–	20,768,568	16,545,902

During the financial year, the amounts due from subsidiaries were tested for impairment under the expected credit loss model ("ECL"). The Company uses a provision matrix to calculate ECLs for amounts due from subsidiaries. The provision rates are based on factors that affect the collectability of the accounts including historical payment patterns of the subsidiaries, as well as the cash flow position of the subsidiaries.

Following the Company's impairment assessment, the Company has identified indicators of impairment on the amounts due from certain subsidiaries. Impairment amounting to $4.4 million (2018: $5.0 million) was recorded to write down the carrying amounts of the amounts due from subsidiaries.

19. Cash pledged as security

This relates to security provided for performance of contracts and a merchant credit card account facility.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

20. Cash and cash equivalents

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Cash at banks and on hand	2,889,527	2,946,069	1,527,190	1,341,795

Cash at banks earn interest at floating rates based on the daily bank deposit rates.

Cash and cash equivalents denominated in foreign currencies at the balance sheet date are as follows:

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
United States Dollars	6,230	5,459	6,230	5,459

21. Trade payables

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Due to third parties	1,240,793	1,068,268	–	–
Add:				
Other payables and accruals (Note 22)	1,683,877	1,945,066	633,915	752,918
Loans and borrowings (Note 25)	–	77,011	–	–
Obligations under finance leases (Note 26)	–	630,704	–	–
Loans from controlling shareholder (Note 27)	5,000,000	3,000,000	5,000,000	3,000,000
Lease liabilities (Note 32)	5,541,524	–	5,450,208	–
Total financial liabilities carried at amortised cost	13,430,194	6,721,049	11,084,123	3,752,918

Trade payables are unsecured, non-interest bearing and are normally settled on 60-day terms.

22. Other payables and accruals

	Group		Company	
	2019 $	2018 $	2019 $	2018 $
Other payables	466,325	653,754	341,979	422,497
Accrued operating expenses	1,217,552	1,291,312	291,936	330,421
	1,683,877	1,945,066	633,915	752,918

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

23. Provision for reinstatement

	Group		Company	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Provision for reinstatement cost				
As at 1 January and 31 December	241,552	241,552	241,552	241,552
Provision for de-installation of plant and equipment				
At 1 January	303,758	–	–	–
Arose during the financial year	–	303,758	–	–
Accretion of interest recognised during the financial year	2,588	–	–	–
At 31 December	306,346	303,758	–	–
Total provisions at 31 December	547,898	545,310	241,552	241,552

The provision for reinstatement and de-installation of plant and equipment is based on quotations by third parties.

24. Deferred income

Deferred income relates to payments for services received in advance from customers.

25. Loans and borrowings

		Group	
	Maturity	**2019**	**2018**
		$	**$**
Current:			
0.5% below Enterprise Base Rate SGD bank loan	12 December 2019	–	77,011

The loan was secured by a corporate guarantee of the Company.

A reconciliation of liabilities arising from financing activities is as follows:

		Non-cash changes:			
	31 December 2018	**Effect of adoption of SFRS(I) 16**	**Others**	**Cash flows**	**31 December 2019**
	$	**$**	**$**	**$**	**$**
Loans and borrowings					
Current	77,011	–	–	(77,011)	–
Obligations under finance leases					
Current	539,388	(539,388)	–	–	–
Non-current	91,316	(91,316)	–	–	–
Lease liabilities					
Current	1,359,836	539,388	1,506,554	(1,899,224)	1,506,554
Non-current	5,450,208	91,316	(1,506,554)	–	4,034,970
	7,517,759	–	–	(1,976,235)	5,541,524

The “Others” column relates to reclassification of non-current portion of lease liabilities due to passage of time.

26. Obligations under finance leases

The Group has finance lease arrangements for certain medical equipment.

These leases were classified as finance leases prior to SFRS(I) 16 becoming effective on 1 January 2019 and has remaining lease terms of 2 months as at 31 December 2019.

As at 31 December 2018, the discount rate implicit in the leases is between 1.45% and 1.55% per annum and the total future minimum lease payments under finance leases and their present values were as follows:

	Group 2018	
	Minimum payments $	Present value of minimum payments $
Not later than one year	549,948	539,388
Later than one year but not later than five years	91,627	91,316
Total minimum lease payments	641,575	630,704
Less: Amounts representing finance charges	(10,871)	–
Present value of minimum lease payments	630,704	630,704

These obligations are secured by a charge over leased asset. The net book value of assets under finance lease is disclosed in Note 10. The finance leases are also secured by corporate guarantees of the Company (Note 33(c)). Finance lease obligations are repayable in instalments and will fully mature in 2020.

27. Loans from controlling shareholder

In the previous financial year, the Company entered into a $5,000,000 loan facility with Luye Medical Group Pte Ltd, a controlling shareholder of the Group and the Company. The loan facility was unsecured and interest-bearing at the rate of 4.75% (2018: 4.75%) per annum.

The loans were repaid on 14 January 2020 in connection with the Company's Rights Issue.

Details of the Rights Issue is further explained in Note 39 to the financial statements.

28. Share capital

	Group and Company			
	2019		2018	
	No. of shares	$	No. of shares	$
Issued and fully paid ordinary shares:				
As at 1 January and 31 December	390,588,125	24,761,027	390,588,125	24,761,027

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

The Company has an employee share option scheme under which options to subscribe for the Company's ordinary shares have been granted to certain employees, Directors and consultant radiologists of the Group (Note 31).

Subsequent to 31 December 2019, the Company issued 729,034,145 new ordinary shares on 14 January 2020 in connection with its Rights Issue. Following the Rights Issue, the number of ordinary shares in issue increased to 1,119,522,270 excluding 100,000 treasury shares, and the share capital of the Company increased to S$33,284,436. Details of the Rights Issue is further explained in Note 39 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

29. Treasury shares

	Group and Company			
	2019		2018	
	No. of shares	$	No. of shares	$
As at 1 January and 31 December	100,000	2,866	100,000	2,866

Treasury shares relate to ordinary shares of the Company that are held by the Company.

The Company did not acquire any shares in the Company in the current and previous financial years. The total amount paid to acquire the shares is presented as a component within shareholders' equity.

No treasury shares were re-issued by the Company in the current and previous financial years.

30. Other reserves

Group	Put options granted $	Capital reserve $	Employee share option scheme reserve $	Total $
2019				
At 1 January	(652,544)	(8,189)	74,400	(586,333)
Grant of equity-settled share options to employees	–	–	25,212	25,212
At 31 December	(652,544)	(8,189)	99,612	(561,121)
2018				
At 1 January	(652,544)	(8,189)	61,794	(598,939)
Grant of equity-settled share options to employees	–	–	12,606	12,606
At 31 December	(652,544)	(8,189)	74,400	(586,333)

Capital reserve

Capital reserve comprises the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attributed to the owners of the Company.

NOTES TO **THE FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

31. Personnel expenses

	Group	
	2019 $	2018 $
Salaries and bonuses to employees	7,797,121	7,877,310
Central Provident Fund contributions	890,039	858,634
Share-based payments (Employee share option scheme)	25,212	12,606
Other expenses	548,434	625,110
Wages and fees to contract-for-hire personnel	1,662,009	1,698,510
	10,922,815	11,072,170

Equity-settled employee share option scheme

The Company has an employee share option scheme for certain employees, directors and consultant radiologists of the Group. The options that are granted under the scheme may have exercise prices that are set at the market price or at a discount to the market price (subject to a maximum discount of 20%). Options which are fixed at the market price may be exercised after the first anniversary of the date of grant while options exercisable at a discount to the market price may only be exercised after the second anniversary from the date of grant. Options granted under the scheme will have a life span of up to 10 years. Options are forfeited/lapsed if the grantee leaves the Group or if the performance targets are not met.

Movement of share options during the financial year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the financial year:

	2019		2018	
	No. $	WAEP $	No.	WAEP
Outstanding at 1 January	1,524,000	0.056	1,674,000	0.056
Forfeited	–	0.056	(150,000)	0.056
Outstanding at 31 December	1,524,000	0.056	1,524,000	0.056
Exercisable at 31 December	1,016,000	0.056	508,000	0.056

31. Personnel expenses (cont'd)

Equity-settled employee share option scheme (cont'd)

- The share options were granted on 15 June 2016.

- The weighted average remaining contractual life for these options is approximately 7 years (2018: 8 years).

- The validity period of the options granted is as follows:

  (a) 150,000 (2018: 150,000) – 5 years from the date of grant *

  (b) 1,374,000 (2018: 1,374,000) – 10 years from the date of grant

  * These represent share options granted to an Independent Director which have a maximum validity period of five (5) years under Section 77 of the Companies Act, Chapter 50, of Singapore.

- The share options granted are subject to a vesting schedule as follows:

  (a) two (2) years after the date of grant for up to 33% of the shares over which the share options are exercisable;

  (b) three (3) years after the date of grant for up to 66% (including (a) above) of the shares over which the share options are exercisable; and

  (c) four (4) years after the date of grant for up to 100% (including (a) and (b) above) of the shares over which the share options are exercisable.

- As at 31 December 2019 and 2018, no share options have pre-set performance conditions.

The fair value was calculated using the Binomial Option Pricing Method. The following table lists the inputs to the model:

	2016
Dividend yield (%)	0.000
Expected volatility (%)	97.870
Weighted average risk-free interest rate (% p.a.)	1.720
Expected life of options (years)	7.870
Weighted average share price ($)	0.060

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

32. Leases

Group as a lessee

The Group has lease contracts for use as office and clinic premises. These leases have extension options which are further discussed below.

The Group has finance lease arrangements for certain medical equipment for one of the subsidiaries. These leases were classified as finance leases prior to SFRS(I) 16 becoming effective on 1 January 2019.

The Group also has lease contracts for warehouse premises with lease term of 12 months or less and leases with low-value. The Group applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office and clinic premises $	Medical equipment $	Total $
Cost			
As at 1 January 2019 and 31 December 2018	6,810,044	2,698,990	9,509,034
Accumulated depreciation			
As at 1 January 2019	–	1,503,740	1,503,740
Depreciation charge	1,464,216	193,825	1,658,041
As at 31 December 2019	1,464,216	1,697,565	3,161,781
Net book value	5,345,828	1,001,425	6,347,253

Impairment of right-of-use ("ROU") assets

Management carried out a review of the recoverable amount of their ROU assets. The recoverable amount of the ROU assets has been determined based on a value in use calculation using cash flow projection from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projection is 10.5%.

The cash flow projection of five-year period is consistent with the remaining lease term of the Group's current principal place of business.

Following management's impairment assessment, management determined that the estimated recoverable amount of ROU assets exceeds its carrying amount. Accordingly, no impairment was recognised for the financial year ended 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

32. Leases (cont'd)

Group as a lessee (cont'd)

The carrying amount of lease liabilities and the movements during the year are as follows:

	Office and clinic premise $	Medical equipment $	Total $
Carrying amount at 1 January	6,810,044	630,704	7,440,748
Accretion of interest recognised during the year	247,651	10,560	258,211
Payments during the year	(1,607,487)	(549,948)	(2,157,435)
Carrying amount at 31 December	5,450,208	91,316	5,541,524
Analysed into:			
Current portion	1,415,238	91,316	1,506,554
Non-current portion	4,034,970	–	4,034,970

The maturity analysis of lease liabilities (2018: obligations under finance leases) is disclosed in Note 36 to the financial statements.

The amounts recognised in profit or loss in relation to leases are as follows:

	2019 $
Depreciation expense of right-of-use assets	1,658,041
Interest expense on lease liabilities	258,211
Lease expenses not capitalised in lease liabilities:	
Expenses relating to short-term leases (included in operating lease expenses)	133,951
Total amount recognised in profit or loss	2,050,203

The Group had total cash outflows for leases relating to the right-of-use assets of $2,157,435 (principal and interest) during the financial year.

The Group's lease contracts of premises for use as clinics and office include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.1).

33. Related party transactions

(a) Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2019 $	2018 $
Purchase of consumables from an associate	516,000	519,420
Medical services rendered by a subsidiary of controlling shareholder	2,100	1,000
Medical services rendered to subsidiaries of controlling shareholder	(163,974)	(228,744)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

33. Related party transactions (cont'd)

(b) Compensation of key management personnel

	Group	
	2019	**2018**
	$	**$**
Salaries and bonuses	433,468	367,124
Central Provident Fund contributions	27,734	28,181
Other short-term benefits	39,889	8,400
Directors' fee	154,096	151,000
Share-based payments (Employee share option scheme)	10,904	7,028
	666,091	561,733

	Group	
	2019	**2018**
	$	**$**
Comprise amounts paid to:		
Directors of the Company:		
Fee	154,096	151,000
Share-based payments (Employee share option scheme)	1,817	1,817
Other key management personnel	510,178	408,916
	666,091	561,733

The compensation of key management personnel except for directors' fee is included in personnel expenses in profit or loss. Directors' fee is included in other operating expenses in profit or loss.

The remuneration of key management personnel is determined by the Remuneration Committee with reference to the performance of Group and the individuals, as well as the market trends.

34. Commitments

(a) Operating lease commitments as at 31 December 2018 – as lessee

As at 31 December 2018, the Group had operating leases of premises for use as clinics, office and warehouse. The leases had remaining expected lease terms of approximately 1 to 6 years. The leases of premises for use as clinics and office were recognised as finance leases with the adoption of SFRS(I) 16 Leases on 1 January 2019.

As at 31 December 2018, the future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group
	2018
	$
Not later than one year	1,680,703
Later than one year but not later than five years	2,956,497
	4,637,200

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

34. Commitments (cont'd)

(b) Operating lease commitments – as lessor

The Group has entered into a sub-lease agreement on its rented property. The non-cancellable lease has a remaining lease term of approximately 2 years (2018: 3 years).

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2019	**2018**
	$	**$**
Not later than one year	128,172	128,172
Later than one year but not later than five years	106,810	234,982
	234,982	363,154

(c) Corporate guarantees

Financial support has been given to certain subsidiaries having:

	Company	
	2019	**2018**
	$	**$**
Deficiencies in shareholders' funds	18,457,000	15,549,000
Current liabilities in excess of current assets	21,976,000	19,452,000

The Company has provided corporate guarantees of $91,316 (2018: $707,715) to financial institutions for finance leases taken by subsidiaries. As at year end, the Company does not expect these guarantees to be called upon.

35. Fair values of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximates of fair value

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables, based on their notional amounts, reasonably approximate their fair values because they are short-term in nature. The carrying amounts of loans and borrowings, obligations under finance leases, and loans from controlling shareholder reflect the corresponding fair values because they are re-priced to or approximate market interest rates near the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

36. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The Board of Directors reviews and approves policies and procedures for the management of these risks and they are summarised below. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing only with recognised and creditworthy third parties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Company's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

– Internal credit rating;

– External credit rating;

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;

– Actual or expected significant changes in the operating results of the debtor;

– Significant increases in credit risk on other financial instruments of the same debtor;

– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and

– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

36. Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

– There is significant financial difficulty of the debtor;

– A breach of contract, such as a default or past due event;

– It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or

– There is disappearance of an active market for that financial asset because of financial difficulty.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables, using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers with similar payment patterns. The expected credit losses incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Information regarding loss allowance movement of trade receivable are disclosed in Note 17. During the current financial year, no allowance for impairment was made.

As at 31 December 2019, approximately 64% (2018: 39%) of the Group's trade receivables were due from a single customer. Despite the significant percentage due from this single customer, the Group believes that there is no risk of default as the Group trades only with recognised and creditworthy third parties.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its cash and cash equivalents as well as interest-bearing loans and borrowings. Interest-bearing loans and borrowings are contracted with the objective of minimising interest burden by carefully evaluating the relative benefits between fixed rate and variable rate loans whilst maintaining an acceptable debt maturity profile.

Sensitivity analysis for interest rate risk

At the end of the reporting period if the interest rates had been 100 basis points lower/higher with all other variables held constant, the Group's loss before tax would have been $10,415 lower/higher (2018: $5,483 lower/higher) arising mainly as a result of lower/higher interest income from cash and cash equivalent balances and lower/higher interest expense on floating rate loans from controlling shareholder.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

36. Financial risk management objectives and policies (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets used for managing liquidity risks and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less $	One to five years $	Total $
Group			
2019			
Financial assets:			
Trade receivables	2,878,747	–	2,878,747
Other receivables and deposits	480,841	–	480,841
Cash pledged as security	855,682	–	855,682
Cash and cash equivalents	2,889,527	–	2,889,527
Total undiscounted financial assets	7,104,797	–	7,104,797
Financial liabilities:			
Loans from controlling shareholder	–	5,000,000	5,000,000
Trade payables	1,204,793	–	1,204,793
Other payables and accruals	1,683,877	–	1,683,877
Lease liabilities	1,698,803	4,327,982	6,026,785
Total undiscounted financial liabilities	4,587,473	9,327,982	13,915,455
Total net undiscounted financial assets/(liabilities)	2,517,324	(9,327,982)	(6,810,658)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

36. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	One year or less $	One to five years $	Total $
Group			
2018			
Financial assets:			
Trade receivables	1,640,965	–	1,640,965
Other receivables and deposits	679,555	–	679,555
Cash pledged as security	714,562	–	714,562
Cash and cash equivalents	2,946,069	–	2,946,069
Total undiscounted financial assets	5,981,151	–	5,981,151
Financial liabilities:			
Loans from controlling shareholder	–	3,000,000	3,000,000
Trade payables	1,068,268	–	1,068,268
Other payables and accruals	1,878,046	–	1,878,046
Obligations under finance leases	549,948	91,627	641,575
Loans and borrowings	79,131	–	79,131
Total undiscounted financial liabilities	3,575,393	3,091,627	6,667,020
Total net undiscounted financial assets/(liabilities)	2,405,758	(3,091,627)	(685,869)

	One year or less $	One to five years $	Total $
Company			
2019			
Financial assets:			
Other receivables and deposits	3,306,747	–	3,306,747
Cash and cash equivalents	1,527,190	–	1,527,190
Total undiscounted financial assets	4,833,937	–	4,833,937
Financial liabilities:			
Other payables and accruals	633,915	–	633,915
Lease liabilities	1,607,487	4,327,982	5,935,469
Loans from controlling shareholder	–	5,000,000	5,000,000
Total undiscounted financial liabilities	2,241,402	9,327,982	11,569,384
Total net undiscounted financial assets	2,592,535	(9,327,982)	(6,735,447)

NOTES TO **THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

36. Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	One year or less $	One to five years $	Total $
Company			
2018			
Financial assets:			
Other receivables and deposits	2,243,443	–	2,243,443
Cash and cash equivalents	1,341,795	–	1,341,795
Total undiscounted financial assets	3,585,238	–	3,585,238
Financial liabilities:			
Other payables and accruals	685,898	–	685,898
Total undiscounted financial liabilities	685,898	–	685,898
Total net undiscounted financial assets	2,899,340	–	2,899,340

37. Segment reporting

For management purposes, the Group regards the rendering of diagnostic imaging and radiology services, health screening and medical wellness services, general medical services and treatment, and medical aesthetic services as a single segment. Management has not identified any business or operating units separately for purpose of making decisions about resource allocation and performance assessment.

The Group's revenue is derived from operations located in Singapore.

38. Capital management

Capital includes debt and equity items.

The Group reviews and manages its capital structure to maximise shareholders' returns taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 2018.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

39. Subsequent event

Rights Issue subscription exercise ("Rights Issue")

Subsequent to year end, the Company underwent a Rights Issue subscription exercise ("Rights Issue"). On 14 January 2020, the Company issued 729,034,145 new ordinary shares in connection with its Rights Issue and raised a total net proceeds of $8.5 million. The proceeds will be utilised as follows:

	$
Reducing indebtedness of the Group[1]	5,000,000
For general corporate and working capital purposes including but not limited to operating costs, capital expenditure and making strategic investments and/or acquisitions if opportunities arise	3,523,743
	8,523,743

1 Reducing indebtedness of the Group is in relation to the Offsetting Arrangement (as defined in the Company's circular to shareholders dated 14 November 2019).

Under the Offsetting Arrangement, the Company and Luye Medical Group Pte Ltd (the "Undertaking Shareholder") have mutually agreed that the subscription monies due from the Undertaking Shareholder to the Company for the subscription of 381,725,584 rights shares and 34,941,082 excess rights shares will be offset entirely against the aggregate outstanding loan amount owing by the Company to the Undertaking Shareholder. As at 31 December 2019, the outstanding principal amount of the loan amounted to $5 million.

Outbreak of Coronavirus Disease ("COVID-19")

In late December 2019, a cluster of cases displaying the symptoms of a "pneumonia of unknown cause" were identified in Wuhan, the capital of China's Hubei Province. On 31 December 2019, China alerted the World Health Organisation ("WHO") on this new virus, formally known as Coronavirus Disease ("COVID-19").

The COVID-19 outbreak occurred at a time close to the reporting date and the conditions continue to evolve throughout the time line crossing 31 December 2019. On 23 January 2020, Singapore reported its first imported case of COVID-19. Following which, there was also an increasing number of cases in Singapore each day. At the same time, Ministry of Health ("MOH") has implemented a series of measures and policies such as travel restrictions, quarantine measures and social distancing initiatives, which significantly disrupted or are expected to disrupt the business activities of the Group. At the date of this report, there are high levels of uncertainties due to the unpredictable outcome of this disease, making it difficult to estimate the financial effects of this outbreak.

At reporting date, the Group has non-financial assets relating to goodwill, property, plant and equipment and right-of-use assets. The Company has non-financial assets relating to investment in subsidiaries and amounts due from subsidiaries. The Group and Company is required to assess at each reporting date whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

At reporting date, the Group and Company has performed impairment assessments over these non-financial assets. Due to uncertainties over how adverse and prolonged the COVID-19 pandemic may be, the estimates and judgements adopted by management over the impairment assessments may be impacted.

Additionally, due to the evolving nature and unpredictability involved in the outbreak of COVID-19, there may be high level of material uncertainties that cast significant doubt on the Group's and the Company's ability to operate under a going concern basis as described in Note 2.1.

40. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors on 2 April 2020.

STATISTICS OF **SHAREHOLDINGS**

AS AT 17 MARCH 2020

Issued & Paid-Up Capital	:	S$33,284,436.50
Number & Class of Shares (Excluding Treasury Shares)	:	1,119,522,270 Ordinary Shares
Voting Rights	:	One Vote per Ordinary Share
Treasury Shares & Percentage	:	100,000 Ordinary Shares (0.01%)

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of shareholders	%	No of shares	%
1 – 99	6	0.23	202	0.00
100 – 1,000	99	3.78	82,403	0.01
1,001 – 10,000	829	31.70	5,048,780	0.45
10,001 – 1,000,000	1,599	61.12	244,648,419	21.85
1,000,001 and above	83	3.17	869,742,466	77.69
GRAND TOTAL	**2,616**	**100.00**	**1,119,522,270**	**100.00**

LIST OF 20 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	LUYE MEDICAL GROUP PTE LTD	512,098,062	45.74
2	UNITED OVERSEAS BANK NOMINEES P L	57,583,698	5.14
3	DBS NOMINEES PTE LTD	36,809,600	3.29
4	LEE EE @ LEE ENG	32,305,000	2.89
5	MAYBANK KIM ENG SECURITIES PTE.LTD	17,890,200	1.60
6	OCBC NOMINEES SINGAPORE PTE LTD	10,867,300	0.97
7	RAFFLES NOMINEES(PTE) LIMITED	8,265,200	0.74
8	CITIBANK NOMS SPORE PTE LTD	7,757,000	0.69
9	LISTIAWATI	7,454,000	0.67
10	OCBC SECURITIES PRIVATE LTD	7,038,600	0.63
11	PHILLIP SECURITIES PTE LTD	6,845,500	0.61
12	TAN KAI SENG	6,300,000	0.56
13	UOB KAY HIAN PTE LTD	5,498,000	0.49
14	LOO TIONG KHENG	5,100,000	0.46
15	ANG AH LEK @AN AH LEK	5,000,000	0.45
16	LEE CHYE ONN @SOW CHYE ONN	5,000,000	0.45
17	TEO CHEN HIAN	5,000,000	0.45
18	DBS VICKERS SECURITIES (S) PTE LTD	4,891,000	0.44
19	CHIA KAR SOCK	4,547,600	0.41
20	LIM KWEE SIAH	4,000,000	0.36
	TOTAL	**750,250,760**	**67.04**

STATISTICS OF **SHAREHOLDINGS**

AS AT 17 MARCH 2020

SHAREHOLDINGS HELD BY THE PUBLIC

Percentage of shareholdings held by the public is approximately 53.05%, and therefore, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	**%[1]**	**No. of Shares**	**%[1]**
Luye Medical Group Pte. Ltd.	512,098,062	45.74	–	–
Luye Medical Investment Pte. Ltd.[3]	–	–	512,098,062	45.74
Luye Life Sciences Group Ltd[4]	–	–	512,098,062	45.74
Nelumbo Investments Limited[5][7]	–	–	512,098,062	45.74
Ginkgo (PTC) Limited[6][8]	–	–	512,098,062	45.74
Shorea LBG[8]	–	–	512,098,062	45.74
The Asoka Trust[7]	–	–	512,098,062	45.74
Liu Dianbo[7][8]	–	–	512,098,062	45.74
Wang Cuilian[7]	–	–	512,098,062	45.74
Aona Liu[7]	–	–	512,098,062	45.74
Alina W Liu[7]	–	–	512,098,062	45.74

Notes:

(1) Based on 1,119,522,270 issued shares (excluding 100,000 treasury shares and nil subsidiary holdings) of the Company.

(2) Luye Medical Group Pte. Ltd. ("LMGPL") holds its shares in the Company directly.

(3) Luye Medical Investment Pte. Ltd. holds 100% of the issued and paid-up share capital LMGPL and is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore ("SFA").

(4) Luye Life Sciences Group Ltd holds 100% of the issued and paid-up share capital of Luye Medical Investment Pte. Ltd.. Luye Medical Investment Pte. Ltd. is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA. Accordingly, Luye Life Sciences Group Ltd is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA.

(5) Nelumbo Investments Limited holds 70% of the issued and paid up share capital of Luye Life Sciences Group Ltd. Luye Life Sciences Group Ltd is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA. Accordingly, Nelumbo Investments Limited is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA.

(6) The shares representing 100% of the issued and paid up share capital of Nelumbo Investments Limited are held by Ginkgo (PTC) Limited as trustee of The Asoka Trust. Nelumbo Investments Limited is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA. Accordingly, Ginkgo (PTC) Limited is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA.

(7) The shares representing 100% of the issued and paid up share capital of Nelumbo Investments Limited are the trust property of The Asoka Trust. The settlor of The Asoka Trust is Mr Liu Dianbo. The beneficiaries of The Asoka Trust are Mr Liu Dianbo, his spouse Mdm Wang Cuilian, and his daughters Ms Aona Liu and Ms Alina W Liu. Nelumbo Investments Limited is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA. Accordingly, The Asoka Trust and the beneficiaries of The Asoka Trust are deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA.

(8) Shorea LBG holds 100% of the issued and paid up share capital of Ginkgo (PTC) Limited and is in turn wholly-owned by Mr Liu Dianbo. Ginkgo (PTC) Limited is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA. Accordingly, each of Shorea LBG and Mr Liu Dianbo are deemed to be indirectly interested in the Shares that Ginkgo (PTC) Limited has an interest in.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of AsiaMedic Limited (the "**Company**") will be held at 350 Orchard Road #10-01, Shaw House, Singapore 238868 on Friday, 19 June 2020 at 9.30 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2019 and the Directors' Statement and Auditor's Report thereon.

(Resolution 1)

2. To re-elect Mr Chua Keng Woon, a Director retiring pursuant to Regulation 89 of the Constitution of the Company.

(Resolution 2)

3. To re-elect Mr Tan Soo Kiat, a Director retiring pursuant to Regulation 89 of the Constitution of the Company.

(Resolution 3)

4. To approve Directors' fee of S$154,096 for the financial year ended 31 December 2019 (2018: S$151,000).

(Resolution 4)

5. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 5)

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions as Ordinary Resolutions, with or without modifications:

6. **Authority to issue Shares and Instruments convertible into Shares**

"That pursuant to Section 161 of the Singapore Companies Act, Chapter 50 (the "Act") and the Listing Manual (Section B: Rules of Catalist) (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), approval be and is hereby given to the Directors of the Company, to:

(a) (i) issue ordinary shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors in their absolute discretion deem fit;

(b) issue Shares in pursuance of any Instruments made or granted by the Directors while the authority was in force (notwithstanding the authority conferred by this Resolution may have ceased to be in force) provided always that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued Shares, excluding treasury shares and subsidiary holdings, of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to existing shareholders of the Company does not exceed 50% of the total number of issued Shares excluding treasury shares and subsidiary holdings, and for the purpose of this Resolution, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be the Company's total number of issued Shares excluding treasury shares and subsidiary holdings at the time this Resolution is passed, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

NOTICE OF **ANNUAL GENERAL MEETING**

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

whereby adjustments in accordance with (a) or (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution; and

(ii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST, the Monetary Authority of Singapore or the Sponsor of the Company) and the Constitution for the time being of the Company;

(iii) In this Resolution, "subsidiary holdings" shall have the meaning ascribed to it in the Catalist Rules; and

(iv) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier;

(c) the Directors be and are hereby authorised to do any and all acts which they deem necessary and expedient in connection with paragraphs (a) and (b) above."

(Resolution 6)

7. **Proposed Renewal of the Share Purchase Mandate**

"THAT:

(1) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore, (the "**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or acquire issued ordinary shares fully paid in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(a) on market purchases on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**On-Market Purchase**"); and/or

(b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act ("**Off-Market Purchase**"),

and otherwise in accordance with all other laws regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(2) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:

(a) the date on which the next annual general meeting of the Company is held;

(b) the date by which the next annual general meeting of the Company is required by law to be held;

(c) the date when such mandate is revoked or varied by the Shareholders of the Company in general meeting; or

(d) the date on which the share buy-back is carried out to the full extent mandated,

(the "**Relevant Period**").

NOTICE OF **ANNUAL GENERAL MEETING**

(3) in this Ordinary Resolution:

"**Maximum Percentage**" means that number of issued Shares representing 10.0% of the total number of issued Shares as at the date of the passing of this Ordinary Resolution (excluding any Shares which are held as treasury shares or subsidiary holdings as at that date); and

"**Maximum Price**" in relation to a Share to be purchased or otherwise acquired, means the purchase price as determined by the Directors (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) and not exceeding:

(a) in the case of an On-Market Purchase, 105.0% of the average closing market price. For this purpose, the average closing market price is:

(i) 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) immediately before the date of the Market Purchase by the Company; and

(ii) deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made; and

(b) in the case of an Off-Market Purchase, 105.0% of the highest price at which a Share is transacted on the SGX-ST on the Market Day (when transactions in the Shares are recorded) immediately preceding the date on which the Company announces an Off-Market Purchase offer stating the purchase price and the relevant terms of the equal access scheme,

(the "**Maximum Price**") in either case, excluding related expenses of the Share Purchase.

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

(Resolution 7)

8. **Authority to grant awards and to allot and issue shares under the AsiaMedic Share Award Scheme**

"That the Directors of the Company be and are hereby authorised to offer and grant awards in accordance with the provisions of the AsiaMedic Share Award Scheme (the "Share Award Scheme") and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards under the Share Award Scheme provided always that the aggregate number of shares which may be issued or transferred pursuant to awards granted under the Share Award Scheme, when added to (i) the number of shares issued and issuable and/or transferred and transferable in respect of all awards granted thereunder; and (ii) all shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under the AsiaMedic Employee Share Option Scheme 2016 or any other share incentive schemes or share plans adopted by the Company and for the time being in force shall not exceed 25% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of award, and subject to such adjustments as may be made to the Share Award Scheme as a result of any variation in the capital structure of the Company."

(Resolution 8)

NOTICE OF **ANNUAL GENERAL MEETING**

9. **Authority to grant options and to allot and issue shares under the AsiaMedic Employee Share Option Scheme 2016**

"That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the AsiaMedic Share Option Scheme 2016 (the "**AsiaMedic ESOS**") and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the options under the AsiaMedic ESOS provided always that the aggregate number of shares in respect of which options may be granted under the AsiaMedic ESOS shall not exceed 15% of the total issued capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of grant of option, and when added to the number of shares issued and issuable and/or transferred and transferable in respect of (a) all shares available under the AsiaMedic ESOS and (b) all shares, options or awards granted under the AsiaMedic Share Award Scheme or any other share option scheme, share award scheme or share incentive scheme of the Company then in force, shall not exceed 25% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of grant of option, and subject to such adjustments as may be made to the AsiaMedic ESOS as result of any variation in the capital structure of the Company."

(Resolution 9)

10. **Proposed renewal of the IPT General Mandate**

"THAT:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the renewal of the IPT General Mandate (which was obtained at the extraordinary general meeting of the Company held on 24 April 2017) for the Company and/or its Subsidiaries, to enter into any of the transactions falling within the types of Interested Person Transactions described in the Appendix to this Notice of Annual General Meeting with any party who falls within the classes of interested persons as described in the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for the Interested Person Transactions as set out in the Appendix (the "**IPT General Mandate**");

(b) the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held; and

(c) the Directors be and are hereby authorised to take such steps, approve all matters and enter into all such transactions, arrangements and agreements and execute all such documents and notices as may be necessary or expedient for the purposes of giving effect to the IPT General Mandate as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution."

(Resolution 10)

ANY OTHER BUSINESS

11. To transact any other business which may be properly be transacted at an annual general meeting.

Dated this 15 April 2020

BY ORDER OF THE BOARD
Foo Soon Soo (Ms)
Company Secretary

NOTICE OF **ANNUAL GENERAL MEETING**

Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy/proxies must be deposited at the registered office of the Company at 350 Orchard Road, #08-00 Shaw House, Singapore 238868 not later than 72 hours before the time set for the meeting.

Explanatory Notes:

1. Resolution 2 – Mr Chua Keng Woon will upon re-election, remain as the Chairman of the Nominating Committee and a member of the Audit and Risk Management Committee. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on the Directors can be found in the Company's Annual Report 2019.
2. Resolution 6 – If passed, will enable the Directors to issue shares in the Company up to 100% of the total number of issued shares and instruments convertible into shares excluding treasury shares in the capital of the Company (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares not to exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings in the capital of the Company) for such purposes as they consider to be in the interests of the Company.
3. Resolution 7 – If passed, will empower the Directors, to repurchase Shares by way of market purchases or off-market purchases of up to 10% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) at such price up to the Maximum Price during the Relevant Period. Information relating to this proposed Resolution is set out in the Appendix A attached to the Annual Report.
4. Resolution 8 – If passed, will empower the Directors to offer and grant awards in accordance with the AsiaMedic Share Award Scheme and to allot and issue shares in the capital of the Company pursuant to the granting of awards under such scheme, which when added to the number of shares issued under any other share incentive schemes, share plans or option schemes adopted by the Company shall not shall not exceed 25% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of award.
5. Resolution 9 – If passed, will empower the Directors to offer and grant options in accordance with the AsiaMedic Share Option Scheme 2016 and to allot and issue shares in the capital of the Company pursuant to the exercise of options under such scheme which shall not exceed 15% of the total issued capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of grant of option, and when added to the number of shares issued under any other share incentive schemes or share plans adopted by the Company shall not shall not exceed 25% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of grant of option.
6. Resolution 10 – If passed, will allow the Company and/or its Subsidiaries to enter into transactions with interested persons as defined in Chapter 9 of the Catalist Rules of the SGX-ST. Please refer to the Appendix B attached to the Annual Report for more information on the scope of the IPT General Mandate.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Sponsor statement:
This notice has been reviewed by the Company's sponsor, Xandar Capital Pte Ltd, in compliance with Rule 226 of the Catalist Rules. It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms Pauline Sim (Registered Professional, Xandar Capital Pte Ltd) at 3 Shenton Way, #24-02 Shenton House, Singapore 068805. Telephone number: (65) 63194954.

COVID-19 situation:
Due to the constantly evolving COVID-19 situation in Singapore, we may be required to change our AGM arrangements at short notice. We will announce the changes, if any, via the SGXNET.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "Catalist Rules"), the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules is as set out below:

	Mr Chua Keng Woon	**Mr Tan Soo Kiat**
Date of Appointment	15 August 2018	3 June 2015
Date of last re-appointment (if applicable)	29 April 2019	23 April 2018
Age	47	61
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Chua as Independent Director was recommended by the NC and approved by the Board, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director	The re-election of Mr Tan as Non-Executive Director was recommended by the NC and approved by the Board, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Independent Director • Chairman of Nominating Committee • Member of Audit and Risk Management Committee	• Non-Executive Director • Member of Nominating, and Audit and Risk Management Committees
Professional qualifications	• Bachelor of Business	• Bachelor of Commerce (Accounting) • Chartered Accountant (CA ANZ)
Working experience and occupation(s) during the past 10 years	2018 – 2019 Advisor, Secured Capital Pte Ltd 2008 – 2016 Senior Director, Equity Capital Market, Canaccord Genuity Singapore Pte Ltd	Provide corporate advisory services and act as independent director of a number of public listed companies in Singapore
Shareholding interest in the listed issuer and its subsidiaries	Nil	12,000,000 ordinary shares in AsiaMedic Limited
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	Intergate Pte Ltd (of which Mr Tan is a director) had provided corporate advisory services to Luye Medical Group Pte Ltd and one of its related companies (until 31 March 2020)
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	Mr Chua Keng Woon	**Mr Tan Soo Kiat**
Other Principal Commitments* Including Directorships *** "Principal Commitments" has the same meaning as defined in the Code**		
Past (for the last 5 years)	Nil	1. Nam Lee Pressed Metal Industries Limited(L) 2. Vela Diagnostics Holding Pte Ltd 3. Arana Assets Limited
Present	Hai Leck Holdings Limited(L)	Dyna-Mac Holdings Limited(L) Intergate Pte Ltd

Note: (L) = Listed company

All the above Directors had provided a negative response to items (a) to (k) of Appendix 7.4.1 of the Catalist Rules.

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ASIAMEDIC LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No: 197401556E

ANNUAL GENERAL MEETING
PROXY FORM

(You are advised to read the notes on the next page before completing this form)

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the meeting and vote.
2. For investors who have used their CPF monies and/or SRS monies to buy shares in AsiaMedic Limited, this Annual Report is forwarded to them at the request of their CPF and/or SRS Approved Nominees.
3. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____

of ____

being a member/members of ASIAMEDIC LIMITED (the "Company"), hereby appoint:

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

and/or (delete as appropriate)

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

as my/our proxy/proxies, to vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at 350 Orchard Road #10-01, Shaw House, Singapore 238868 on Friday, 19 June 2020 at 9.30 a.m. and at any adjournment thereof. The proxy/proxies is/are to vote for or against or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Ordinary Resolutions	For	Against	Abstain
1	Adoption of the audited financial statements for the financial year ended 31 December 2019 and the Directors' Statement and Auditor's Report thereon			
2	Re-election of Mr Chua Keng Woon as Director retiring pursuant to Regulation 89 of the Company's Constitution			
3	Re-election of Mr Tan Soo Kiat as Director retiring pursuant to Regulation 89 of the Company's Constitution			
4	Approval of Directors' fee for the financial year ended 31 December 2019			
5	Re-appointment of Ernst & Young LLP as Auditors			
6	Authority to issue shares and instruments convertible into shares			
7	Renewal of the Share Purchase Mandate			
8	Authority to grant awards and to allot and issue shares under the AsiaMedic Share Award Scheme			
9	Authority to grant options and to allot and issue shares under the AsiaMedic Employee Share Option Scheme 2016			
10	Renewal of the IPT General Mandate			

All Resolutions put to the vote shall be decided by way of poll.

If you wish to exercise all your votes "For" or "Against" or "Abstain" from voting, please tick (√) or cross (X) within the box provided. A tick or cross would represent you are exercising all your votes "For" or "Against" or "Abstain" from voting on the resolution. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ________________ 2020.

Total Number of Shares Held

____

Signature(s) of Member(s)/Common Seal

Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 (the "Companies Act").
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy/proxies must be deposited at the registered office of the Company at 350 Orchard Road, #08-00 Shaw House, Singapore 238868 not later than 72 hours before the time set for the meeting.
5. The instrument appointing a proxy/proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy/proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
6. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the meeting in order for the Depositor to be entitled to attend and vote at the meeting. A Depositor shall not be regarded as a member of the Company entitled to attend the meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the meeting.
7. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the meeting.
8. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy/proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.
9. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with its Constitution and Section 179 of the Companies Act.
10. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members (maintained by or on behalf of the Company), he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

    The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ASIAMEDIC LIMITED

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