ASIAMEDIC LIMITED

THE HEALTHCARE PROVIDER OF CHOICE IN SINGAPORE

Annual Report 2023

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

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

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Proxy Form

ASIAMEDIC
OUR SERVICES

Medical Wellness and Health Screening Services

Our one-stop health screening centre conveniently located at Orchard Road offers a comprehensive range of health screening packages. Equipped with the latest technology, our expert medical professionals ensure patients receive utmost care while screening in comfort for early diagnosis, pre-symptomatic disease detection and prevention.

Our established track record of trusted health screening services has enabled AsiaMedic to serve the community with a growing footprint across all age groups, from pre-schoolers to elderly adults.

In partnership with the Health Promotion Board, AsiaMedic delivers myopia and school health screening to pre-school, primary and secondary school students in Singapore, as well as human papilloma virus vaccination for secondary school students.

We also continue to support Project Silver Screen, a preventive health initiative by the Ministry of Health and Temasek Foundation Cares, to bring functional screening to more seniors in the community.

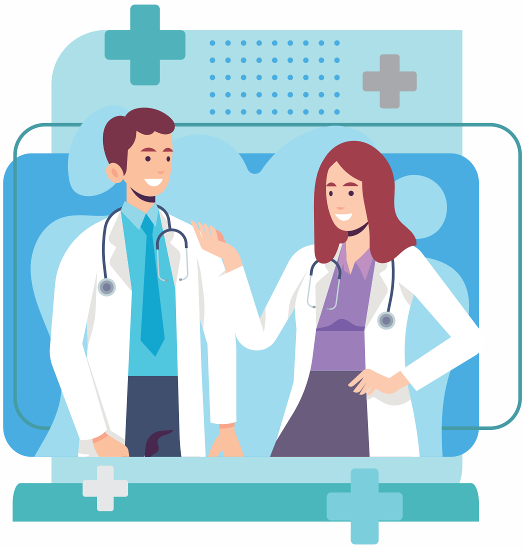
Diagnostic Imaging and Radiology Services

Our independent diagnostic imaging centre provides tailored offerings with an integrated system to meet the individual needs of patients and doctors from across general practitioner clinics, specialist clinics and hospitals.

Diagnostic imaging procedures facilitate the early diagnosis and treatment of diseases and disorders. We are equipped with cutting-edge imaging technology to provide more comfortable patient-friendly exams with exceptional image quality that can help improve patient outcomes.

AsiaMedic's full suite of imaging services include Magnetic Resonance Imaging (MRI), Computed Tomography (CT), bone densitometry (DEXA), ultrasound, mammography, and X-Ray. Our comprehensive range of radiological examinations span across cardiovascular, musculoskeletal, ear nose & throat (ENT), breast, body and neuroradiology. We also deliver advanced Positron Emission Tomography/Computed Tomography (PET/CT) scans for cardiac and cancer imaging.

ASIAMEDIC
OUR SERVICES



Primary Healthcare Services

Our integrated medical centre is dedicated to providing comprehensive healthcare of the highest standard to local and international clientele in a caring, professional and attentive environment. We aim to create a distinctively privileged healthcare experience for our patients with a team of highly qualified doctors, nurses and staff.

Co-located with a complete imaging facility, the integrated medical centre conveniently located at Orchard Road brings together diagnosis, treatment, care management and health promotion under one roof. The centre enables urgent assessments such as on-the-spot diagnostic tests and urgent care services.

Medical Aesthetic Services

We provide a comprehensive range of safe and effective FDA-approved medical aesthetic treatments using the latest technology and science-based solutions to help our patients achieve their beauty goals at every stage of their lives.

Our customised aesthetic solutions delivered by registered medical professionals include minimally invasive treatments with little to no downtime such as laser skin treatment, non-surgical facelifts, fillers, body contouring and various skincare products.

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 is the Group Chief Executive Officer of the Luye Medical Group. He joined 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, he 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 began his career with Kingston Smith Chartered Accountants in London, United Kingdom 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 previously listed in the United Kingdom, as Finance Director. In June 1999, he joined Asia Renal Care Limited, a healthcare services company which specialises in providing kidney dialysis services in the Asia Pacific region, as Chief Financial Officer. In December 2008, he joined Tongjitang Chinese Medicine Limited, a company that specialises in the manufacturing and distribution of modern Chinese medicine and which was previously listed on the New York Stock Exchange, as Chief Financial Officer. From November 2010 to January 2012, he was appointed as the Chief Financial Officer of Trauson Holdings Company Limited, an orthopaedic device manufacturing company previously listed on the Hong Kong Stock Exchange. Subsequently from July 2012 to February 2015, he served as the Chief Financial Officer of China NT Pharma Group Company Limited, a company listed on the Hong Kong Stock Exchange which specializes in the manufacturing and distribution of pharmaceutical products.

As the Chief Financial Officer of the 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 obtained a Bachelor's 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.

MS AONA LIU

Non-Executive Director

Ms Liu started her career in strategic consulting and has experience in mergers & acquisitions and healthcare management across Singapore, Japan, Australia, and China. She is currently the Executive Chairperson of Luye Medical Group group of companies, the hospital and healthcare services platform of Luye Life Sciences Group Ltd. Luye Medical Group group of companies provides medical services with a focus on specialties such as oncology, cardiology, mental health and rehabilitation.

She is also the founding CEO of Philosojoy Singapore Pte. Ltd., a company established to invest in artistic areas and to preserve and promote Asian art, culture and heritage.

Ms Liu holds a Bachelor of Arts in Economics (Honours) and a Master of Arts in Economics (Honours) from the University of Edinburgh and a Master of Science in International Healthcare Management from Imperial College London.

BOARD OF DIRECTORS

MS ALICE NG BEE YEE

Independent Director

Ms Ng has more than 20 years of experience in the corporate finance sector, where she was involved in initial public offerings and reverse takeover transactions, as well as other financial advisory transactions and continuing sponsorships. Since June 2022, Ms Ng is the Head of Finance at Golden Energy And Resources Pte. Ltd. (formerly known as Golden Energy and Resources Limited), a company previously listed on the Mainboard of the Singapore Exchange. Prior to this, Ms Ng was Director of Continuing Sponsorship at ZICO Capital Pte. Ltd., and advised Catalist-listed companies on compliance with the SGX-Catalist Rules. Ms Ng had also held various positions as Director of Corporate Finance / Continuing Sponsorship in Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Stewart Pte. Limited), Director of Corporate Finance in CIMB Bank Berhad, Assistant Vice President (Capital Market Group) in Phillip Securities Pte Ltd, and Assistant Vice President (Corporate Finance Department) in Hong Leong Finance Limited. She was also involved in compliance and audit work from July 1998 to March 2001.

Ms Ng graduated from Nanyang Technological University with a Bachelor of Accountancy in 1998.

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 Phillip 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 LEONG YEW MENG

Independent Director

Mr Leong brings with him more than 30 years of experience in the healthcare industry.

Mr Leong started his healthcare career in 1989 at Singapore General Hospital, before he went on to serve as Chief Operating Officer at the National University Hospital from 1994 to 2000. He joined Thomson Medical Group as its Group Chief Executive Officer in 2000. In 2002, he was appointed Chief Executive Officer of Woodbridge Hospital/Institute of Mental Health, a role he held from 2002 to 2011. In 2009, he was concurrently appointed Chief Executive Officer of National Healthcare Group Polyclinics and stayed on until 2014.

In 2016, Mr Leong was appointed Chief Executive Officer (Greater China) and had provided leadership for Parkway Pantai Ltd's operations in China and Hong Kong including its primary care clinics in Shanghai, Beijing, Suzhou and Hong Kong and development of new hospital projects in Chengdu, Hong Kong, Nanjing and Shanghai. He left Parkway Pantai Ltd in 2017 to join Shanghai Fosun Hospital Investment (Group) Co. Ltd. as its Chief Executive Officer to spearhead the operations and management of its eight hospitals and several new hospital development projects in various cities in China. He also served as a board member of United Family Health, a leading high-end premier healthcare brand in China with seven hospitals and more than 20 clinics in Beijing, Shanghai, Tianjin, Guangzhou, Qingdao, and Hainan Island. He left Shanghai Fosun Hospital Investment (Group) Co. Ltd. in February 2019 to return to Singapore.

Mr Leong has a Bachelor of Mechanical Engineering degree and a Master of Business Administration degree (MBA) from the National University of Singapore. He also attended the Advanced Management Program at Wharton School, University of Pennsylvania.

SENIOR MANAGEMENT & CLINICIAN LEADERS

MR ARIFIN KWEK ZHI BIN
B. Engineering, B. Economics, MBA
Chief Executive Officer

Mr Kwek has more than 20 years' experience in the healthcare industry covering operations, marketing and business development.

Before joining AsiaMedic in June 2022, Mr Kwek was the Managing Director of Lifescan Imaging Centre and Lifescan Medical Centre, subsidiaries of Singapore Medical Group ("SMG") and was responsible for managing the diagnostic imaging and health screening business of SMG (2015 to June 2022). Mr Kwek also served as Senior Vice President of SMG during which he was responsible for the group's patient, physician, insurance and corporate networks (2011 to 2019).

Before joining SMG, Mr Kwek held the positions of Director of Operations at International Cancer Specialists (2008 to 2011) and Senior Manager for Corporate Marketing at Parkway Hospitals Singapore (2001 to 2008). Mr Kwek holds a Master of Business Administration (MBA) from the Australian National University (Australia). He also attended Harvard Medical School's Southeast Asia Healthcare Leadership program (2019-2020).

MR STANLEY WOO
B. Com.
Group Financial Controller

Mr Woo oversees the Group's finance, accounting and taxation functions. He joined the Group in 2009. Before joining the Group, he worked as a financial controller in listed companies. He also has auditing experience. He holds a Bachelor of Commerce degree from the University of Melbourne and is a member of the Institute of Singapore Chartered Accountants.

DR LIM PUAY JOO
MBBS, FRCR (UK)
Consultant Radiologist & Medical Director
Advanced Imaging Centre

Dr Lim graduated from the National University of Singapore in 2005 before obtaining his fellowship from the Royal College of Radiologists, London in 2012. Subsequently, he qualified as a Specialist in Diagnostic Radiology in 2015 and commenced specialist practice as a Consultant in the Department of Radiology, Ng Teng Fong General Hospital. Since 2018, he has been in private practice. Dr Lim is conversant and highly experienced in reading Computed Tomography (CT) and Magnetic Resonance Imaging (MRI) studies. He has a special interest in musculoskeletal radiology.

DR CHUA BOON SUAN
MBBS (Singapore)
Senior Resident Physician
AsiaMedic Wellness Assessment Centre

Dr Chua Boon Suan graduated from the National University of Singapore in 2001, following which she has worked in various major restructured hospitals in Singapore, including the Emergency Department of Tan Tock Seng Hospital, General Medicine and General Surgery Departments of Singapore General Hospital, Obstetrics and Gynaecology Department of KK Women's and Children's Hospital. She was part of the SARS taskforce in TTSH and tended to ill patients with suspected SARS during the outbreak. For the last fifteen years, she has been seeing patients in the Health Screening and Wellness Centres of various hospitals, including TTSH, Mt Alvernia, National University Hospital and Farrer Park Hospital. She has special interest in health screening and chronic disease prevention, including chronic disease management for conditions such as diabetes, high blood pressure and high cholesterol.

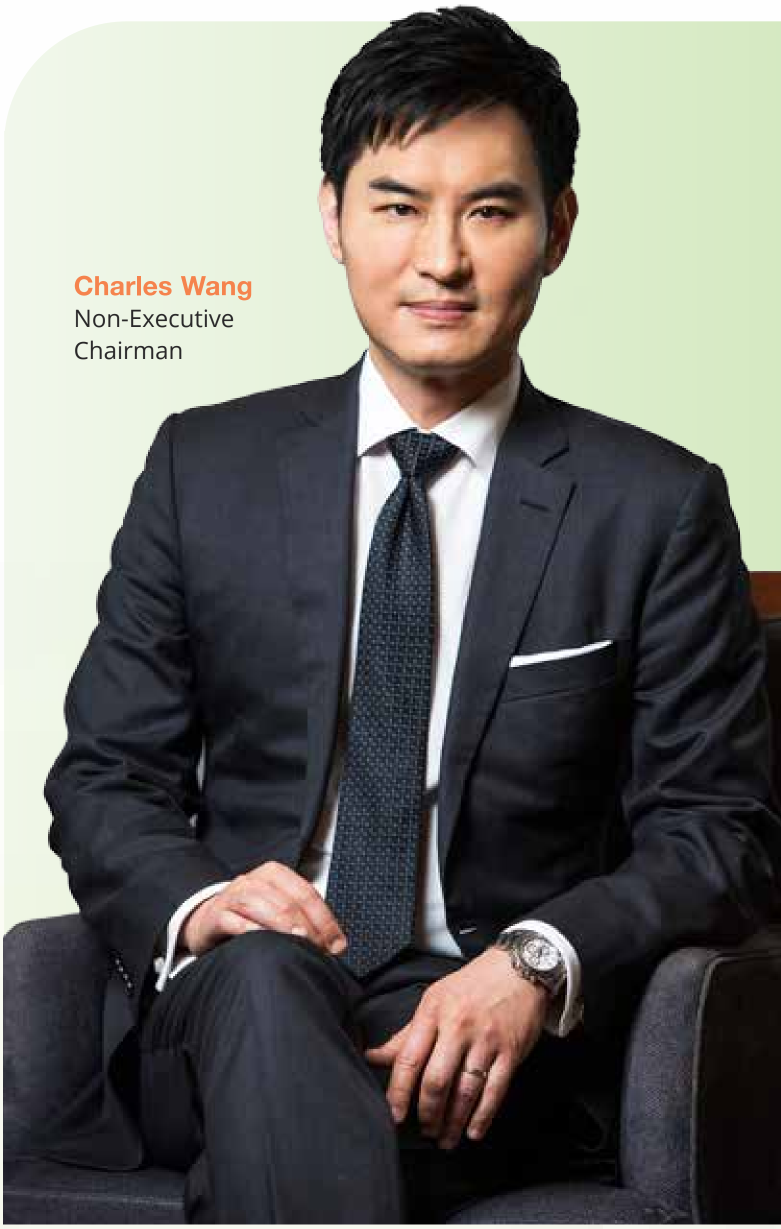
DR ELENDRUS TEO
MBBS (Singapore), Graduate Diploma in Family Medicine (Singapore)
Aesthetic Physician
AsiaMedic Astique The Aesthetic Clinic

Dr Teo obtained his medical degree from the National University of Singapore, and also holds a Graduate Diploma in Family Medicine. Dr Teo believes in helping individuals exude the best possible version of themselves, giving them the opportunity to further their confidence and success. To keep himself at the forefront of aesthetic medicine technologies and treatments, Dr Teo attends relevant local and overseas courses and conferences, as well as several aesthetic medicine graduate workshops held at Singapore National Skin Centre and other prestigious centres. He has completed various courses on facial fillers, Pigment Lasers, Lasers for skin resurfacing, Fractional Lasers, Intense Pulsed Light (IPL) treatment, Lasers, and IPL for hair removal, Chemical Peels, and Devices for Skin Tightening and Body Contouring.

DR FIONA CHANG
MD (Taiwan), MRCP (Glasgow)
Asst. Medical Director
Complete Healthcare International Pte Ltd

Dr Chang obtained her medical degree from Chang Gung University, Taiwan 2011 and subsequently completed her post-graduate training in Internal Medicine, Singapore. In 2015, Dr Chang attained the Membership of the Royal College of Physician (MRCP), Glasgow, United Kingdom and had since been practicing medicine in the Singapore restructured hospitals drawing experience in renal medicine, respiratory medicine, cardiology and dermatology. Her areas of interest are preventive medicine, chronic disease management and minor surgical procedures.

CHAIRMAN'S STATEMENT



Charles Wang
Non-Executive
Chairman

Dear Shareholders

On behalf of the board and management, I am pleased to present to you the annual report of AsiaMedic Limited ("**AsiaMedic**" or the "**Group**") for the financial year ended 31 December ("**FY**") 2023.

I am pleased to report that the Group's sustained efforts in proactively pursuing opportunities for expansion has borne fruit as AsiaMedic marked new milestones and achieved commendable results during the financial year under review.

The Group achieved record revenue of S$23.6 million for FY2023 following three consecutive years of revenue growth, representing an increase of 25% from S$18.9 million for FY2022. The increase in revenue followed the Group's expansion of its medical imaging and aesthetics businesses. After excluding reversal of impairment loss on non-current assets (net), the adjusted earnings before interest, taxes, depreciation, and amortization of the Group rose 32% from S$2.5 million for FY2022 to S$3.3 million for FY2023.

IMAGING BUSINESS

Diagnostic imaging and radiology services revenue increased by 72% from S$6.8 million for FY2022 to S$11.7 million for FY2023 as demand for the Group's services remained strong across the entire spectrum of healthcare providers, including general practitioners, specialist clinics and hospitals.

The increase in referrals from clinics and hospitals in FY2023 reflects AsiaMedic's trusted track record and its ability to provide tailored offerings to meet the individual needs and specific preferences of patients and their doctors.

In September 2023, the Group became the first in Asia Pacific to commence operations of the SIGNA™ Hero 3T MRI scanner which delivers higher image quality with improved efficiency, comfort, and productivity. This milestone marks significant capacity expansion for the Group's diagnostic imaging and radiology services, and we will continue to invest in the latest technology to enhance the patient experience and maintain our position as a preferred provider of diagnostic imaging and radiology services.

WELLNESS BUSINESS

Medical wellness and health screening services revenue, comprising health screening at AsiaMedic's flagship centre at Shaw Centre and onsite healthcare projects, declined by 8% from S$10.2 million for FY2022 to S$9.4 million for FY2023, brought about mainly by a lower level of activities from the Health Promotion Board's school and community screening projects for FY2023 following the completion of certain projects. The reduction in revenue from onsite healthcare projects was mitigated by the Group's health screening business which continued to deliver steady performance amid a highly competitive landscape in FY2023.

The commendable performance of the Group's health screening business reflects its reputation as one of the leading health screening providers in Singapore. This is made possible by our expert team of medical professionals who are committed to providing quality services to our patients. Our centrally located flagship

CHAIRMAN'S STATEMENT

health screening centre at the intersection of Orchard Road and Scotts Road is fully equipped with a suite of advanced screening facilities and equipment for the convenience of our patients.

AESTHETICS BUSINESS

Medical aesthetic services revenue increased by 46% from S$1.3 million for FY2022 to S$1.9 million for FY2023 following the engagement of a locum doctor since July 2023. The maiden contribution post-acquisition of LE Private Clinic in August 2023 also contributed to the increase in medical aesthetic services revenue.

I am encouraged by the fruition of our efforts to grow the Group's aesthetics business which materialized in the second half of 2023. FY2023 was a positive year of development for the Group's aesthetics business as we continued to broaden the Group's revenue stream.

PRIMARY CARE BUSINESS

Primary healthcare services revenue increased by 11% from S$1.8 million for FY2022 to S$2.0 million for FY2023 as patient volume grew in line with the return of expatriates to Singapore. We continue to aim to create a distinctively privileged healthcare experience for our patients while leveraging Singapore's status as one of the best cities in Asia for expatriates.

OUTLOOK

Like the healthcare industry in general, the Group continues to face intense competition, a shortage of skilled manpower and rising manpower costs. We have intensified our efforts to mitigate the impact of these challenges by adopting new technology to enhance patients' experience, and improve workflows, efficiency, and patient care.

The Group is aware that continuous investment to stay contemporary with the latest medical technology and equipment will help to achieve and maintain the Group's position as a preferred choice for health screening and diagnostic imaging, and will continue to do so taking into consideration the Group's available resources. In February 2024, the Group replaced its CT scanner with the new generation model. Investments in latest technology and equipment will enhance the Group's ability to generate clinical outcomes with shorter scanning time and higher quality images and improve its patients' positive experiences.

The long-term prospects of the aesthetic services market hold significant potential as demographic trends and new consumer preferences in an ageing population continues to drive demand, while previously underserved segments such as men and millennials show growing interest in aesthetic services. In order to capture these opportunities, the Group will strive towards increasing the breadth and depth of its aesthetics expertise and service offerings. For the current financial year ending 31 December 2024, we target to fully integrate our medical aesthetics practices to provide better and wider range of aesthetic services to our patients.

Amidst an ageing population and an increase in chronic illnesses, Singapore's Healthier SG initiative signals the seriousness of the healthcare system's shift towards focusing on preventive health which relies on regular screenings. The rising awareness of preventive healthcare and the adoption of employee wellness programmes contributes positively to the long-term demand for the Group's established medical wellness and health screening services.

The Group intends to intensify its collaboration with insurance companies to open new opportunities for the Group's medical wellness and health screening services. In addition, we will also continue to strengthen the operations of our primary care clinic to enhance the patient experience.

APPRECIATION

On behalf of the Group, I would like to express our heartfelt gratitude to our many patients, clients and vendors for their continued trust and support. To all our staff, I am grateful for their hard work, sacrifices and dedication towards helping our patients achieve positive clinical outcomes. I would like to thank the Board and management for their contributions and invaluable guidance during the past year. I would also like to thank our valued shareholders for their unwavering support of the Group.

AsiaMedic recorded its highest-ever annual revenue for FY2023, and with your continued support, we look forward to achieving new heights in the years ahead.

Charles Wang
Non-Executive Chairman

FINANCIAL REVIEW

FINANCIAL REVIEW

The Group's revenue increased by $4.7 million or 25% to $23.6 million for the financial year ended 31 December 2023 ("**FY2023**"), from $18.9 million for the financial year ended 31 December 2022 ("**FY2022**").

This was due mainly to the increase in revenue from the imaging and aesthetic businesses, partially offset by the decrease in revenue from the wellness business. The increase in revenue from the imaging business was due mainly to an increase in referrals from specialist clinics and hospitals as well as the increase in imaging capacity subsequent to the Group's installation of a new MRI scanner in September 2023. The increase in revenue from the aesthetic business was due to the engagement of a locum doctor from July 2023 and the acquisition of the medical aesthetic business of LE Private Clinic in August 2023 (the "**LEPC Acquisition**"). The decrease in revenue from the wellness business was due to the lower level of activity from the Health Promotion Board's schools and community screening projects in the second half of FY2023.

Other income increased by $0.2 million to $0.6 million due mainly to higher interest income from short-term investments and sub-lease income.

With the increase in revenue, (i) consumables expenses increased by $0.2 million (or 12%) to $1.7 million, (ii) personnel expenses increased by $2.2 million (or 22%) to $12.2 million, (iii) laboratory and consultancy fees increased by $1.3 million (or 55%) to $3.6 million, and (iv) other operating expenses increased $0.4 million (or 17%) to $2.8 million. Depreciation of plant and equipment ("**PE**") increased by $0.6 million (or 232%) to $0.9 million, due to PE purchased in the FY2022 and FY2023, as well as depreciation charge with the reversal of impairment for PE in the second half of FY2022. Depreciation of right-of-use assets ("**ROUA**") increased due to (i) the depreciation charge with the reversal of impairment of ROUA in 2H2022, and (ii) the leasing of new clinic space at Orchard Building. The increase in finance costs of $0.2 million (or 75%) to $0.4 million was due mainly to (i) a higher interest rate being applied for the lease modification recognised in 2H2022, (ii) the leasing of new clinic space at Orchard Building, and (iii) the bank financing obtained for the purchase of a new MRI scanner in September 2023. A non-cash gain on reversal of impairment loss on the ROUA of the imaging business of $0.1 million was recognised taking into consideration the improvement in its business. In the previous year, the net non-cash gain on reversal of impairment loss was $1.0 million. The Group's income tax credit of $0.9 million is due to the recognition of deferred tax assets on the unabsorbed tax loss items.

As a result of the above, the Group recorded a net profit of $1.9 million in FY2023 as compared to a profit of $2.2 million in FY2022.

STATEMENTS OF FINANCIAL POSITION

Non-Current Assets

Non-current assets increased to $14.8 million as at 31 December 2023 from $10.2 million as at 31 December 2022. Plant and equipment ("**PE**") increased to $2.6 million as at 31 December 2023 from $1.5 million as at 31 December 2022 due mainly to the renovations undertaken for our new MRI suite and new aesthetic clinic at Orchard Building, and purchases of medical and other equipment. Right-of-use assets increased to $8.4 million as at 31 December 2023 from $6.5 million as at 31 December 2022 due mainly to the purchase of the new MRI scanner and the leasing of new clinic space at Orchard Building. Employment bond of $0.3 million as at 31 December 2023 is in respect the LEPC Acquisition. Pursuant to the terms of the LEPC Acquisition, the medical director of the vendor entered into a 5-year service agreement with our subsidiary, AsiaMedic Astique The Aesthetic Clinic Pte Ltd (the "**Employment Bond**"). In the event the Employment Bond is terminated before the end of the Employment Bond period, an applicable number of the consideration shares shall be transferred back by the vendor to the Company. The value of the applicable consideration shares is first capitalised and subsequently amortised over the Employment Bond period. Goodwill of $48,000 as at 31 December 2023 arose from the LEPC Acquisition. Deferred tax assets of $0.9 million as at 31 December 2023 are in respect of unabsorbed tax loss items.

FINANCIAL REVIEW

Current Assets

Current assets increased to $14.2 million as at 31 December 2023 from $13.5 million as at 31 December 2022. Inventories increased to $0.4 million as at 31 December 2023 from $0.3 million as at 31 December 2022 due to the increase in sales of the aesthetic business. The increase in other receivables and deposits to $0.5 million as at 31 December 2023 from $0.4 million as at 31 December 2022 was due mainly to the rental deposit for the new clinic at Orchard Building. Cash pledged as security decreased to $0.6 million as at 31 December 2023 from $0.9 million as at 31 December 2022 due to the reduction in the required bond amount as a result of the decrease in contract size of the schools and community health screening projects. Trade receivables decreased to $2.8 million as at 31 December 2023 from $3.0 million as at 31 December 2022 due mainly to the decrease in the amount owing under the schools and community health screening projects. Other financial assets as at 31 December 2023 and 31 December 2022 relate to short-term investments in Singapore Government Treasury Bills and/or credit linked notes issued by DBS Bank Ltd (referencing SGD Monetary Authority of Singapore bills). Cash and cash equivalents decreased to $4.6 million as at 31 December 2023 from $6.6 million as at 31 December 2022. Please refer to the section below on review of "Condensed Interim Consolidated Statement of Cash Flows" for the reasons for decrease in cash and cash equivalents.

Current Liabilities

Current liabilities increased to $6.8 million as at 31 December 2023 from $5.3 million as at 31 December 2022. Trade payables increased to $2.0 million as at 31 December 2023 from $1.5 million as at 31 December 2022, and other payables and accruals increased to $2.2 million as at 31 December 2023 from $1.9 million as at 31 December 2022, in line with the higher level of activity. Contract liabilities decreased to $0.9 million as at 31 December 2023 from $1.0 million as at 31 December due mainly in the decrease in level of pre-paid aesthetic packages. Borrowings increased to $1.7 million as at 31 December 2023 from $0.9 million as at 31 December 2022 due mainly to the financing obtained for the purchase of the new MRI scanner in FY2023 and the leasing of new clinic space at Orchard Building.

Net Current Assets

As a result of the above, net current assets decreased to $7.4 million as at 31 December 2023 from $8.3 million as at 31 December 2022.

Non-Current Liabilities

Non-current liabilities increased to $8.9 million as at 31 December 2023 from $7.5 million as at 31 December 2022. Borrowings (non-current portion) increased to $7.7 million as at 31 December 2023 from $6.4 million as at 31 December 2022 due mainly to the financing obtained for the purchase of the new MRI scanner and the leasing of new clinic space at Orchard Building.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

The Group has a net cash inflow from operating activities of $3.4 million in FY2023 as compared to a net cash inflow of $1.2 million in FY2022, due to the improved performance of the imaging business and a lower working capital requirement in FY2023. Net cash outflow used in investing activities was $4.9 million in FY2023 as compared to $2.7 million in FY2022 due mainly to increase in short-term investments in credit linked notes and Treasury Bills for financial management purposes, and the higher purchase of PE in FY2023. The Group has a net cash outflow from financing activities of $0.6 million as compared to an outflow of $1.4 million due mainly to the financing obtained for the new MRI scanner in FY2023.

FINANCIAL HIGHLIGHTS

	2019	2020	2021	2022	2023
	S$	S$	S$	S$	S$
Revenue	18,989,960	15,279,133	18,255,133	18,882,431	**23,600,767**
Profit/(Loss) before tax	(588,233)	(4,295,166)	715,031	2,186,023	**1,029,888**
Net profit/(loss) after tax attributable to owners of the Company	(588,233)	(4,295,166)	715,031	2,186,023	**1,920,888**
Total equity	3,813,674*	8,040,118	8,750,132	10,941,172	**13,256,532**
	Cents	Cents	Cents	Cents	Cents
Earnings/(loss) per share - Basic	(0.15)	(0.39)	0.06	0.20	**0.17**
- Diluted	(0.15)	(0.39)	0.06	0.20	**0.17**
Net asset value per share	0.98	0.72	0.78	0.98	**1.15**

* On 14 January 2020, the Company raised net proceeds of $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[1]

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*

** Inactive*

ASSOCIATE (33%)

Positron Tracers Pte Ltd

Note:

(1) Amalgamated with The Orchard Imaging Centre Pte Ltd since 1 February 2024 as announced by the Company on 1 February 2024.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr Charles Wang Chong Guang
(Non-Executive Chairman)

Ms Aona Liu
(Non-Executive Director)

Ms Alice Ng Bee Yee
(Independent Director)

Mr Chua Keng Woon
(Independent Director)

Mr Leong Yew Meng
(Independent Director)

AUDIT AND RISK MANAGEMENT COMMITTEE
Ms Alice Ng Bee Yee (Chairperson)
Mr Chua Keng Woon
Mr Charles Wang Chong Guang

REMUNERATION COMMITTEE
Mr Leong Yew Meng (Chairman)
Ms Alice Ng Bee Yee
Mr Charles Wang Chong Guang

NOMINATING COMMITTEE
Mr Chua Keng Woon (Chairman)
Mr Leong Yew Meng
Ms Aona Liu

EXECUTIVE COMMITTEE
Mr Charles Wang Chong Guang
Mr Arifin Kwek
Mr Stanley Woo

REGISTRAR AND SHARE TRANSFER OFFICE
KCK CorpServe Pte Ltd
1 Raffles Place
#04-63 One Raffles Place (Tower 2)
Singapore 048616

COMPANY SECRETARY
Ms Foo Soon Soo

AUDITORS
Baker Tilly TFW LLP
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778

Partner-in-charge:
Mr Gilbert Lee Chee Sum
(A practising member of Institute
of Chartered Accountants of Singapore)
(Date of appointment: since financial year
ended 31 December 2023)

REGISTERED OFFICE
350 Orchard Road
#08-00 Shaw House
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CORPORATE GOVERNANCE REPORT

The Board of Directors of AsiaMedic Limited (the "Company", and together with its subsidiaries, the "Group") is committed to ensuring that high standards of corporate governance and transparency are practised for the interest of all shareholders. This report describes the Group's governance practices that were in place during FY2023, with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 (the "Code") issued on 6 August 2018 and accompanying Practice Guidance (updated on 14 December 2023) which forms part of the continuing obligations of the Catalist Rules. The following are the deviations from the Code:

- Provision 3.3 relating to appointment of a lead independent director.
- Provision 8.1 relating to the disclosure of exact remuneration of each Director and the CEO, and the total remuneration paid to its top five key management personnel "Management".
- Provision 11.6 relating to the establishment of a dividend policy.
- Provision 12.3 relating to the holding of interim updates or scheduled shareholder events.

The Board is pleased to report that for FY2023, save for the above, the Company has complied in all material aspects with the principles and provisions set out in the Code. For the above deviations from the provisions of the Code, appropriate explanations have been provided and how the practices the Company had adopted are consistent with the intent of the relevant principle of the Code. The Company will continue to assess its needs and implement appropriate measures accordingly.

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") comprising five Directors, has 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:

		Date of appointment as Director
Mr Charles Wang Chong Guang	Non-Executive Chairman	22 March 2019
Ms Aona Liu	Non-Executive Director	11 February 2022
Ms Alice Ng Bee Yee	Independent Director	29 April 2021
Mr Chua Keng Woon	Independent Director	15 August 2018
Mr Leong Yew Meng	Independent Director	16 July 2020

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 strategic objectives of the Group. The Board sets directions and goals for the Management which include appropriate focus on value creation, innovation and sustainability. The Board believes that the 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 conducts reviews to ensure that the Group has the necessary financial and human resources in place to meet the strategic 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 and constructively challenges the Management, monitors the performance of the Management and hold Management accountable for the performance of the Group.

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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 ensures transparency and accountability to key stakeholder groups of the Group, including clear policies and procedures for dealing with conflicts of interest. Directors facing conflicts of interest are required to disclose the conflict and 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.

Provision 1.2
Scope of director's duties

The Board is accountable to the shareholders and the Directors are aware of the Company's business as well as 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 Executive Officer and the Group Financial Controller in their capacity as Executive Officers for FY2023.

Induction, training and development of new and existing directors

The Company has in place an orientation process for new incoming Director. New incoming Director will be issued a formal letter of appointment setting out his/her duties and obligations, and 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 incoming Director will also be introduced to the Management to facilitate independent direct communication between the new incoming Director and the Management.

The Nominating Committee and the Chairman of the Board review and make recommendations on the training and professional development programs for the Board and its Directors (comprising new and existing Directors) as and when applicable. All Directors are encouraged to attend appropriate courses, conferences and seminars at the Company's expense to familiarise themselves with the roles and responsibilities of acting as a director of a listed company and to stay abreast of rules and regulations as well as business and operational environment, developments and outlook relevant to the Group.

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 and updates 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 Companies Act 1967;

    (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.

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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;

(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.

The Board has delegated to the EXCO (as defined herein and its role further elaborated in the ensuing section) the authority to approve expenditures of up to a certain threshold.

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.

Name of Director	Board		Board Committees		
	Non-Executive Directors	Independent Directors	ARMC	RC	NC
Mr Charles Wang Chong Guang	Chairman	–	Member	Member	–
Ms Aona Liu	Member	–	–	–	Member
Ms Alice Ng Bee Yee	–	Member	Chairman	Member	–
Mr Chua Keng Woon	–	Member	Member	–	Chairman
Mr Leong Yew Meng	–	Member	–	Chairman	Member

The Board has formed the Audit and Risk Management Committee ("ARMC"), the Nominating Committee ("NC"), 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.

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These Board Committees function within clearly defined terms of reference setting out their compositions, authorities and duties, including reporting back to the Board. The effectiveness of each Board Committee is constantly reviewed by the Board.

The information on the ARMC, RC and NC are disclosed elsewhere in this report.

EXCO

As all Directors are non-executive, the Board has approved the formation of an Executive Committee ("EXCO") to assist the Board in certain operational affairs as follows:

(a) Consider the Group's business plan and annual budget;

(b) Consider the overall performance of the Group and provide recommendations to enhance performance;

(c) Providing direction and guidance to the Management and overseeing the Management's performance; and

(d) Facilitating decision making by the Board relating to important strategic and major operational issues faced by the Group, by making recommendation and proposal to the Board.

The members of the EXCO are:

Mr Charles Wang Chong Guang	Non-Executive Chairman
Mr Arifin Kwek	Chief Executive Officer ("CEO")
Mr Stanley Woo	Group Financial Controller ("GFC")

The EXCO will update and seek the Board's endorsement to the decision it had taken in board meetings.

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 FY2023:

	Types of meetings			
	Board	**ARMC**	**RC**	**NC**
Mr Charles Wang Chong Guang	5/5	–	1/1	–
Ms Aona Liu	4/5	–	–	1/1
Ms Alice Ng Bee Yee	5/5	2/2	1/1	–
Mr Chua Keng Woon	5/5	2/2	–	1/1
Mr Leong Yew Meng	5/5	–	1/1	1/1

In addition to the above formal meetings, the Directors also had discussions in 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 as well as 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.

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Provision 1.6
Board's access to information

All Directors have access to complete and adequate information on a timely basis as well as unrestricted access to the Group's records and information. All Directors are from time to time furnished with information concerning the Group (including monthly financial reports by the Management which provides explanations on material variances between projections and actual results) to enable them to be fully cognizant of the decisions and actions of the Management.

As a general rule, Board and Board Committee papers are circulated at least three business days prior to the respective Board and Board Committee meetings and the Management is available to provide explanatory information in the form of briefings or formal presentations to the Directors in attendance at these meetings.

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 also has separate and independent access to external advisers engaged by the Group and 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 is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Group. The independence of each Director (including Independent Director) is reviewed annually by the NC, based on the definition of independence as stated in the Code.

Our Independent Directors, Mr Chua Keng Woon, Mr Leong Yew Meng and Ms Alice Ng Bee Yee have confirmed their independence and that there are no circumstances or 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 in 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. None of the independent Directors have served on Board for more than nine years from the date of their respective appointments.

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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.

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

Provision 2.4
Composition and diversity of the Board

The Company has in place a Board Diversity Policy, which endorses the principle that the Board should be of an appropriate size, and comprise Directors who as a group, provide the appropriate balance and mix of skills, knowledge, experience and other aspects of diversity, such as gender and age, to promote the inclusion of different perspectives and ideas so as to avoid groupthink and foster constructive debate for the effective decision making and governance of the Group.

The NC annually reviews the Board composition of size, balance and mix of skills, knowledge, experience and other aspects of diversity, such as gender and age, as provided by the Policy and the diversity targets.

The Board has set the following diversity targets:

<table>
<tr><th><u>Target</u></th><th><u>Progress</u></th></tr>
<tr><td>Age:
To have at least one member in each age bracket.</td><td>
<table>
<tr><th>Age</th><th>Number of Directors</th><th>Proportion of Board</th></tr>
<tr><td>> 60</td><td>1</td><td>20%</td></tr>
<tr><td>45 - 60</td><td>3</td><td>60%</td></tr>
<tr><td>< 45</td><td>1</td><td>20%</td></tr>
</table>
The Board has met its age diversity target as there is at least one member in each age bracket.</td></tr>
<tr><td>Gender:
Female representation comprises at least 20% of the Board.</td><td>
<table>
<tr><th>Gender</th><th>Number of Directors</th><th>Proportion of Board</th></tr>
<tr><td>Male</td><td>3</td><td>60%</td></tr>
<tr><td>Female</td><td>2</td><td>40%</td></tr>
</table>
The Board has met its gender diversity target with 2 female directors comprising 40% of the Board.</td></tr>
<tr><td>Skills, knowledge and experience:
The core competencies of the Board are spread across its members.</td><td>
<table>
<tr><th>Core Competencies</th><th>Number of Directors</th><th>Proportion of Board</th></tr>
<tr><td>Accounting / Finance / Corporate governance experience</td><td>3</td><td>60%</td></tr>
<tr><td>Industry / Customer-based knowledge experience</td><td>3</td><td>60%</td></tr>
<tr><td>Business management / Strategic planning experience</td><td>3</td><td>60%</td></tr>
</table>
The Board has met its skills, knowledge and experience diversity target as the core competencies of the Board is spread across its members.</td></tr>
</table>

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The NC is of the view that the above combination of age, gender, skills, knowledge and experience provides an appropriate balance of diversity of Board and serves the needs and plans of the Group adequately.

Provision 2.5
Role of non-executive directors

During the financial year, the Board (comprising Non-Executive Directors and 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 reported to the Board regularly.

During the financial year, the Board (comprising Non-Executive Directors, including the Non-Executive Chairman of the Board, and Independent Directors) meet as and when a need arose without the presence of the Management to discuss the affairs of the Group. The Company also benefited from the Management's ready access to the Directors for guidance and exchange of views both within and outside the formal environment of the Board and Board Committee meetings.

The Board (none of whom are Directors with executive functions) had one meeting without the presence of the Management in FY2023.

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

The roles of Chairman and CEO are separate.

Provision *3.2*
Roles and Responsibilities of the Chairman

The roles of the Chairman and CEO 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, ensuring a 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 Chairman also ensures appropriate relations within the Board, and between the Board and Management, in particular, between the Board and the CEO.

The CEO heads the Management and is responsible for the day-to-day management and business affairs of the Group since his joining. The CEO reports to the Board and is responsible for ensuring that policies and strategies adopted by the Board are implemented.

Provision 3.3
Lead independent director

The Code recommends that Board has a lead independent director to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. While the Chairman is not independent, the Board believes that there is minimal conflict situation given that the Chairman is also non-executive.

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The Board has considered the Group's current business scale and operations. The Board also noted that the entire Board comprises non-executive directors and three out of five of the Board members are Independent Directors. All Directors (comprising the three Independent Directors and the two Non-Executive Directors), individually and collectively, are available to shareholders as a channel of communication between shareholders and the Board or the Management. Given the size of the Board and that all the Board members are non-executive with a majority of the Board members independent, there is no need for a lead independent director ("LID"). The Board will review the need for the appointment of a LID periodically. While the Board does not have a LID, the Independent Directors are available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or management are inappropriate or inadequate.

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 Leong Yew Meng	Member	Independent Director
Ms Aona Liu	Member	Non-Executive 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, in particular, the Chairman and Management , in particular, 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 and its directors;

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

(e) assess the independence of Independent Directors.

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

Succession planning for Management will be reviewed by the NC to determine if it is in line with the company's strategic priorities and the long-term goals of the Group. The human resources manager identifies stronger performers, and proposes salary increment and promotion for the NC's reviews and consideration.

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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.

Where there is a resignation or retirement of an existing director, the NC will re-evaluate the Board composition to assess the required competencies for the replacement. Once the NC has determined the desired competencies for an additional or replacement director to complement the age, gender, skills, knowledge and experience of the existing or remaining 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 are also 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, including the duties and obligations, 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.

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 three years. Mr Charles Wang and Ms Alice Ng will retire by rotation at the forthcoming AGM pursuant to Regulation 89 of the Constitution of the Company and will be seeking re-election.

In accordance with Catalist Rule 720(5), the information as set out in Appendix 7F on these Directors 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 has recommended and the Board has adopted a policy that a Director should not have in aggregate more than six listed company directorships and principal commitment so as to be able to devote sufficient time and attention to the affairs of the Group. During FY2023, none of the Directors exceeded the limit.

<u>Key information on Directors</u>

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's profile section of the Annual Report.

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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 composition (balance of skills, experience, independence, knowledge of the company, and diversity), Board practices and conduct, and how the Board as a whole adds value to the Company. 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.

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 Leong Yew Meng	Chairman	Independent Director
Ms Alice Ng Bee Yee	Member	Independent Director
Mr Charles Wang Chong Guang	Member	Non-Executive Director

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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 and Management;

(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) as well as Management;

(d) review the Group's obligations arising in the event of termination of contracts of service (if any) of executive directors (if any) and Management, to ensure that such contracts of service (if any) 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, CEO or substantial shareholders 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 were no Executive Directors in FY2023. There are no termination terms in the contracts of service of any Management.

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. No such consultant was engaged in FY2023.

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

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

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

In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is transparent, competitive, relevant and appropriate in finding a balance between the current and longer-term objectives of the Group so as to be able to attract, retain and motivate talents without being excessive, and thereby maximise value for shareholders. The RC also has the appropriate discretion to ensure that remuneration commensurate with Group's as well as the Management's performance and are in line with industry practice to attract, retain and motivate the right level of competences.

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Management are paid a fixed basic salary. In setting remuneration packages, the RC will take into consideration the estimated market remuneration (subject to the availability and comparability of such information), the Group's budget for the position, and the personnel's qualifications and working experience. The fixed basic salary is reviewed annually together with the performance evaluation of the Management.

There is also a conditional variable component of the Management's remuneration to create a performance relationship. The payment of the variable bonus is tied to value creation. The main measures of value creation is the achievement of year-on-year earnings and EBIDTA (earnings before interest, tax, depreciation and amortization) growth. These metrics are selected because they are closely aligned and linked to the creation of shareholder returns. Other non-financial metrics influencing the payment of variable bonus are personal attributes such as leadership, commitment, risk management and the degree of advancement to the Group's sustainability objectives. The financial metrics are allocated a higher percentage than non-financial metrics in determining variable pay. No comparison is made against the performance measures used by other listed medical/healthcare companies in Singapore for FY2023 as none of the listed medical/healthcare companies has the same businesses models and revenue composition as the Group.

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

The Company has in place a share option scheme, namely the AsiaMedic Employee Share Option Scheme 2016 ("Scheme"). Non-Executive Directors are also eligible for participation in the Scheme. The Scheme is meant to attract, retain and motivate Management and where applicable, such Directors. The Group has other no long-term incentives.

The Company does not have any contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and Management in exceptional circumstances, including for example, misstatement of financial results or misconduct resulting in financial loss to the company. The Company can avail itself of legal processes for recovery against the employees.

There were no Executive Directors in FY2023. The Management in FY2023 were the CEO and GFC. They were paid a fixed basic salary. They were also paid a variable bonus. The variable bonus represented an average of approximately 1.3 months of basic salaries. The level of variable bonus was in line with the Group and individual performances.

During the year, the Company granted to the CEO and Group Financial Controller share options totalling 35,000,000. The fair value of these options amounted to $38,500 over a 3-year period or $12,833 per year. These share options do not have gateways (or negative indicators) conditions.

Provision 7.2
Remuneration of non-executive directors

Non-Executive Directors 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 FY2023 for shareholders' approval at the AGM.

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GOVERNANCE REPORT

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 Management) are evaluated annually. Key performance indicators of Management include their departmental performance, operational efficiencies and cost controls. The overall assessment of the Management as well as their remuneration packages are submitted to the RC for review.

The Board comprises solely Non-Executive Directors and Independent Directors who 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. It is not meaningful to disclose the exact fee of each Non-Executive Director and Independent Director.

Directors

The total remuneration of Directors in FY2023 aggregated $173,000 for FY2023.

CEO

	Salary	Bonus	Allowances	Long-term share-based incentive	Total
Between $250,000 and $350,000					
Mr Arifin Kwek	86%	9%	4%	1%	100%

The Board believes that the disclosure of remuneration details of the CEO as above is sufficient for shareholders to have an adequate appreciation of how the CEO is remunerated. In the past, the Group experienced challenges recruiting a suitable CEO and in fact, operated without a CEO from March 2019 to May 2022. Given the difficulties in sourcing and retaining a CEO, the Board believes that it is not in the interest of the Company to disclose exact details of the remuneration of the CEO taking into account the sensitive nature of the subject, the shortage of talent pool, the highly competitive talent market and the risks of such disclosure on the Group. The Company has presented such information in remuneration bands as above. After taking into account the aforesaid reasons, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide shareholders with information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

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

The Group has only one Management personnel who is not a Director or the CEO in FY2023 based on the Group's organisational structure and has presented such information in remuneration band as follows:

Name of Management (who is not Director or CEO)	Salary	Bonus	Long-term share-based incentive	Total
Below $250,000				
Mr Stanley Woo	91%	8%	1%	100%

CORPORATE **GOVERNANCE REPORT**

Provision 8.2
Employees related to Directors, CEO or substantial shareholders

The Group did not have any employees who are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds $100,000 in FY2023.

Provision 8.3
Employee share award and share option schemes

The Company has in place 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. The Company issued 55 million share options pursuant to the AsiaMedic Share Option Scheme 2016 in FY2023.

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 risk management. 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 Group has adopted an Enterprise Risk Management Framework for the identification of key risks within the business. This Framework defines various risks pertaining to operational, financial, and compliance risks. Major incidents and violations, if any, are reported to the Board to facilitate the Board's oversight of the effectiveness of crisis management and the adequacy of mitigating measures taken by the Management to address the underlying risks.

The section below sets out the principal key risks of the Group, which are not listed in order of significance.

Principal key risks	Description	The Group's response
Market and competition	The Group's businesses operate in a competitive landscape due to the presence of numerous competitors offering similar products or services targeting the same customer base.	The Group is focused on delivering high quality professional services and care at competitive prices, offering customized solutions, and maintaining its facilities and equipment to a high standard to effectively compete in each of its markets.
Technology obsolescence	We may lose our competitiveness if we are unable to keep abreast with the latest technology by acquiring new or upgrading our equipment and facilities.	We strive to keep up with advances in technology relevant to our businesses.

CORPORATE GOVERNANCE REPORT

Principal key risks	Description	The Group's response
Recruitment and retention of healthcare professionals	The ongoing ability to recruit, develop, and retain qualified radiologists, medical doctors, radiographers and nurses is critical to us as they are central to the services that we provide to our customers. There is an exceptional high demand for such healthcare professionals in Singapore.	The Group's strategy to recruit, develop, and retain healthcare professionals include (i) competitive short-term and long-term compensation packages and plans, based on merit and performance; (ii) a conducive and supportive working environment; and (iii) opportunities for continuing training and development.
Information technology ("IT") security and cyber-attacks	Our IT systems, and those of our third-party service providers, may be vulnerable to IT security breaches, acts of vandalism, computer viruses and breakdowns and cyber-attacks.	IT controls are continually under review and are protected through the use of detective, preventative and response tools such as backing up of data, firewalls, intrusion detection, traffic monitoring, role-based access control, anti-virus and anti-malware, and patch management. While we have put in place measures to ensure IT security, there is no assurance that our infrastructure would be completely free from disruption, malfunction, breakdown, cyber-attacks or other performance problems.
Regulatory requirements	The healthcare industry has many laws and regulations. Any non-compliance may result in penalties and/or operational disruptions.	We seek to mitigate compliance risks by adherence to laws and regulations through establishing a compliance program, such as policies and procedures, training, and monitoring.
Funding	Our Group's imaging business is capital intensive and may require further financing for future growth. In order to finance the capital outlay required, we rely largely on internal resources as well as existing facilities from banks. Although we have obtained banking facilities and have been able to rely on our internal resources to fund our business, we cannot be assured that we will be able to continue to obtain or rely on such financing support in the future.	We will evaluate any decisions for capital expenditure having regard to available banking facilities, our internal resources, operating expenditure and working capital requirements.

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.

CORPORATE **GOVERNANCE REPORT**

Management's responsibilities in risk management

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.

Annual review of risk management and internal control systems

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 FY2023.

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 CEO and GFC

The Board has obtained a written confirmation from the CEO 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.

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, whistleblowing 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 FY2023 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, 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.

CORPORATE GOVERNANCE REPORT

Board's assessment on the prospects of the company

The Board has assessed the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in FY2024. While the broader long-term outlook for the healthcare and wellness industry is positive, the operating environment in FY2024 continues to face intense competition, a shortage of skilled manpower and rising manpower costs. The Group has intensified its efforts to mitigate the impact of these challenges, adopting new technology to enhance patients' experience, improve workflows, efficiency, and patient care. In our mission to provide holistic solutions through integrated application of the latest medical technologies, the Group has acquired the latest state-of-the-art 3-Tesla MRI scanner which commenced operations in September 2023. In February 2024, the Group replaced its CT scanner with a new cutting-edge platform with best-in-class technology. The new equipment enables the Group to offer its patients more positive experiences and clinical outcomes with shorter scanning time and higher quality images. In August 2023, the Group acquired the medical aesthetics business of LE Private Clinic to offer more aesthetic services and increase its revenue stream. The Group is confident in the long-term potential of the medical aesthetics market and will focus on ensuring the smooth integration of the newly acquired business. The rising awareness of preventive healthcare and the adoption of employee wellness programmes contributes positively to the long-term demand for the Group's established custom wellness services. The Group intends to intensify its collaboration with insurance companies to provide comprehensive wellness packages to their high-net-worth clients. The Group also continues to focus on strengthening the operations of its primary care clinic.

The Board is of the opinion that an assessment of a period beyond 12 months would involve inherent uncertainties given the dynamic and changing environment in which the Group operates.

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:

Ms Alice Ng Bee Yee	Chairperson	Independent Director
Mr Chua Keng Woon	Member	Independent Director
Mr Charles Wang Chong Guang	Member	Non-Executive Director

The members of the ARMC have accumulatively extensive experience in healthcare, 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 and risk management systems;

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

CORPORATE GOVERNANCE REPORT

(d) to review the effectiveness, adequacy, independence, scope and results of the external audit and the internal audit with consideration to the Audit Quality Indicators Disclosure Framework published by ACRA;

(e) to review the financial statements of the Group with external auditors and to receive assurance from the CEO and the CFO (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;

(g) to nominate and review the appointment of the internal and external auditors and the remuneration and terms of engagement of the 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.

Independence and quality of external auditors

The external auditors of the Group were Baker Tilly TFW LLP for FY2023. 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 the Company's 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 Baker Tilly TFW LLP be nominated for re-appointment as auditors at the forthcoming AGM, subject to the approval of shareholders at the AGM.

Whistleblowing

The Company has in place a whistleblowing policy which is published in the employee handbook of the human resources department. The handbook clearly defines the scope of whistleblowing and sets out the procedures for raising concern or making a complaint and the process of investigation and steps taken after the outcome of the investigation.

The ARMC is responsible for the oversight and monitoring of any whistle-blowing matters.

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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 Chairperson. Staff can also choose to send the complaint directly to the ARMC Chairperson. The ARMC Chairperson will treat all information received confidentially and protect the identity of all whistle-blowers. Upon receipt of the whistle-blowing concern, the ARMC will carry out an initial assessment to determine if an investigation is required. If an investigation is required, the scope of the investigation and the nomination of an independent investigation team to conduct the investigation impartially would be fixed. Following the investigation and evaluation of a complaint, the ARMC Chairperson shall report to the ARMC on the 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 the senior management for authorization and implementation respectively.

The identity of the whistle-blower will be kept confidential, with disclosure on a need-to-know basis to the ARMC, the investigating team, the Board and any party to whom the identity of the whistle-blower is required to be disclosed by law.

The Company will not tolerate the harassment or victimisation of anyone reporting a genuine concern. The Company shall take disciplinary action against anyone (i) who attempts to prevent or obstruct a whistle-blowing concern from being made or an investigation from being carried out, and (ii) harass or victimise the whistle-blower or subject the whistle-blower to detrimental or unfair treatment.

The policy is communicated to all staff of the Group as part of the Company's efforts to foster a culture of accountability and integrity.

<u>ARMC's comments on key audit matters ("KAMs")</u>

The ARMC also reviewed the KAMs set out in the external auditor's report for FY2023. The external auditor has identified the KAMs as (i) impairment assessment on plant and equipment, and right-of-use assets, and (ii) impairment assessment on investment in subsidiaries.

The ARMC reviewed the appropriateness and reasonableness of the methodologies and key assumptions applied in determining the recoverable amounts of the cash-generating units and subsidiaries for the above impairment assessments. The ARMC concurred with the Management's impairment assessments on (i) property, plant and equipment, and right-of-use assets, and (ii) investment in subsidiaries, and accordingly concurred with the overall reversal of impairments recognised for FY2023.

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. No material weaknesses were highlighted by the internal auditors.

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.

CORPORATE GOVERNANCE REPORT

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.

The internal auditors completed one review during FY2023 in accordance with the risk-aligned internal audit plan approved by the ARMC. 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 announced on the SGXNet and the Company's website.

At the 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.

The Company's AGM in respect of FY2022 was held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meeting for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company published the annual report for FY2022 in accordance with the requisite notice period of at least 14 days ahead of the AGM and invited shareholders to submit their questions ahead of the AGM. The minutes of the AGM were announced on the SGXNet within one month of the date of the AGM.

In relation to the Company's AGM in respect of FY2023, the AGM will be convened via physical means at Seminar Room 3, Singapore Business Federation, 160 Robinson Road #06-01, SBF Centre, Singapore 068914, on Monday, 29 April 2024. There will be no option for shareholders to participate via electronic means. Please refer to the Notice of AGM for further details. The minutes of the AGM will be announced on the SGXNet within one month of the date of the AGM.

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Provision 11.2
Separate resolutions at general meetings

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of meeting. There were no such "bundled" resolutions for the sole general meeting of shareholders held in FY2023.

Provision 11.3
Attendance of directors and auditors at general meetings

The Board, including the chairpersons of each of the Board Committees, except for Ms Aona Liu, attended and the external auditors were also present to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report at the annual general meeting of shareholders held in FY2023.

Provision 11.4
Absentia voting

The Company's Constitution allow for absentia voting at general meetings of shareholders.

The Company's Constitution allows a member (other than a relevant intermediary as defined in Section 181 of the Companies Act 1967) to appoint one or two proxies to attend and vote at its general meetings. For shareholders who hold their shares through relevant intermediaries, the Companies Act 1967 allows the 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 recording substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management have been taken and will continue to be taken and published on the SGXNet as well as the Company's corporate website at www.asiamedic.com.sg, within one month from the date of the general meetings.

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 FY2023. The Group's cash balance will be reserved for business operational purposes. The Company has not fixed a policy on payment of dividend in view of the losses incurred in prior years. The Board will consider the Group's level of cash and retained earnings and projected working capital requirements, capital expenditure and investments when 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, 12.2 and 12.3
Avenues for communication between the Board and shareholders
Investor relations

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.

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The 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. Other than the AGM, the Company currently does not hold any other interim updates or scheduled shareholder engagement events.

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.

For enquires and all other matters, shareholders and all other parties can contact the Company at finance@asiamedic.com.sg. The Company will strive to address to ensure timely responses to substantial queries, suggestions and clarifications. However, 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.

In line with the continuous disclosure obligations under the Catalist Rules, the Company promptly announces all matters which may have material impact of the Group through SGXNet. The Company also communicates with its 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.

Any feedback received from the investment community on a range of strategic and topical issues will be provided to the Board.

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 the Sustainability Report for FY2023 to be published by 30 April 2024.

Provision 13.3
Corporate website to communicate and engage with stakeholders.

The Group maintains a corporate website at www.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.

CORPORATE GOVERNANCE REPORT

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)
OncoCare Medical Pte. Ltd.	Associate of controlling shareholder	– (1)	$120,321 (Provision of imaging services under the general mandate)

Notes:

(1) Transactions were less than $100,000.

(2) The controlling shareholders of the Company disposed of its entire interests in OncoCare Medical Pte. Ltd. ("OncoCare") to an unrelated third party on 15 December 2023. Consequently, OncoCare ceased to be an interested person of the Group with effect from 14 December 2023.

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 Net Proceeds	Allocation of Net Proceeds	Amount utilised as at the date of the Announcements (3)	Balance
	$'000	$'000	$'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	2,717 (2)	806
Total	8,523	2,717	806

CORPORATE GOVERNANCE REPORT

Notes:

(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.

(2) Relates to capital expenditure including, but not limited to, purchase of new and upgrading of existing medical equipment and facilities.

(3) The Company's updates on the use of proceeds from the Rights Issue dated 21 February 2020, 31 May 2022, 29 July 2022, 12 August 2022, 18 November 2022, 1 March 2023, 23 May 2023, 14 August 2023, 4 October 2023, 8 January 2024 and 27 February 2024.

MATERIAL CONTRACTS

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 FEE

No non-sponsor fee was paid for FY2023.

AUDIT FEE

The audit fee for FY2023 was $146,000. There was no non-audit fee.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of AsiaMedic Limited (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2023 and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

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 as set up on pages 46 to 91 are properly 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 2023 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ["SFRS(I)"]; 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
Aona Liu	Non-Executive Director
Alice Ng Bee Yee	Independent Director
Chua Keng Woon	Independent Director
Leong Yew Meng	Independent Director

3. Arrangements to enable directors to acquire shares and debentures

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 in, or debentures of, the Company or any other body corporate, other than share options as disclosed in this statement.

4. Directors' interests in shares and debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Act, the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations, except as follows:

	Number of ordinary shares Shareholdings in which a director is deemed to have an interest	
The Company	**At 1 January 2023**	**At 31 December 2023**
Aona Liu	512,098,062	358,471,030

There was no change in interests between the end of financial year and 21 January 2024.

DIRECTORS' STATEMENT

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 number of shares available under the scheme shall not exceed 15% of the issued share capital of the Company.

The scheme is administered by the Remuneration Committee.

The Group has no legal or constructive obligation to repurchase or settle the options in cash.

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.

Date of grant	Balance at 1 January 2023	Addition	Aggregate options lapsed/ forfeited/ exercised during the financial year	Balance at 31 December 2023	Exercise price
15 June 2016	819,677	–	–	819,677	$0.050
11 July 2023	–	55,000,000	–	55,000,000	$0.012

<u>Options granted on 15 June 2016</u>

The exercise price at the date of grant was $0.056. The exercise price was adjusted to $0.050 as a result of the Rights Issue in 2020. The exercisable period for the options is 16 June 2018 to 14 June 2026. Particulars of the options granted were set out in the Directors' statement for the financial year ended 31 December 2016.

<u>Options granted on 11 July 2023</u>

On 11 July 2023, the Company granted options to subscribe for 55,000,000 ordinary shares of the Company as follows:

(a) Exercise price of options granted — $0.012 (representing approximately 33.3% premium to the market price (as defined below))

(b) Number of options granted — 55,000,000 (each option carrying the right to subscribe one share in the share capital of the Company)

DIRECTORS' STATEMENT

Options granted on 11 July 2023 (cont'd)

(c)	Market price of the shares on the date of grant	$0.009 (being the average of the last dealt price per share, for the past five (5) consecutive days on which the SGX-ST is open for trading in securities ("Market Days") immediately preceding the date of grant, provided always that in the case of a Market Day on which the shares are not traded on Catalist, the last dealt price for shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the shares were traded, rounded to the nearest one-tenth of a cent in the event of fractional prices)
(d)	Validity period of the options	Five (5) years from the date of grant
(e)	Vesting period	The options granted are subject to a vesting schedule as follows: (1) one (1) year after the date of grant - Up to 33% of the options granted may be exercisable; (2) two (2) years after the date of grant - Up to 66% (including (1) above) of the options granted may be exercisable; and (3) three (3) years after the date of grant - Up to 100% (including (1) and (2) above) of the options granted may be exercisable.
(f)	Exercisable period	The options are exercisable in tranches from 11 July 2024 and expire on 10 July 2028

No director of the Company participated in the scheme as of 31 December 2023 and 31 December 2022.

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.

DIRECTORS' STATEMENT

6. Audit and Risk Management Committee

The members of the Audit and Risk Management Committee ("ARMC") during the financial year and at the date of this statement are:

Alice Ng Bee Yee	(Chairperson)
Chua Keng Woon	(Member)
Charles Wang Chong Guang	(Member)

The ARMC carried out its functions in accordance with section 201B(5) of the Act, 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 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 Executive 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 internal and external auditors, 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.

The ARMC, having reviewed all non-audit services provided by the external auditor to the Group (if applicable), 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.

DIRECTORS' STATEMENT

7. Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors:

Charles Wang Chong Guang
Director

Alice Ng Bee Yee
Director

Singapore
28 March 2024

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASIAMEDIC LIMITED

For the financial year ended 31 December 2023

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of AsiaMedic Limited (the "Company") and its subsidiaries (collectively, the "Group") as set out on pages 46 to 91, which comprise the balance sheets of the Group and the Company as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (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 2023 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 financial 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.

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

Description of key audit matter

As at 31 December 2023, the Group has plant and equipment and right-of-use assets with carrying amount of $2,593,771 and $8,448,358 respectively. Management assess whether there is any indication that an impairment loss recognised in prior years may no longer exist or may have decreased and where applicable, assessed the recoverable amounts of the cash generating units ("CGUs"). The respective recoverable amounts of these CGUs are computed based on their values in use ("VIU") derived from management's cash flow projections.

Following management's impairment assessment, a reversal of impairment charge amounting to $12,061 and $108,926 (2022: a net reversal of $200,958 and $1,302,344) was recorded to write back the impairment loss allowance on carrying amount of plant and equipment and right-of-use assets respectively.

Management determined the recoverable amount of the plant and equipment and right-of-use assets based on their VIU, considering their respective appropriate revenue growth rates and discount rates.

Management's assessment of the recoverable amounts for the aforementioned CGUs are significant to our audit due to the magnitude of the carrying amounts of the assets being tested for impairment and the significant management judgments involved in the key assumptions used in determination of the CGUs' recoverable amounts. 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 2023

Key Audit Matters (cont'd)

Impairment assessment on plant and equipment and right-of-use assets (cont'd)

The significant estimates and judgement applied in the impairment assessment of plant and equipment and right-of-use assets and disclosures for key assumptions used are included in Notes 3(b), 10 and 28 to the financial statements respectively.

Our procedures to address the key audit matter

We obtained an understanding of management's impairment assessment process.

Our audit procedures included, amongst others, reviewing management's assessment of impairment indicators for the Group's plant and equipment and right-of-use assets. We made inquiries with management on their assessment for the CGUs, assessed the reasonableness of management's key assumptions used such as discount rate and revenue growth rate against historical and expected future financial performances. Additionally, we performed sensitivity test on certain key assumptions to evaluate the sensitivity of the outcomes, taking into account the downside scenarios against reasonably plausible changes to the key assumptions. Our internal valuation specialist assisted us in evaluating the reasonableness of management's discount rates. We reviewed management's allocation of reversal of impairment loss to the underlying assets of the CGUs. We also reviewed the adequacy and appropriateness of the disclosures concerning those key assumptions in the financial statements.

Impairment assessment on investment in subsidiaries - Company level

Description of key audit matter

As at 31 December 2023, the Company has investment in subsidiaries with carrying amount of $8,309,804 (2022: $7,703,247). During the financial year, the Company recognised a reversal of impairment loss of $606,557 (2022: $5,500,000) in the cost of investment in a subsidiary.

We consider this to be a key audit matter because the estimation of the recoverable amount is highly subjective and involves significant management's judgement and estimation uncertainty in the key assumptions used in the projection of future cash flows.

Management assessed the recoverable amount of its investment in subsidiaries based on value in use ("VIU") of the investment in subsidiaries. The determination of VIU of the investment was based on the discounted cash flow ("DCF") method. The use of the DCF involves significant judgement for the key assumptions in the forecasted revenue growth rate and discount rate.

The significant estimates and judgement applied in the impairment assessment of investment in subsidiaries and disclosures for key assumptions used are included in Notes 3(b) and 11 to the financial statements respectively.

Our procedures to address key audit matter

We obtained an understanding of management's impairment assessment process.

Our audit procedures included, amongst others, reviewing management's assessment of determination of recoverable amounts of the investment in subsidiaries. We assessed the reasonableness of management's key assumptions used such as discount rate and revenue growth rate against historical and expected future financial performances. Additionally, we performed sensitivity test on certain key assumptions to evaluate the sensitivity of the outcomes, taking into account the downside scenarios against reasonably plausible changes to the key assumptions. Our internal valuation specialist assisted us in evaluating the reasonableness of management's discount rates. We also reviewed the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASIAMEDIC LIMITED

For the financial year ended 31 December 2023

Other Information

Management is responsible for other information. The other information comprises the information included in the Annual Report 2023 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.

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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASIAMEDIC LIMITED

For the financial year ended 31 December 2023

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

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 Gilbert Lee Chee Sum.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

28 March 2024

CONSOLIDATED STATEMENT **OF COMPREHENSIVE INCOME**

For the financial year ended 31 December 2023

	Note	2023 $	2022 $
Revenue	4	**23,600,767**	18,882,431
Other income	5	**650,149**	431,524
Items of expense			
Consumables expenses		**(1,670,892)**	(1,494,347)
Personnel expenses	27	**(12,164,615)**	(9,956,529)
Depreciation of non-current assets:			
- Plant and equipment	10	**(880,355)**	(265,195)
- Right-of-use assets	28	**(1,190,416)**	(780,087)
Operating lease expenses - short-term	28	**(107,090)**	(142,495)
Maintenance expenses		**(994,803)**	(1,019,628)
Laboratory and consultancy fees		**(3,571,856)**	(2,308,497)
Finance costs	6	**(423,523)**	(241,740)
Other operating expenses		**(2,782,977)**	(2,382,726)
Reversal of impairment loss of non-current assets, net	7	**120,987**	979,438
Share of results of associate, net of tax	12	**444,512**	483,874
Profit before tax	7	**1,029,888**	2,186,023
Income tax credit	8	**891,000**	–
Profit for the financial year, representing total comprehensive income for the financial year, attributable to owners of the Company		**1,920,888**	2,186,023
Earnings per share (cent per share)			
Basic	9	**0.17**	0.20
Diluted	9	**0.17**	0.20

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

BALANCE SHEETS

As at 31 December 2023

		Group		Company	
	Note	**2023**	2022	**2023**	2022
		$	$	**$**	$
Non-current assets					
Plant and equipment	10	**2,593,771**	1,468,115	**83,945**	123,063
Investment in subsidiaries	11	**–**	–	**8,309,804**	7,703,247
Investment in associate	12	**2,242,825**	2,190,185	**181,500**	181,500
Right-of-use assets	28	**8,448,358**	6,529,595	**5,650,803**	6,529,595
Prepayment	10	**260,000**	–	**–**	–
Employment Bond	13(b)	**306,226**	–	**–**	–
Goodwill	13(a)	**48,296**	–	**–**	–
Deferred tax assets	8	**891,000**	–	**–**	–
		14,790,476	10,187,895	**14,226,052**	14,537,405
Current assets					
Inventories	14	**363,505**	259,634	**–**	–
Trade receivables	15	**2,809,370**	3,013,657	**–**	37,613
Other receivables and deposits	16	**519,367**	448,613	**652,274**	690,320
Prepayments		**330,641**	288,266	**45,779**	59,433
Other financial assets	17	**4,972,470**	1,980,560	**2,976,736**	1,480,560
Cash pledged as security	18	**563,220**	911,520	**–**	–
Cash and cash equivalents	19	**4,604,303**	6,642,404	**1,035,724**	3,107,097
		14,162,876	13,544,654	**4,710,513**	5,375,023
Current liabilities					
Trade payables	20	**1,995,678**	1,475,332	**–**	–
Other payables and accruals	21	**2,224,097**	1,863,572	**1,770,263**	1,241,816
Contract liabilities	23	**863,187**	993,574	**–**	–
Borrowings	29	**1,724,051**	941,377	**1,061,503**	941,377
		6,807,013	5,273,855	**2,831,766**	2,183,193
Net current assets		**7,355,863**	8,270,799	**1,878,747**	3,191,830
Non-current liabilities					
Provision for reinstatement	22	**1,166,938**	1,118,392	**479,000**	479,000
Borrowings	29	**7,700,301**	6,376,562	**5,315,059**	6,376,562
Deferred tax liabilities	8	**22,568**	22,568	**–**	–
		8,889,807	7,517,522	**5,794,059**	6,855,562
Net assets		**13,256,532**	10,941,172	**10,310,740**	10,873,673
Equity attributable to owners of the Company					
Share capital	24	**33,669,437**	33,284,437	**33,669,437**	33,284,437
Treasury shares	25	**(2,866)**	(2,866)	**(2,866)**	(2,866)
Other reserves	26	**(553,449)**	(562,921)	**107,284**	97,812
Accumulated losses		**(19,856,590)**	(21,777,478)	**(23,463,115)**	(22,505,710)
Total equity		**13,256,532**	**10,941,172**	**10,310,740**	**10,873,673**

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 31 December 2023

	Attributable to owners of the Company				
	Share capital (Note 24)	Other reserves (Note 26)	Treasury shares (Note 25)	Accumulated losses	Total equity
	$	$	$	$	$
Balance at 1 January 2022	33,284,437	(562,921)	(2,866)	(23,963,501)	8,755,149
Profit for the financial year, representing total comprehensive income for the financial year	–	–	–	2,186,023	2,186,023
Balance at 31 December 2022	33,284,437	(562,921)	(2,866)	(21,777,478)	10,941,172
Profit for the financial year, representing total comprehensive income for the financial year	–	–	–	1,920,888	1,920,888
Issue of ordinary shares pursuant to acquisition of business and assets (Note 13)	385,000	–	–	–	385,000
Grant of equity-settled share options to employees	–	9,472	–	–	9,472
Balance at 31 December 2023	**33,669,437**	**(553,449)**	**(2,866)**	**(19,856,590)**	**13,256,532**

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Share capital (Note 24) $	Other reserves (Note 26) $	Treasury shares (Note 25) $	Accumulated losses $	Total equity $
Balance at 1 January 2022	33,284,437	97,812	(2,866)	(28,979,116)	4,400,267
Profit for the financial year, representing total comprehensive income for the financial year	–	–	–	6,473,406	6,473,406
Balance at 31 December 2022	33,284,437	97,812	(2,866)	(22,505,710)	10,873,673
Loss for the financial year, representing total comprehensive loss for the financial year	–	–	–	(957,405)	(957,405)
Issue of ordinary shares pursuant to acquisition of business and assets (Note 13)	385,000	–	–	–	385,000
Grant of equity-settled share options to employees	–	9,472	–	–	9,472
Balance at 31 December 2023	**33,669,437**	**107,284**	**(2,866)**	**(23,463,115)**	**10,310,740**

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 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Profit before tax		**1,029,888**	2,186,023
Adjustments:			
Depreciation of plant and equipment	10	**880,355**	265,195
Depreciation of right-of-use assets	28	**1,190,416**	780,087
Reversal of impairment loss on plant and equipment, net	10	**(12,061)**	(200,958)
Reversal of impairment loss on right-of-use assets	28	**(108,926)**	(1,302,344)
Impairment loss on goodwill	13	**–**	523,864
Bad debt written off		**–**	19,013
Plant and equipment written off	10	**–**	29,750
Finance costs	6	**423,523**	241,740
Interest income	5	**(168,215)**	(40,471)
Grant of equity-settled share options to employees		**9,472**	–
Amortisation of Employment Bond	13(b)	**23,774**	–
Share of results of associate, net of tax	12	**(444,512)**	(483,874)
Operating cash flows before changes in working capital		**2,823,714**	2,018,025
Changes in operating assets and liabilities:			
Inventories		**(97,167)**	(6,353)
Decrease/(increase) in trade receivables, other receivables and deposits, and prepayments		**91,158**	(856,981)
Trade and other payables		**725,788**	264,555
Contract liabilities		**(130,387)**	(185,890)
Net cash flows from operating activities		**3,413,106**	1,233,356
Cash flows from investing activities			
Interest received		**168,215**	40,471
Dividend received from associate	12	**391,872**	285,684
Investment in other financial assets	17	**(2,991,910)**	(1,980,560)
Purchase of plant and equipment	10	**(2,053,992)**	(999,276)
Purchase of medical equipment under hire purchase	28	**(376,000)**	–
Net cash flows used in investing activities		**(4,861,815)**	(2,653,681)
Cash flows from financing activities			
Decrease/(increase) in cash pledged as security		**348,300**	(93,420)
Interest paid	29	**(419,852)**	(239,010)
Proceeds from borrowings	29	**612,000**	–
Payment of principal portion of borrowings	29	**(1,129,840)**	(1,078,603)
Net cash flows used in financing activities		**(589,392)**	(1,411,033)
Net decrease in cash and cash equivalents		**(2,038,101)**	(2,831,358)
Cash and cash equivalents at beginning of the financial year		**6,642,404**	9,473,762
Cash and cash equivalents at 31 December	19	**4,604,303**	6,642,404

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 2023

These notes from an integrated part of and should be read in conjunction with the accompanying financial statements.

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 Notes 11 and 12 to the financial statements.

2. Material accounting policies

(a) Basis of preparation

The financial statements are presented in Singapore dollar ("$"), which is the Company's functional currency and all financial information presented in Singapore dollar. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ["SFRS(I)"]. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ["SFRS(I) INT"] that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new and revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial performance or position of the Group and the Company except as disclosed below:

Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies

The amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group had adopted the amendments to SFRS(I) 1-1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Group and the Company's financial statements.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

(b) Functional and presentation currency

The financial statements of the Group and the Company are presented in Singapore dollar, which is the Company's functional currency.

(c) Financial assets

Recognition

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification

The Group classifies its financial assets at amortised cost. The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group reclassifies financial assets when, and only when, its business model for managing those assets changes.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

2. Material accounting policies (cont'd)

(c) Financial assets (cont'd)

Subsequent measurement

Debt instruments include cash and cash equivalents, trade receivables, other receivables and deposits, other financial assets and cash pledged as security.

The Group measures financial asset at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECL 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 impairment methodology applied depends on whether there has been a significant increase in credit risk. 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group applies a simplified approach to recognise 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 as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

2. Material accounting policies (cont'd)

(d) Leases

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.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent 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 depreciation starts at the commencement date of the lease.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

When 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.

(e) Employee benefits

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 transactions with employees is measured by reference to the fair value of the options granted on the date of the grant. This cost is recognised in profit or loss, with a corresponding increase in the employee share option scheme reserve, over the vesting period. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the employee share option scheme reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the employee share option scheme reserve are credited to share capital account if new ordinary shares are issued, or credited to the "treasury shares" account if treasury shares are re-issued to the employees. Upon expiry of the options, the balance in the employee share option scheme reserve is transferred to accumulated losses.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Critical judgements made in applying accounting policies

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:

Deferred income tax assets

Deferred tax assets are recognised for unused tax losses and unabsorbed tax allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future profits, together with future tax planning strategies.

The Group has unutilised tax losses and capital allowances of approximately $14,819,000 (2022: $13,881,000) and $12,977,000 (2022: $13,339,000) respectively that are available to carry forward to offset against future taxable profits. No deferred tax assets have been recognised in respect of the abovementioned unutilised tax losses and capital allowances as at 31 December 2023 as it is not probable that future taxable profit will be sufficient to allow the related tax benefits to be realised.

If the Group was able to recognise all unrecognised deferred tax assets, profit and equity would have increased by $4,725,000 (2022: $4,627,000). Further details on deferred taxes are disclosed in Note 8.

(b) 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.

Impairment of goodwill

As disclosed in Note 13, 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 forecast revenue growth rates applied to future cash flow projections. The key assumptions applied in the determination of the value in use and sensitivity analysis are disclosed and further explained in Note 13 to the financial statements.

The carrying amount of goodwill as at 31 December 2023 was $48,296 (2022: $Nil). In 2022, the Group recorded an impairment on goodwill of $523,864. No impairment loss is recorded during the financial year.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

3. Critical accounting judgements and key sources of estimation uncertainty (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

Impairment of plant and equipment and right-of-use assets

The Group assesses at each financial year whether there is an indication that its plant and equipment and right-of-use assets may be impaired. The assessment requires an estimation of the recoverable amount of the plant and equipment and the right-of-use assets. This requires the Group to make an estimate of the 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 forecast revenue growth rates applied to future cash flow projections. The key assumptions applied in the determination of the value in use and a sensitivity analysis, are disclosed and further explained in Notes 10 and 28 to the financial statements.

The carrying amount of the Group's plant and equipment and right-of-use assets as at 31 December 2023 was $2,593,771 (2022: $1,468,115) and $8,448,358 (2022: $6,529,595) respectively. During the financial year, the Group recorded a reversal of impairment loss on plant and equipment of $12,061 (2022: a net reversal of impairment loss of $200,958) and a reversal of impairment loss on right-of-use assets of $108,926 (2022: $1,302,344).

Impairment of investment in subsidiaries - Company level

The Company's investment in subsidiaries amounted to $8,309,804 (2022: $7,703,247) as at 31 December 2023. The investment in subsidiaries is tested for impairment or reversal of impairment whenever there are indications of impairment or that an impairment loss recognised in prior periods may no longer exist or may have decreased. Management has identified that the impairment loss on its subsidiary recognised in prior periods have decreased due to increase in referrals from specialist clinics and hospitals as well as the increase in imaging capacity.

During the financial year, management had estimated the recoverable amount of the subsidiary and recognised a reversal of impairment loss on cost of investment in subsidiary amounting to $606,557 (2022: $5,500,000).

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 calculation is based on a discounted cash flow model. The recoverable amount is most sensitive to the discount rate and forecast revenue growth rates applied to future cash flow projections. The key assumptions applied in the determination of the value in use are disclosed and further explained in Note 11 to the financial statements.

Impairment of amounts due from subsidiaries - Company level

As at 31 December 2023, the Company's amounts due from subsidiaries (trade) amounted to $Nil (2022: $37,613) (Note 15) and amounts due from subsidiaries (non-trade) amounted to $223,783 (2022: $266,527) (Note 16) that are repayable on demand. Management estimates the impairment loss on amounts due from subsidiaries using the expected credit loss model ("ECL"). The provision rates are based on factors that affect the collectability of the amounts including the subsidiaries' current financial position as well as the projected cash flows of the subsidiaries.

Following the impairment assessment, total impairment loss of $1,923,632 (2022: $1,380,548) was recognised on amounts due from certain subsidiaries for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

4. Revenue

Revenue represents fees for health screening and medical wellness services, diagnostic imaging and radiology services, primary care services and sales of pharmaceuticals products, and medical aesthetic services and related products, net of discounts. In the rendering of these services in the normal course of business to external customers and sales of these products, there are no material variable considerations noted in the contracts with customers.

Disaggregation of revenue

	Group	
	2023	2022
	$	$
Medical services and sale of related products:		
Health screening and medical wellness services	**9,442,386**	10,172,315
Diagnostic imaging and radiology services	**11,680,250**	6,837,908
Primary care services and sales of pharmaceuticals products	**1,960,883**	1,752,411
Medical aesthetic services and sales of related products	**1,910,623**	1,330,843
	24,994,142	20,093,477
Less: Elimination of intercompany transactions	**(1,393,375)**	(1,211,046)
	23,600,767	18,882,431
Timing of transfer of goods or services:		
At a point in time	**23,600,767**	18,882,431

Rendering of services

The Group renders medical services in health screening and medical wellness services, diagnostic imaging and radiology services, primary care 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 performing 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 is recognised at a point in time following the timing of satisfaction of the performance obligation. Certain medical services are only invoiced once the service performed are verified by customers. Accrued receivables is recognised for the cumulative revenue recognised but not yet invoiced.

For package arrangements of aesthetics treatment services, the contract amounts are billed to customers before performance obligation is satisfied. Revenue from provision of aesthetic package services is recognised upon completion of the distinct services rendered. Advance consideration received from customers are presented as contract liabilities in balance sheets.

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.

Information about a major customer

Revenue from one major third party customer amounted to $4,550,369 for the financial year (2022: $5,175,991). This relates to the provision of health screening and vaccination services to students and school children, as well as the provision of health screening and health coaching services to the community.

The Group applies the practical expedient in SFRS(I) 15 *Revenue from Contracts with Customers* and does not disclose information about its remaining performance obligation if the performance obligation is part of a contract that has an original expected duration of one year or less.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

5. Other income

	Group	
	2023	2022
	$	$
Grant income	**151,336**	162,243
Sub-lease income	**330,598**	228,810
Interest income	**168,215**	40,471
	650,149	431,524

6. Finance costs

	Group	
	2023	2022
	$	$
Interest on borrowings (Note 29)	**419,852**	239,010
Accretion of interest on reinstatement assets (Note 22)	**3,671**	2,730
	423,523	241,740

7. Profit before tax

In addition to the transactions disclosed elsewhere in the notes to the financial statements, the profit before tax is arrived at after charging/(crediting) the following:

	Group	
	2023	2022
	$	$
Cost of inventories included in consumable expenses	**1,046,669**	1,025,836
Audit fees payable to auditor of the Company	**146,000**	135,000
Bad debt written off	**–**	19,013
Plant and equipment written off	**–**	29,750
Credit card and bank charges	**240,006**	173,282
Impairment loss/(reversal of impairment loss) of non-current assets:		
Impairment of goodwill (Note 13)	**–**	523,864
Reversal of impairment loss of plant and equipment, net (Note 10)	**(12,061)**	(200,958)
Reversal of impairment loss of right-of-use assets (Note 28)	**(108,926)**	(1,302,344)
Reversal of impairment loss of non-current assets, net	**(120,987)**	(979,438)

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

8. Income tax credit

	Group	
	2023	2022
	$	$
Deferred tax income		
- Recognition of previously unrecognised tax benefits	**891,000**	–

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

	Group	
	2023	2022
	$	$
Profit before tax	**1,029,888**	2,186,023
Tax calculated at a tax rate of 17% (2022: 17%)	**175,081**	371,624
Adjustments:		
Share of results of associate	**(75,567)**	(82,259)
Non-deductible expenses [(1)]	**57,852**	127,322
Current year losses for which no deferred tax asset is recognised	**158,177**	203,069
Change in unrecognised temporary differences	**(309,807)**	(614,656)
Recognition of previously unrecognised tax benefits	**891,000**	–
Others	**(5,736)**	(5,100)
Income tax credit recognised in profit or loss	**891,000**	–

(1) The major non-deductible expenses in 2022 includes impairment loss of goodwill of $523,864.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movement in the deferred tax account are as follows:

	Group	
	2023	2022
	$	$
Balance at beginning of the financial year	**22,568**	22,568
Tax credit to profit or loss	**(891,000)**	–
Balance at end of the financial year	**(868,432)**	22,568
Representing:		
Non-current		
Deferred tax assets	**(891,000)**	–
Deferred tax liabilities	**22,568**	22,568
	(868,432)	22,568

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

8. Income tax credit (cont'd)

The movements in deferred income tax assets and liabilities are as follows:

Group (Deferred tax assets)/Deferred tax liabilities	**Tax losses** $	**Capital allowances** $	**Accelerated accounting depreciation** $	**Right-of-use assets** $	**Lease liabilities** $	**Total** $
2023						
At 1 January 2023	–	–	22,568	1,110,000	(1,110,000)	22,568
(Credited)/charged to profit or loss	(618,000)	(351,000)	78,000	316,000	(316,000)	(891,000)
At 31 December 2023	**(618,000)**	**(351,000)**	**100,568**	**1,426,000**	**(1,426,000)**	**(868,432)**
2022						
At 1 January 2022, as previously reported	–	–	22,568	–	–	22,568
Application of Amendments to SFRS(I) 1-12	–	–	–	622,000	(622,000)	–
As restated	–	–	22,568	622,000	(622,000)	22,568
Charged/(credited) to profit or loss	–	–	–	488,000	(488,000)	–
At 31 December 2022	–	–	22,568	1,110,000	(1,110,000)	22,568

Company

(Deferred tax assets)/Deferred tax liabilities	**Right-of-use assets** $	**Lease liabilities** $	**Total** $
2023			
At 1 January 2023	1,110,000	(1,110,000)	–
Charged/(credited) to profit or loss	149,000	(149,000)	–
At 31 December 2023	**1,259,000**	**(1,259,000)**	**–**
2022			
At 1 January 2022, as previously reported	–	–	–
Application of Amendments to SFRS(I) 1-12	1,110,000	(1,110,000)	–
At 31 December 2022	1,110,000	(1,110,000)	–

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

8. Income tax credit (cont'd)

As at the end of financial year, the potential deferred tax assets on the following temporary differences have not been recognised in the financial statements:

	Group	
	2023	2022
	$	$
Unutilised tax losses	**14,819,000**	13,881,000
Unutilised capital allowances	**12,977,000**	13,339,000
Other items of temporary differences	**1,062,000**	2,527,000
Provisions	**525,000**	527,000
	29,383,000	30,274,000

9. Earnings per share

Basic earnings per share is calculated by dividing profit for the financial 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 profit and share data used in the computation of basic earnings per share for the financial years ended 31 December:

	Group	
	2023	2022
	$	$
Profit for the financial year attributable to owners of the Company	**1,920,888**	2,186,023
	Number of shares	Number of shares
Weighted average number of ordinary shares (excluding treasury shares) for basic and diluted earnings per share computation	**1,132,179,804**	1,119,522,270

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

10. Plant and equipment

Group	Leasehold improvements	Furniture, fittings, fixtures, and office equipment	Medical equipment	Reinstatement assets	Total
	$	$	$	$	$
Cost:					
At 1 January 2022	3,318,687	3,029,699	13,072,887	546,206	19,967,479
Additions	598,190	231,157	175,657	–	1,005,004
Write-offs	(52,125)	(14,318)	(72,698)	–	(139,141)
At 31 December 2022	3,864,752	3,246,538	13,175,846	546,206	20,833,342
Additions	263,177	177,183	1,508,715	44,875	1,993,950
Write-offs	(886,681)	(671,809)	(2,630,170)	–	(4,188,660)
At 31 December 2023	**3,241,248**	**2,751,912**	**12,054,391**	**591,081**	**18,638,632**
Accumulated depreciation and impairment loss:					
At 1 January 2022	3,291,936	2,954,638	12,659,449	504,358	19,410,381
Depreciation charge for the financial year	78,260	66,162	100,350	20,423	265,195
Write-offs	(52,125)	(14,318)	(42,948)	–	(109,391)
Impairment loss/(reversal of impairment loss)	–	14,963	(215,921)	–	(200,958)
At 31 December 2022	3,318,071	3,021,445	12,500,930	524,781	19,365,227
Depreciation charge for the financial year	149,734	201,497	503,092	26,032	880,355
Write-offs	(886,681)	(671,809)	(2,630,170)	–	(4,188,660)
Reversal of impairment loss	–	–	(12,061)	–	(12,061)
At 31 December 2023	**2,581,124**	**2,551,133**	**10,361,791**	**550,813**	**16,044,861**
Representing:					
Accumulated depreciation	2,554,575	1,931,795	7,757,234	517,246	12,794,417
Accumulated impairment loss	26,549	619,338	2,604,557	33,567	3,250,444
At 31 December 2023	**2,581,124**	**2,551,133**	**10,361,791**	**550,813**	**16,044,861**
Net carrying amount:					
At 31 December 2022	546,681	225,093	674,916	21,425	1,468,115
At 31 December 2023	**660,124**	**200,779**	**1,692,600**	**40,268**	**2,593,771**

NOTES TO THE
FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

10. Plant and equipment (cont'd)

Company	**Leasehold improvements**	**Furniture, fittings, fixtures, and office equipment**	**Total**
	$	**$**	**$**
Cost:			
At 1 January 2022	452,391	290,719	743,110
Additions	–	128,546	128,546
At 31 December 2022	452,391	419,265	871,656
Additions	–	8,450	8,450
Write-offs	(246,943)	(10,453)	(257,396)
At 31 December 2023	**205,448**	**417,262**	**622,710**
Accumulated depreciation:			
At 1 January 2022	452,391	270,723	723,114
Depreciation charge for the financial year	–	25,479	25,479
At 31 December 2022	452,391	296,202	748,593
Depreciation charge for the financial year	–	47,568	47,568
Write-offs	(246,943)	(10,453)	(257,396)
At 31 December 2023	**205,448**	**333,317**	**538,765**
Net carrying amount:			
At 31 December 2022	–	123,063	123,063
At 31 December 2023	**–**	**83,945**	**83,945**

Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of plant and equipment

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
Reinstatement assets	6 years

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For the financial year ended 31 December 2023

10. Plant and equipment (cont'd)

Impairment testing of plant and equipment

During the financial year, management carried out a review of the recoverable amount of plant and equipment of the diagnostic imaging and radiology services companies ("Imaging CGU") and medical aesthetic service company ("Aesthetic CGU") following growing referrals from specialist clinics and hospitals for Imaging CGU and increasing demand for services and products of Aesthetic CGU. The carrying amount of plant and equipment of the Imaging CGU and Aesthetic CGU is $1,669,404 and $364,487 respectively.

The recoverable amounts of CGUs are determined based on value in use calculations which use cash flow projections based on financial budgets approved by the directors covering a five-year period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The rates used to discount the forecast cash is 12.2% (2022: 12.4%). The key assumptions used by management in setting the financial budgets for the initial five-year period include forecast revenue growth rates and operating profits. Forecast revenue growth rates are based on past experience adjusted for sales/market trends and the strategic decisions made in respect of the CGUs. Operating profits are forecasted based on historical experience of operating margins, adjusted for the impact of changes to operating costs due to inflation. Cash flows beyond that five-year period have been extrapolated using a zero-growth rate.

Key assumptions used for 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 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 - Profit from operation was based on management's estimate with reference to historical revenue generated, growth rate and estimation of future business outlook. Revenue growth rates were estimated at the average of 5.50% (2022: 29% for 2023 and no revenue growth rate from 2024 to 2027) for the Imaging CGU and 0.99% (2022: 6% for 2023 and no revenue growth rate from 2024 to 2027) for the Aesthetic CGU.

As a result of this review, the recoverable amount of Imaging CGU of $10,112,406 was estimated to exceed carrying amount of the Imaging CGU and accordingly, management recognised a reversal of impairment loss for Imaging CGU. The reversal of impairment loss/(impairment loss) is recorded in the "reversal of impairment loss of non-current assets, net" line item of profit or loss. The reversal of impairment loss was recognised to the extent that the increase in carrying amount of the plant and equipment shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.

The recoverable amount of Aesthetic CGU approximates its carrying amount of $94,300 and accordingly, no reversal of impairment loss nor additional impairment loss is recorded for the financial year.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

10. Plant and equipment (cont'd)

Impairment testing of plant and equipment (cont'd)

Reversal of impairment loss/(impairment loss) recorded for the financial year are as follows:

	Group	
	2023	2022
	$	$
Imaging CGU	**12,061**	597,656
Aesthetic CGU	**–**	(396,698)
Net reversal of impairment loss	**12,061**	200,958

Sensitivity to changes in assumptions

A further decrease in the revenue growth rate by 0.99% or an increase in the discount rate by 1% would result in the recoverable amount of the Aesthetic CGU being lower than their carrying value by $543,000 and $77,000 respectively.

A reasonably possible change in key assumptions used in determining the recoverable amount of Imaging CGU would not cause the carrying value to exceed its recoverable amount.

Write-offs from wear and tear

During the financial year, the Group wrote off plant and equipment with a carrying value of $Nil (2022: $29,750) arising from usual wear and tear of the assets (Note 7).

Purchase of plant and equipment by other means

	Group	
	2023	2022
	$	$
Purchase of plant and equipment ("PE")		
Aggregate cost of PE acquired, excluding reinstatement assets	**1,949,075**	1,005,004
Downpayment of PE	**260,000**	–
Add: Payables for PE at 1 January	**47,325**	41,597
Less: Payables for PE at 31 December	**(202,408)**	(47,325)
Net cash outflow for purchase of PE presented in consolidated statement of cash flows	**2,053,992**	999,276

Downpayment of plant and equipment is included within non-current "Prepayment" in the balance sheet.

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FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11. Investment in subsidiaries

	Company	
	2023	2022
	$	$
Unquoted equity shares, at cost	**12,195,573**	12,195,573
Less: Allowance for impairment losses	**(3,885,769)**	(4,492,326)
	8,309,804	7,703,247

The movement of the allowance for impairment losses is as follows:

	Company	
	2023	2022
	$	$
At 1 January	**4,492,326**	9,992,326
Write-back for the year	**(606,557)**	(5,500,000)
At 31 December	**3,885,769**	4,492,326

Impairment testing of investment in subsidiaries

During the financial year, following the increased in referrals from specialist clinics and hospitals for Imaging CGU, the Company reassessed its estimates. The recoverable amount for The Orchard Imaging Centre Pte Ltd was determined based on the same set of financial budgets used for impairment testing of plant and equipment. The pre-tax discount rate used to discount the forecast cash is 12.2% (2022: 12.4%) and a terminal value growth rate of 1.99% from 2028 (2022: 1.5% from 2027).

The recoverable amount of $10,415,000 (2022: $6,405,000) for The Orchard Imaging Centre Pte Ltd was estimated to exceed its carrying amount. As a result of this review, management recognised a full reversal of impairment loss of $606,557 (2022: $5,500,000).

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

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 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 - Profit from operation was based on management’s estimate with reference to historical revenue generated, growth rate and estimation of future business outlook. Revenue growth rates were estimated at the average of 5.50% (2022: 29% for 2023 and no revenue growth rate from 2024 to 2027) for the Imaging CGU.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

11. Investment in subsidiaries (cont'd)

Details of subsidiaries at the end of the financial year

Name of subsidiary	Principal activities	Group's effective equity interest held	
		2023	**2022**
		%	**%**
Held by the Company			
The Orchard Imaging Centre Pte Ltd	Provision of diagnostic imaging and radiology services	**100**	100
AsiaMedic Wellness Assessment Centre Pte Ltd	Provision of health screening and medical wellness services	**100**	100
AsiaMedic PET/CT Centre Pte Ltd	Provision of diagnostic imaging and radiology services	**100**	100
AsiaMedic Heart & Vascular Centre Pte Ltd	Provision of diagnostic imaging and radiology services	**100**	100
Complete Healthcare International Pte Ltd	Provision of primary healthcare services	**100**	100
AMC Healthcare Pte Ltd	Dormant	**100**	100
AsiaMedic Eye Centre Pte Ltd	Dormant	**100**	100
Held by AsiaMedic Wellness Assessment Centre Pte Ltd			
AsiaMedic Astique The Aesthetic Clinic Pte Ltd	Provision of medical aesthetic services and related products	**100**	100

All subsidiaries are incorporated in Singapore and are audited by Baker Tilly TFW LLP, Singapore.

12. Investment in associate

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Unquoted equity shares				
Positron Tracers Pte Ltd	**2,242,825**	2,190,185	**181,500**	181,500

Details of associate are as follows:

Name of associate	Principal activities	Group's effective equity interest held	
		2023	**2022**
		%	**%**
Positron Tracers Pte Ltd	Manufacturing and sale of fludeoxyglucose ("FDG") and other radioactive isotopes	33	33

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

12. Investment in associate (cont'd)

The associate is incorporated in Singapore and is audited by KPMG LLP, Singapore.

The associate is measured using the equity method. The activities of the associate are strategic to the Group's diagnostic imaging and radiology business.

The summarised financial information of the associate, based on its SFRS(I) 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	
	2023	2022
	$	$
Current assets	**7,165,904**	7,070,466
Non-current assets	**843,219**	630,042
Total assets	**8,009,123**	7,700,508
Total liabilities	**(1,212,684)**	(1,063,584)
Net assets	**6,796,439**	6,636,924
Proportion of Group's ownership	**33%**	33%
Group's share of net assets	**2,242,825**	2,190,185
Carrying amount of the investment	**2,242,825**	2,190,185

Group's share of profit after tax

Summarised statement of comprehensive income

	Positron Tracers Pte Ltd	
	2023	2022
	$	$
Revenue	**3,773,028**	3,801,729
Profit after tax representing total comprehensive income for the financial year	**1,347,007**	1,466,285
Proportion of Group's ownership	**33%**	33%
Group's share of profit after tax	**444,512**	483,874
Dividend received from associate	**391,872**	285,684

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

13(a). Goodwill

Group	Complete Healthcare International Pte Ltd ("CHI")	Aesthetic	Total
	$	$	$
Cost:			
At 1 January 2022 and 31 December 2022	1,600,447	523,864	2,124,311
Acquired in the LEPC Acquisition	–	48,296	48,296
At 31 December 2023	**1,600,447**	**572,160**	**2,172,607**
Accumulated impairment:			
At 1 January 2022	1,600,447	–	1,600,447
Impairment loss	–	523,864	523,864
At 31 December 2022, 1 January 2023 and 31 December 2023	**1,600,447**	**523,864**	**2,124,311**
Net carrying amount:			
At 31 December 2022	–	–	–
At 31 December 2023	**–**	**48,296**	**48,296**

Acquisition of business and assets during the financial year

On 10 July 2023, the Group's subsidiary, AsiaMedic Astique The Aesthetic Clinic Pte Ltd ("AATAC"), entered into a business purchase agreement (the "BPA") with LE Private Clinic Pte Ltd (the "Vendor") to acquire the business of medical aesthetic services carried on by the Vendor (the "LEPC Acquisition").

The Vendor owned the licensed aesthetic clinic known as 'LE Private Clinic' (the "Clinic") which was in the business of provision of medical aesthetic services and sale of aesthetic goods and products in Singapore (the "Business").

The Group acquired the Business as a going concern together with related assets, including the clinic management system software, contracts, plant and equipment, licences, goodwill, inventories, intellectual property rights, technical information and records, and telecommunication assets of the Vendor, but excluding book debts, cash, liabilities, product and service liabilities, permits and approvals held by Vendor to the extent that they are not assignable or transferable to the AATAC, and all assets owned and/or used by the Vendor other than for the Business or otherwise not selected by the AATAC (collectively, the "Assets").

The acquisition was completed on 22 August 2023 (the "Completion Date"). The purchase consideration for the Business and Assets was $385,000 (based on the closing price of the Company's shares of $0.011 per share on the Completion Date). The purchase consideration was satisfied by the allotment and issue of (i) 30,000,000 new scrip shares of the Company ("AML Scrip Shares") to the Vendor upon completion; and (ii) 5,000,000 new ordinary shares of the Company to Vendor (collectively, the "Consideration Shares"). The Consideration Shares were allotted and issued as fully paid to the Vendor.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

13(a). Goodwill (cont'd)

Acquisition of business and assets during the financial year (cont'd)

The fair value of the identifiable assets and liabilities of the Business and Assets at the acquisition date was:

	$
Inventories	**6,704**
Total identifiable assets	**6,704**
Add: Goodwill acquired in the acquisition	**48,296**
Add: Employment bond of key personnel	**330,000**
Purchase consideration	**385,000**
<u>Consideration transferred for acquisition</u>	
Equity instruments recognised (Note 24)	**385,000**
Total consideration transferred	**385,000**
<u>Effect of the acquisition on cash flows</u>	
Total consideration	**385,000**
Less: Non-cash consideration	**(385,000)**
Cash outflow on acquisition	**–**

The goodwill arising from the LEPC Acquisition comprises the value of expected synergies arising from the acquisition and the customer base. The goodwill acquired in the LEPC Acquisition is allocated to the Aesthetic CGU.

Transaction costs relating the LEPC Acquisition of $23,774 are included within "Other operating expenses" in the consolidated statement of comprehensive income.

Impairment testing of goodwill

During the financial year ended 31 December 2023, management carried out a review of the recoverable amount of CGU. The recoverable amount of Aesthetic CGU was determined based on value in use calculations. Cash flow projections used in the value in use calculation were based on financial budgets approved by the directors covering a five-year period. Cash flows at terminal year was forecasted using zero-growth rate. Following the review, no impairment loss is required to be recognised for goodwill arising from LEPC Acquisition (2022: impairment loss of $523,864 on goodwill arising from AATAC).

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

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 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. The pre-tax discount rate applied is 12.2% (2022: 12.4%).

Revenue growth rates - Profit from operation was based on management's estimate with reference to historical revenue generated, growth rate and estimation of future business outlook. Revenue growth rates were estimated at the average of 0.99% for the Aesthetic CGU.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

13(b). Employment Bond

Pursuant to the BPA, the Vendor agreed to procure the medical director of the Clinic to enter in a service agreement with AATAC so as to continue to manage, develop and promote the Business (the "Employment Bond") for a period of five years from the date of commencement of appointment from 22 August 2023 ("Bond Period"). 30,000,000 Consideration Shares are subject to the fulfilment of the Employment Bond. If Employment Bond is terminated before the end of the Employment Bond period (being 21 August 2028), a certain number of the 30,000,000 Consideration Shares shall be returned by the Vendor to the Company depending on the number of years remaining on the Bond Period.

The Employment Bond is initially recognised at cost and is subsequently carried at cost less accumulated amortisation. The cost is amortised to profit or loss using the straight-line method over 5 years. The amortisation of Employment Bond is included within "Personnel expenses" in the consolidated statement of comprehensive income.

Group	**Employment Bond**
	$
Upon initial recognition on 22 August 2023	**330,000**
Amortisation during the financial year	**(23,774)**
Carrying amount at 31 December 2023	**306,226**

14. Inventories

	Group	
	2023	2022
	$	$
Medical supplies, at cost	**363,505**	259,634

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

15. Trade receivables

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Trade receivables:				
- Third parties	**2,494,351**	1,846,708	**–**	–
- Subsidiaries	**–**	–	**1,961,939**	1,252,122
	2,494,351	1,846,708	**1,961,939**	1,252,122
Less: Allowance for impairment loss				
- Subsidiaries	**–**	–	**(1,961,939)**	(1,214,509)
	2,494,351	1,846,708	**–**	37,613
Accrued receivables (Note 23)	**315,019**	1,166,949	**–**	–
Total trade receivables	**2,809,370**	3,013,657	**–**	37,613
Add:				
Other receivables and deposits (Note 16)	**519,367**	448,613	**652,274**	690,320
Other financial assets (Note 17)	**4,972,470**	1,980,560	**2,976,736**	1,480,560
Cash pledged as security (Note 18)	**563,220**	911,520	**–**	–
Cash and cash equivalents (Note 19)	**4,604,303**	6,642,404	**1,035,724**	3,107,097
Total financial assets, carried at amortised cost	**13,468,730**	12,996,754	**4,664,734**	5,315,590

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 and are denominated in Singapore dollar.

Concentration of credit risk relating to expected credit losses of trade receivables is limited due to the Group's many varied debtors. Other than one major debtor which accounted for 20% (2022: 48%) of the Group's trade receivables, other debtors mainly consist of public and private clinics and hospitals, private businesses, insurance companies, and individuals. Expected credit losses are evaluated 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 is inherent in the Group's trade receivables.

Allowance for impairment loss on trade receivables from subsidiaries

The movement of the impairment loss allowance on trade receivables from subsidiaries is as follows:

	Company	
	2023	2022
	$	$
At 1 January	**1,214,509**	666,554
Charge for the financial year	**747,430**	547,955
At 31 December	**1,961,939**	1,214,509

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

16. Other receivables and deposits

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Amounts due from subsidiaries	**–**	–	**18,504,127**	17,370,669
Less: Allowance for impairment loss subsidiaries	**–**	–	**(18,280,344)**	(17,104,142)
Amounts due from subsidiaries, net of impairment loss allowance	**–**	–	**223,783**	266,527
Refundable deposits	**468,308**	432,070	**411,591**	423,793
Other debtors	**51,059**	16,543	**16,900**	–
	519,367	448,613	**652,274**	690,320

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

The other receivables and deposits are denominated in Singapore dollar.

Allowance for impairment loss of amounts due from subsidiaries

The movement of the impairment loss allowance on amounts due from subsidiaries is as follows:

	Company	
	2023	2022
	$	$
At 1 January	**17,104,142**	16,271,549
Charge for the financial year	**1,176,202**	832,593
At 31 December	**18,280,344**	17,104,142

17. Other financial assets

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Credit-linked notes	**2,994,805**	1,980,560	**1,984,376**	1,480,560
Singapore Government Treasury Bills	**1,977,665**	–	**992,360**	–
	4,972,470	1,980,560	**2,976,736**	1,480,560

Other financial assets represent interest-bearing short-term investments for cash management purposes.

The credit linked notes are issued by DBS Bank Ltd (referencing SGD Monetary Authority of Singapore bills).

The financial assets have a tenor of between 1 to 6 months. They are carried at amortised cost which approximates their fair values (Level 2) due to their short-term nature where the effect of discounting is immaterial. The financial assets bear on average interest rate was 3.78% (2022: 4.27%) per annum.

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For the financial year ended 31 December 2023

18. Cash pledged as security

Cash pledged as security relates to security provided for performance of contracts and facility for merchant credit card accounts facilities and is in the form interest-bearing fixed deposits with banks.

19. Cash and cash equivalents

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Cash at banks and on hand	**4,604,303**	4,090,841	**1,035,724**	1,559,068
Fixed deposits	**–**	2,551,563	**–**	1,548,029
	4,604,303	6,642,404	**1,035,724**	3,107,097

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

In 2022, fixed deposits of the Group were placed for varying periods between 9 to 12 months depending on the cash requirements of the Group.

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

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
United States dollar	**6,107**	6,205	**6,107**	6,205

20. Trade payables

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Due to third parties	**1,853,558**	1,287,279	**–**	–
Due to an associate	**142,120**	188,053	**–**	–
Total trade payables	**1,995,678**	1,475,332	**–**	–
Add:				
Other payables and accruals (Note 21)	**2,224,097**	1,863,572	**1,770,263**	1,241,816
Borrowings (Note 29)	**9,424,352**	7,317,939	**6,376,562**	7,317,939
Less: GST payable	**(309,229)**	(196,308)	**–**	–
Total financial liabilities carried at amortised cost	**13,334,898**	10,460,535	**8,146,825**	8,559,755

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

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For the financial year ended 31 December 2023

21. Other payables and accruals

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Other payables	**615,539**	485,400	**458,977**	351,792
Accrued operating expenses	**1,495,520**	1,265,134	**316,309**	377,410
Amounts due to subsidiaries	**–**	–	**881,939**	399,576
Interest payable to corporate shareholder	**113,038**	113,038	**113,038**	113,038
	2,224,097	1,863,572	**1,770,263**	1,241,816

The other payables and accruals are denominated in Singapore dollar.

Amounts due to subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

22. Provision for reinstatement

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
At 1 January	**1,118,392**	1,115,662	**479,000**	479,000
Addition during the financial year	**44,875**	–	**–**	–
Accretion of interest recognised during the financial year	**3,671**	2,730	**–**	–
At 31 December	**1,166,938**	1,118,392	**479,000**	479,000

Provision for reinstatement is recognised when the Group enters into lease agreements for the office and clinic units. It includes the estimated cost of demolishing and removing all the leasehold improvements and removal of medical equipment made by the Group to the office and clinic units. The office and clinic units shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements.

23. Accrued receivables and contract liabilities

Accrued receivables relate to the Group's rights to consideration for performance obligations fulfilled but not billed at the end of the financial year on health screening and medical wellness services. Contract liabilities relate to payments for services received in advance from customers on package arrangements for medical aesthetic services. Contract liabilities are recognised as revenue when the Group satisfies the performance obligations under its contracts.

	2023	2022	1.1.2022
	$	$	$
Group			
Trade receivables - Third parties (Note 15)	**2,494,351**	1,846,708	1,435,526
Accrued receivables (Note 15)	**315,019**	1,166,949	664,828
Contract liabilities	**863,187**	993,574	1,179,464

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For the financial year ended 31 December 2023

23. Accrued receivables and contract liabilities (cont'd)

Accrued receivables represent unbilled transactions for services rendered to a statutory board. The billing details have been presented to the statutory board for approval prior to the end of the financial year. The significant changes to the accrued receivables was mainly due to decrease of services rendered during the financial year to the said statutory board.

Significant changes in the contract liabilities during the financial year was due to performance obligation has been satisfied and amounts were recognised as revenue during the financial year.

24. Share capital

	Group and Company			
	2023		2022	
	No. of shares	**$**	No. of shares	$
Issued and fully paid ordinary shares:				
As at 1 January	**1,119,622,270**	**33,284,437**	1,119,622,270	33,284,437
Issuance of shares for acquisition of business [Note 13(a)]	**35,000,000**	**385,000**	–	–
As at 31 December	**1,154,622,270**	**33,669,437**	1,119,622,270	33,284,437

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 27).

25. Treasury shares

	Group and Company			
	2023		2022	
	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.

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For the financial year ended 31 December 2023

26. Other reserves

	Put options reserve	Capital reserve	Employee share option scheme reserve (Note 27)	Total
	$	$	$	$
Group				
At 1 January 2022 and 31 December 2022	(652,544)	(8,189)	97,812	(562,921)
Movement during the financial year	–	–	9,472	9,472
At 31 December 2023	**(652,544)**	**(8,189)**	**107,284**	**(553,449)**
Company				
At 1 January 2022 and 31 December 2022	–	–	97,812	97,812
Movement during the financial year	–	–	9,472	9,472
At 31 December 2023	–	–	**107,284**	**107,284**

Put options reserve

The put options reserve arose as a result of acquisition of entity and businesses in two subsidiaries, namely Complete Healthcare International Pte Ltd and AsiaMedic Astique The Aesthetic Clinic Pte Ltd in 2013 whereby the vendors of the subsidiaries had been granted the option to sell their shares to the Group ("put options"). The put options reserve represented applicable percentage of the issued share capital of the subsidiaries at the option price determined by a pre-determined formula.

The put options had been exercised during the financial year 2016.

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.

27. Personnel expenses

	Group	
	2023	2022
	$	$
Salaries and bonuses to employees	**9,265,970**	7,096,653
Central Provident Fund contributions	**1,101,055**	862,035
Other expenses	**631,585**	547,883
Grant of equity-settled share options to employees	**9,472**	–
Wages and fees to contract-for-hire personnel	**1,156,533**	1,449,958
	12,164,615	9,956,529

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

27. Personnel expenses (cont'd)

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. The Group has no legal or constructive obligation to repurchase or settle the options in cash. The number of shares available under the scheme shall not exceed 15% of the issued share capital of the Company.

On 11 July 2023, options to subscribe for 55,000,000 ordinary shares in the Company at an exercise price of $0.012 per ordinary share were granted pursuant to the scheme ("2023 Options"). The 2023 Options are exercisable in tranches from 11 July 2024 and expire on 10 July 2028.

As at 31 December 2023 and 31 December 2022, no share options have pre-set performance conditions.

Movement in 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:

	No. of ordinary shares under option					
	Beginning of financial year	**Granted during financial year**	**Forfeited during financial year**	**End of financial year**	**Exercise price**	**Exercise period**
Group and Company						
2023						
2016 Options	**819,677**	**–**	**–**	**819,677**	$0.050	16.6.2018 - 14.6.2026
2023 Options	**–**	**55,000,000**	**–**	**55,000,000**	$0.012	11.7.2024 - 10.7.2028
	819,677	**55,000,000**	**–**	**55,819,677**		
2022						
2016 Options	1,171,935	–	(352,258)	819,677	$0.050	16.6.2018 - 14.6.2026
	1,171,935	–	(352,258)	819,677		

The fair value for share options granted during the financial year was $60,500 and was calculated using the Binomial Option Pricing Model model. The inputs into the model are as follows:

	2016	**2023**
Dividend yield (%)	0.000	0.000
Expected volatility (%)	97.870	25.460
Weighted average risk-free interest rate (% p.a.)	1.720	3.080
Expected life of options (years)	7.870	3.510
Weighted average share price ($)	0.060	0.009

The expected life of the options is based on the contractual life 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.

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FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. Right-of-use assets

Group as a lessee

The Group has lease contracts for use as office and clinic premises from non-related parties. The leases have a tenure of three to five years. These lease contracts have 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 determines whether these extension options are reasonably certain to be exercised.

The Group also has lease contracts for warehouse premises with lease term of 12 months or less, and leases of low value assets. The Group applies the "short-term lease" and "low-value leased assets" recognition exemptions. The Group has elected not to recognise right-of-use ("ROU") assets and lease liabilities for these leases.

Right-of-use assets

The carrying amounts of the Group's ROU assets and the movements during the financial year are as follows:

Group	**Leasehold premises**	**Medical equipment**	**Total**
	$	**$**	**$**
Cost:			
As at 1 January 2022	10,241,949	–	10,241,949
Additions	2,348,064	–	2,348,064
As at 31 December 2022 and 1 January 2023	12,590,013	–	12,590,013
Additions	1,120,253	1,880,000	3,000,253
As at 31 December 2023	**13,710,266**	**1,880,000**	**15,590,266**
Accumulated depreciation and impairment loss:			
As at 1 January 2022	6,582,675	–	6,582,675
Depreciation charge	780,087	–	780,087
Reversal of impairment loss	(1,302,344)	–	(1,302,344)
As at 31 December 2022 and 1 January 2023	6,060,418	–	6,060,418
Depreciation charge	1,127,749	62,667	1,190,416
Reversal of impairment loss	(108,926)	–	(108,926)
As at 31 December 2023	**7,079,241**	**62,667**	**7,141,908**
Net book value:			
As at 31 December 2022	6,529,595	–	6,529,595
As at 31 December 2023	**6,631,025**	**1,817,333**	**8,448,358**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. Right-of-use assets (cont'd)

Group as a lessee (cont'd)

Right-of-use assets (cont'd)

Company	**Leasehold premises $**
Cost:	
As at 1 January 2022	10,241,949
Additions	2,348,064
As at 31 December 2022, 1 January 2023 and 31 December 2023	**12,590,013**
Accumulated depreciation and impairment loss:	
As at 1 January 2022	6,582,675
Depreciation charge	780,087
Reversal of impairment loss	(1,302,344)
As at 31 December 2022 and 1 January 2023	6,060,418
Depreciation charge	987,718
Reversal of impairment loss	(108,926)
As at 31 December 2023	**6,939,210**
Net book value:	
As at 31 December 2022	6,529,595
As at 31 December 2023	**5,650,803**

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 determines whether these extension options are reasonably certain to be exercised.

Impairment testing

Management carried out a review of the recoverable amount of their ROU assets following growing referrals from specialist clinics and hospitals for Imaging CGU and increasing demand for services and products of Aesthetic CGU. The carrying amount of ROU assets of the Imaging CGU and Aesthetic CGU is $3,029,913 and $980,222 respectively. 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 the board covering a five-year period. Cash flows beyond the five-year period were extrapolated using a zero-growth rate. The pre-tax discount rate applied to the cash flow projection is 12.2% (2022: 12.4%).

As a result of this review, management recognised a reversal of impairment loss of $108,926 (2022: $1,302,344).

The reversal of impairment loss is recorded in the "reversal of impairment loss of non-current assets, net" line item of profit or loss. The reversal of impairment loss was recognised to the extent that the increase in carrying amount of the ROU assets shall not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the assets in prior years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

28. Right-of-use assets (cont'd)

Key assumptions used for 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 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 - Profit from operation was based on management's estimate with reference to historical revenue generated, growth rate and estimation of future business outlook. Revenue growth rates were estimated at the average of 5.50% (2022: 29% for 2023 and no revenue growth rate from 2024 to 2027) for the Imaging CGU and 0.99% (2022: 6% for 2023 and no revenue growth rate from 2024 to 2027) for the Aesthetic CGU.

	Group	
	2023	2022
	$	$
Depreciation expense of right-of-use assets	**1,190,416**	780,087
Interest expense on lease liabilities	**404,163**	239,010
Lease expenses not capitalised in lease liabilities:		
Expenses relating to short-term and low-value leases (included in operating lease expenses)	**107,090**	142,495
Total amount recognised in profit or loss in relation to leases	**1,701,669**	1,161,592

Non-cash transaction:

	Group	
	2023	2022
	$	$
Aggregate cost of medical equipment acquired	**1,880,000**	–
Less: acquired under hire purchase arrangement	**(1,504,000)**	–
Net cash outflow for purchase of medical equipment presented in consolidated statement of cash flows	**376,000**	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

29. Borrowings

	Group		Company	
	2023	2022	**2023**	2022
	$	$	**$**	$
Current				
Hire-purchase loan (secured)	**272,602**	–	**–**	–
Term loan	**204,000**	–	**–**	–
Lease liabilities	**1,247,449**	941,377	**1,061,503**	941,377
	1,724,051	941,377	**1,061,503**	941,377
Non-current				
Hire-purchase loan (secured)	**1,187,461**	–	**–**	–
Term loan	**391,000**	–	**–**	–
Lease liabilities	**6,121,840**	6,376,562	**5,315,059**	6,376,562
	7,700,301	6,376,562	**5,315,059**	6,376,562
Total	**9,424,352**	7,317,939	**6,376,562**	7,317,939

Security granted

The hire-purchase loan is secured by medical equipment with carrying amount is $1,817,333 as at 31 December 2023 (Note 28) and corporate guarantee by the Company.

The Company provided a corporate guarantee for the term loan.

Reconciliation of liabilities arising from financing activities:

				Non-cash changes			
	At beginning of the financial year	**Proceeds from borrowings**	**Principal and interest payments**	**Purchase of medical equipment under hire purchase**	**Addition during the financial year**	**Interest expense**	**At end of the financial year**
	$	**$**	**$**	**$**	**$**	**$**	**$**
2023							
Group							
Hire-purchase loan	–	–	(56,651)	1,504,000	–	12,714	1,460,063
Term loan	–	612,000	(19,975)	–	–	2,975	595,000
Lease liabilities	7,317,939	–	(1,473,066)	–	1,120,253	404,163	7,369,289
	7,317,939	**612,000**	**(1,549,692)**	**1,504,000**	**1,120,253**	**419,852**	**9,424,352**
2022							
Group							
Lease liabilities	6,048,478	–	(1,317,613)	–	2,348,064	239,010	7,317,939

The maturity analysis of lease liabilities is disclosed in Note 33 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

30. Related party transactions

(a) Sales and purchases 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	
	2023	2022
	$	$
Purchase of consumables from associate	**423,320**	421,800
Medical services rendered to companies controlled by the Company's corporate shareholder	**(185,699)**	(120,687)

The Company's corporate shareholder refers to Luye Medical Group Pte. Ltd., which had significant influence over the Group. Luye Medical Group Pte. Ltd. ceased to become a substantial shareholder of the Group on 21 November 2023.

(b) Compensation of key management personnel

	Group	
	2023	2022
	$	$
Salaries and bonuses	**493,860**	471,490
Central Provident Fund contributions	**30,182**	31,616
Other short-term benefits	**13,800**	34,354
Grant of equity-settled share options to employees	**6,024**	–
Directors' fee	**173,000**	169,184
	716,866	706,644
Comprise amounts paid to:		
Fee to directors of the Company	**173,000**	169,184
Other key management personnel	**543,866**	537,460
	716,866	706,644

Key management personnel include the directors of the Company and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The compensation of key management personnel, except for directors' fee, is included in the "personnel expenses" line item of profit or loss (Note 27). Directors' fee is included in the "other operating expenses" line item of 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. Commitments

(a) ***Operating expenditure commitments***

As at 31 December 2023, the Group had entered into non-cancellable logistics and warehouse service agreements with a non-related party. The service agreements had remaining expected term of approximately 1 year (2022: 1 year).

Operating expenditure commitments under contractual service agreement at the balance sheet date are as follows:

	Group	
	2023	2022
	$	$
Not later than one financial year	**336,720**	336,720
Later than one financial year but not later than five financial years	**–**	14,950
	336,720	351,670

(b) ***Operating lease commitments - as sub-lessor***

The Group has entered into sub-lease agreements on its leased premises to non-related parties. The non-cancellable sub-leases have remaining lease terms of between 2.58 years to 2.83 years (2022: 1.0 year to 3.8 years).

Non-cancellable operating sub-leases to be received after the end of the financial year are as follows:

	Group	
	2023	2022
	$	$
Not later than one financial year	**277,424**	338,624
Later than one financial year but not later than five financial years	**469,611**	747,036
Total undiscounted sub-lease income	**747,035**	1,085,660

(c) ***Corporate guarantees***

Financial support has been given to certain subsidiaries having:

	Company	
	2023	2022
	$	$
Deficiencies in shareholders' funds	**19,367,135**	18,007,855
Current liabilities in excess of current assets	**20,068,348**	18,695,551

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

31. Commitments (cont'd)

(d) ***Capital expenditure commitments***

Significant capital expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group	
	2023	2022
	$	$
Plant and equipment	**1,040,000**	–

32. 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, cash pledged as security, other financial assets, trade receivables, other receivables and deposits, trade payables, other payables, accruals and borrowings, based on their notional amounts, reasonably approximate their fair values because they are short-term in nature or no significant change in the Group's market borrowing rates.

33. 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 and liquidity risk. The financial risk on foreign currency risk, interest rate risk and price risk is not significant. 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, cash pledged as security and other financial assets), 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 customers of appropriate credit history and obtaining sufficient security where appropriate to mitigate credit risk. 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 Group's historical information.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

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

Credit risk (cont'd)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group also assumes that the credit risk on financial instruments has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the end of the financial year.

Definition of default

The Group considers an event of default for internal credit risk management purpose. Management considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

Credit risk (cont'd)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the trade and other receivables are in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the trade and other receivables will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

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 receivables is disclosed in Note 15 to the financial statements. During the current financial year, no allowance for expected credit loss was made to trade receivables from third parties.

As at 31 December 2023, approximately 20% (2022: 48%) 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.

Other financial assets at amortised cost

For other financial assets at amortised cost, management has considered, among other factors (including forward-looking information), the Group's and the Company's historical loss pattern over the last three financial years to assess the expected credit loss.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical payment experience and the corresponding historical credit loss rates, and adjusted for forward-looking macroeconomic factors.

These financial assets are assessed as credit-impaired when one or more event that have a detrimental impact on the estimated future cashflows of that financial assets have occurred. Evidence that a financial asset is credit-impaired includes observable data about events, including but not limited to significant financial difficulty of the trade and other receivables or a breach of contract, such as default or past due event.

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For the financial year ended 31 December 2023

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

Credit risk (cont'd)

Estimation techniques and significant assumptions (cont'd)

Other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets:

Group	**12-month or lifetime ECL**	**Gross carrying amount $**	**Loss allowance $**	**Net carrying amount $**
2023				
Cash and cash equivalents	N.A. Exposure limited	**4,604,303**	**–**	**4,604,303**
Cash pledged as security	N.A. Exposure limited	**563,220**	**–**	**563,220**
Trade and accrued receivables	Lifetime ECL	**2,809,370**	**–**	**2,809,370**
Other receivables	12-month ECL	**51,059**	**–**	**51,059**
Refundable deposits	N.A. Exposure limited	**468,308**	**–**	**468,308**
Other financial assets	N.A. Exposure limited	**4,972,470**	**–**	**4,972,470**
2022				
Cash and cash equivalents	N.A. Exposure limited	6,642,404	–	6,642,404
Cash pledged as security	N.A. Exposure limited	911,520	–	911,520
Trade and accrued receivables	Lifetime ECL	3,013,657	–	3,013,657
Other receivables	12-month ECL	16,543	–	16,543
Refundable deposits	N.A. Exposure limited	432,070	–	432,070
Other financial assets	N.A. Exposure limited	1,980,560	–	1,980,560

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FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

Credit risk (cont'd)

Estimation techniques and significant assumptions (cont'd)

Other financial assets at amortised cost (cont'd)

The table below details the credit quality of the Group's and the Company's financial assets (cont'd):

Company	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
2023				
Cash and cash equivalents	N.A. Exposure limited	**1,035,724**	**–**	**1,035,724**
Amounts due from subsidiaries	Lifetime ECL	**20,466,066**	**(20,242,283)**	**223,783**
Other receivables	12-month ECL	**16,900**	**–**	**16,900**
Refundable deposits	N.A. Exposure limited	**411,591**	**–**	**411,591**
Other financial assets	N.A. Exposure limited	**2,976,736**	**–**	**2,976,736**
2022				
Cash and cash equivalents	N.A. Exposure limited	3,107,097	–	3,107,097
Amounts due from subsidiaries	Lifetime ECL	18,622,791	(18,318,651)	304,140
Refundable deposits	N.A. Exposure limited	423,793	–	423,793
Other financial assets	N.A. Exposure limited	1,480,560	–	1,480,560

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.

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

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

Liquidity risk (cont'd)

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.

Group	**One year or less**	**One to five years**	**Total**
	$	**$**	**$**
2023			
Financial liabilities:			
Trade payables	**1,686,449**	**–**	**1,686,449**
Other payables and accruals	**2,224,097**	**–**	**2,224,097**
Borrowings	**2,464,558**	**8,544,765**	**11,009,323**
2022			
Financial liabilities:			
Trade payables	1,279,024	–	1,279,024
Other payables and accruals	1,863,572	–	1,863,572
Borrowings	1,317,612	7,810,282	9,127,894

Company	**One year or less**	**One to five years**	**Total**
	$	**$**	**$**
2023			
Financial liabilities:			
Other payables and accruals	**1,770,263**	**–**	**1,770,263**
Borrowings	**1,317,612**	**6,498,149**	**7,815,761**
2022			
Financial liabilities:			
Other payables and accruals	1,241,816	–	1,241,816
Borrowings	1,317,612	7,810,282	9,127,894

NOTES TO THE **FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

34. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM").

The Group is principally engaged in the business of operating medical clinics in Singapore. Information reported to CODM, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

100% (2022: 100%) of the Group revenue were generated from external customers located in Singapore for the financial year ended 31 December 2023 and 31 December 2022. All of the assets of the Group were located in Singapore as at 31 December 2023 and 31 December 2022. Accordingly, no geographical segment analysis is presented.

The CODM considers medical services and other services as the sole segment.

Other than revenue analysis (Note 4), no operating results and other discrete financial information is available for the assessment of performance and allocation of resources. Accordingly, other than entity-wide information, no analysis of this single operating segment is presented.

35. Capital management

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. The capital of the Group consists of debt and equity items, and the Group's overall strategy remains unchanged from 2022.

36. Authorisation of financial statements for issue

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors dated 28 March 2024.

STATISTICS OF **SHAREHOLDINGS**

As at 18 March 2024

Issued & Paid-Up Capital	:	S$33,669,436.50
Number & Class of Shares (Excluding Treasury Shares)	:	1,154,522,270 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	7	0.27	30,000,202	2.60
100 - 1,000	110	4.25	85,803	0.01
1,001 - 10,000	805	31.13	4,906,680	0.42
10,001 - 1,000,000	1,581	61.14	232,911,419	20.17
1,000,001 and above	83	3.21	886,618,166	76.80
GRAND TOTAL	**2,586**	**100.00**	**1,154,522,270**	**100.00**

LIST OF 20 LARGEST REGISTERED SHAREHOLDERS

No.	Name	No. of Shares	%
1	INTEGRAL LEAD LIMITED	358,471,030	31.05
2	CAPITAL BLAZE LIMITED	76,813,516	6.65
3	DRAGON GLORIOUS LIMITED	76,813,516	6.65
4	UNITED OVERSEAS BANK NOMINEES P L	65,052,098	5.63
5	DBS NOMINEES PTE LTD	44,605,500	3.86
6	LE PRIVATE CLINIC PTE LTD	30,000,000	2.60
7	ANG HAO YAO (HONG HAOYAO)	16,828,800	1.46
8	PHILLIP SECURITIES PTE LTD	15,070,900	1.31
9	MAYBANK SECURITIES PTE. LTD.	13,060,800	1.13
10	UOB KAY HIAN PTE LTD	8,318,000	0.72
11	ANG KIM JOO MATTHEW	8,268,400	0.72
12	KONG YUEN HO	7,790,000	0.67
13	LEE CHYE ONN @SOW CHYE ONN	7,499,000	0.65
14	LISTIAWATI	7,454,000	0.65
15	TOK BOON CHOO	6,864,200	0.59
16	CITIBANK NOMS SPORE PTE LTD	6,639,000	0.58
17	LOO TIONG KHENG	6,099,900	0.53
18	RAFFLES NOMINEES(PTE) LIMITED	6,077,500	0.53
19	OCBC NOMINEES SINGAPORE PTE LTD	5,976,500	0.52
20	OCBC SECURITIES PRIVATE LTD	5,442,900	0.47
	TOTAL	**773,145,560**	**66.97**

SHAREHOLDINGS HELD BY THE PUBLIC

Percentage of shareholdings held by the public is approximately 55.64%, and therefore, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited is complied with.

STATISTICS OF SHAREHOLDINGS

As at 18 March 2024

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%[1]	No. of Shares	%[1]
Integral Lead Limited	358,471,030	31.05	–	–
Aona Liu [2]	–	–	358,471,030	31.05
Alina W Liu [2]	–	–	358,471,030	31.05
Dragon Glorious Limited	76,813,516	6.65	–	–
Yang Rongbing [3]	–	–	76,813,516	6.65
Su Kajia [3]	–	–	76,813,516	6.65
Capital Blaze Limited	76,813,516	6.65		
Yuan Huixian [4]	–	–	76,813,516	6.65

Notes:

(1) Based on 1,154,522,270 issued shares (excluding 100,000 treasury shares and nil subsidiary holdings) of the Company as at the Latest Practicable Date.

(2) Aona Liu and Alina W Liu hold 80% and 20% of the issued and paid-up share capital of Integral Lead Limited ("**ILL**") respectively and each of them is deemed to have an interest in the shares held by ILL by virtue of Section 4 of the Securities & Futures Act 2001 ("**SFA**").

(3) Yang Rongbing and Su Kajia hold 51% and 45% of the issued and paid-up share capital of Dragon Glorious Limited ("**DGL**") respectively and each of them is deemed to have an interest in the shares held by DGL by virtue of Section 4 of the SFA.

(4) Yuan Huixian holds the entire the issued and paid-up share capital of Capital Blaze Limited ("**CBL**") and is deemed to have an interest in the shares held by CBL by virtue of Section 4 of the SFA.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of AsiaMedic Limited (the "**Company**") will be held at Seminar Room 3, Singapore Business Federation, 160 Robinson Road #06-01, SBF Centre, Singapore 068914, on Monday, 29 April 2024 at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements of the Company and the Group for the financial year ended 31 December 2023 and the Directors' Statement and Auditor's Report thereon. **(Resolution 1)**

2. To re-elect Mr Charles Wang Chong Guang, a Director retiring pursuant to Regulation 89 of the Constitution of the Company. **(Resolution 2)**

3. To re-elect Ms Alice Ng Bee Yee, a Director retiring pursuant to Regulation 89 of the Constitution of the Company. **(Resolution 3)**

4. To approve Directors' fee of S$173,000 for the financial year ended 31 December 2023 (2022: S$169,184). **(Resolution 4)**

5. To re-appoint Messrs Baker Tilly TFW 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 Companies Act 1967 (the "**Act**") and Rule 806 of the Listing Manual (Section B: Rules of Catalist) (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**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 (the "**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:

(1) new Shares arising from the conversion or exercise of convertible securities;

NOTICE OF
ANNUAL GENERAL MEETING

(2) 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

(3) 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 or the Monetary Authority of Singapore) 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 Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or acquire 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 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 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;

NOTICE OF
ANNUAL GENERAL MEETING

(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 purchase is carried out to the full extent mandated,

(the "**Relevant Period**").

(3) in this 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 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 On-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 Resolution. **(Resolution 7)**

8. **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 8)**

NOTICE OF ANNUAL GENERAL MEETING

ANY OTHER BUSINESS

9. To transact any other business which may be properly transacted at an annual general meeting.

Dated this 12 April 2024

BY ORDER OF THE BOARD

Foo Soon Soo (Ms)
Company Secretary

EXPLANATORY NOTES:

(i) Resolution 2 – Mr Charles Wang Chong Guang will upon re-election, continue as Non-Executive Chairman and a member of the Audit and Risk Management Committee and the Remuneration Committee. Detailed information on Mr Wang pursuant to Rule 704(7) of the Catalist Rules can be found in the Annual Report 2023.

(ii) Resolution 3 – Ms Alice Ng Bee Yee will upon re-election, remain as the Chairperson of the Audit and Risk Management Committee and a member of the Remuneration Committee. She is considered independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Ms Ng pursuant to Rule 704(7) of the Catalist Rules can be found in the Annual Report 2023.

(iii) Resolution 6 – If passed, will enable the Directors to issue shares and convertible securities up to 100% of the total number of issued shares excluding treasury shares and subsidiary holdings (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares and convertible securities 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.

(iv) Resolution 7 – If passed, will empower the Directors, to repurchase Shares by way of on-market purchases or off-market purchases of up to 10% of the total number of issued shares (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 attached to the Annual Report.

(v) Resolution 8 – 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.

NOTES:

General

1. The AGM is being convened, and will be held physically. All members of the Company are cordially invited to attend the AGM in person. There will be no option for members to participate virtually.

2. Printed copies of this Notice of AGM, accompanying Proxy Form and the Request Form for a printed copy of the Annual Report will be despatched by post to the members of the Company. The Annual Report will not be despatched to the members of the Company. All documents (the Annual Report, the Proxy Form, and this Notice of AGM) have been, or will be, published on the SGX website at https://www.sgx.com/securities/company-announcements and the Company's website at www.asiamedic.com.sg or https://asiamedic.listedcompany.com/.

NOTICE OF ANNUAL GENERAL MEETING

Register in person to attend the AGM

3. Members and (where applicable) duly appointed proxies can attend the AGM in person. To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Every attendee is required to bring his or her NRIC or passport to enable the Company to verify his or her identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

Submission of proxies

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's Proxy Form appoints two proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. The number and class of shares in relation to each proxy shall be specified in the Proxy Form.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

5. A proxy need not be a member of the Company.

6. The Proxy Form must be submitted to the Company in the following manner:

   (a) mail or lodged with Company's Share Registrar, KCK CorpServe Pte. Ltd. at 1 Raffles Place, #04-63 One Raffles Place, Tower 2, Singapore 048616; or

   (b) email to the Company at aml-meetings@asiamedic.com.sg.

   by Friday, 26 April 2024, 10.00 a.m. Singapore time (being 72 hours before the time appointed for the holding of the AGM).

   A member who wishes to submit a Proxy Form must complete and sign it before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above.

7. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form 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.

8. In the case of members whose shares are entered against their names in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001 of Singapore), the Company may reject the form of proxy submitted if such members' names do not appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM.

9. 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 votes at the AGM in person if appointed as proxy of his/her CPF Agent Banks and/or SRS Operators. If the CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their respective CPF Agent Banks and SRS Operators to appoint the Chairman of the Meeting to act as their proxy.

Submission of questions

10. Members, CPF Investors and SRS Investors may submit substantial and relevant questions related to the resolutions to be tabled at the AGM ahead of the AGM by email to aml-meetings@asiamedic.com.sg by 10.00 a.m. on 19 April 2024.

11. The Company will endeavour to address all substantial and relevant questions if received by the prescribed deadline above and post the answers on SGX website and the Company's website prior to the AGM. For substantial and relevant questions received after the prescribed deadline, the Company will endeavour to address them together with questions raised at the AGM. Where substantially similar questions are received, they will be consolidated and not all questions may be individually addressed.

Minutes of Annual General Meeting

12. The minutes of the AGM together with the responses to the substantial and relevant questions by the shareholders not already answered and announced, will be posted on the SGX website and the Company's website within one month after the date of the AGM.

NOTICE OF
ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting the Proxy Form, 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 or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his/her name, his/her presence at the AGM, and any questions he/she may raise or resolutions he/she propose) may be recorded by the Company for such purpose.

SPONSOR STATEMENT:

This announcement has been reviewed by the Company's Sponsor, Xandar Capital Pte Ltd. It has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The contact person for the Sponsor is Ms Pauline Sim (Registered Professional) at 3 Shenton Way, #24-02 Shenton House, Singapore 068805. Telephone number: (65) 6319 4954.

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:

Name of Director	**Mr Charles Wang Chong Guang**
Date of Appointment	22 March 2019
Date of last re-appointment (if applicable)	29 April 2022
Age	59
Country of principal residence	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board had considered the Nominating Committee's recommendation and assessment on Mr Wang's qualifications and experiences as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that he will continue to contribute relevant knowledge, skills and experience and complement the diversity of the Board. The Board and Nominating Committee had also considered the Board Diversity Policy.
satisfied that he will continue to contribute relevant knowledge, skills and experience and complement the diversity of the Board. The Board and Nominating Committee had also considered the Board Diversity Policy.	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	● Non-Executive Chairman ● Member of the Audit and Risk Management Committee ● Member of the Remuneration Committee
Professional qualifications	BA (Hons) in Economics and Accounting
Working experience and occupation(s) during the past 10 years	Feb 2015 – Present Group CEO, Luye Medical Group Feb 2015 – Dec 2016 Group Vice-President of M&A and Financing, Luye Pharma Group Jul 2012 – Feb 2015 Chief Financial Officer, China NT Pharma Group
Shareholding interest in the listed issuer and its subsidiaries	Nil
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	Mr Wang is currently the Group CEO of Luye Medical Group of which the controlling shareholders of the Company have an interest in
Conflict of interest (including any competing business)	Nil

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name of Director	Mr Charles Wang Chong Guang
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships	
Past (for the last 5 years)	AsiaMedic Heart & Vascular Centre Pte. Ltd. (1) Luye Pharma Hong Kong Grand Plus Limited TCI Cardiology Pte. Ltd. Luye Pharma Switzerland AG Luye Pharma (Germany) GmbH OncoCare Medical Pte. Ltd.
Present	Luye Medical International Pte. Ltd. Luye Medical Investment Pte. Ltd. Luye Medical Group Pte. Ltd. Luye Medical Holdings Singapore Pte. Ltd. Solid Success Limited Luye Medical NHC Pte. Ltd. Luye Medical Urology Pte. Ltd. Luye Medical Hong Kong Limited Luye Medical Management Limited Luye Medical Advisory Limited Best Link Investment Limited Luye Medical International Holdings Limited Luye Medical International Group Limited Luye Australia Holdings Pty Ltd Luye Australia Pty Ltd Australian Hospital Partners Holding Pty Limited Australian Hospital Partners Pty Ltd. Healthe Care Australia Pty Ltd. The Orchard Imaging 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. Healthe Care Hong Kong Limited Luye Medical MH Limited

Note (1) - Amalgamated with The Orchard Imaging Centre Pte. Ltd. since 1 February 2024 as announced by the Company on 1 February 2024.

Mr Wang had provided a negative response to items (a) to (k) of Appendix 7.4.1 of the Catalist Rules.

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 Director as set out in Appendix 7F of the Catalist Rules is as set out below:

Name of Director	**Ms Alice Ng Bee Yee**
Date of Appointment	29 April 2021
Date of last re-appointment (if applicable)	29 April 2022
Age	48
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board had considered the Nominating Committee's recommendation and assessment on Ms Ng's qualifications and experiences as well as the overall size, composition and diversity of skillsets of the Board, and is satisfied that she will continue to contribute relevant knowledge, skills and experience and complement the diversity of the Board. The Board and Nominating Committee had also considered the Board Diversity Policy.
satisfied that she will continue to contribute relevant knowledge, skills and experience and complement the diversity of the Board. The Board and Nominating Committee had also considered the Board Diversity Policy.	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	● Independent Director ● Chairperson of the Audit and Risk Management Committee ● Member of the Remuneration Committee
Professional qualifications	Bachelor of Accountancy, Nanyang Technological University
Working experience and occupation(s) during the past 10 years	Jun 2022 – Current Head of Finance Golden Energy And Resources Pte. Ltd. (formerly known as Golden Energy and Resources Limited) Jul 2016 – May 2022 Director of Continuing Sponsorship ZICO Capital Pte. Ltd. Jan 2015 – Mar 2016 Director, Corporate Finance (Continuing Sponsorship) Canaccord Genuity Singapore Pte. Ltd. Aug 2014 – Oct 2014 Director, Corporate Finance CIMB Bank Berhad
Shareholding interest in the listed issuer and its subsidiaries	Nil

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Name of Director	**Ms Alice Ng Bee Yee**
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments including Directorships	
Past (for the last 5 years)	Nil
Present	Nil

Ms Ng had provided a negative response to items (a) to (k) of Appendix 7.4.1 of the Catalist Rules.

ASIAMEDIC LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No.: 197401556E

IMPORTANT

1. This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967). Such investors should approach their relevant intermediary as soon as possible to specify their voting instructions.

PERSONAL DATA PRIVACY

2. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

PROXY FORM

*I/We ______________________ (name) ______________ (*NRIC/passport/company registration no.)

of ____ (address)

being *a member/members of ASIAMEDIC LIMITED (the "**Company**"), hereby appoint:

Name	Address	NRIC / Passport No.	Proportion of Shareholdings (%)
*and/or (delete as appropriate)			

or failing *him/her/them, the Chairman of the Meeting 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 Seminar Room 3, Singapore Business Federation, 160 Robinson Road #06-01, SBF Centre, Singapore 068914 on Monday, 29 April 2024 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against or abstain from voting on the resolutions to be proposed at the AGM in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion.

* Please delete accordingly.

Please indicate your vote "For" or "Against" or "Abstain" with a tick [√] within the box provided.

No.	Ordinary Resolutions	For**	Against**	Abstain**
1	Adoption of the audited financial statements for the financial year ended 31 December 2023 and the Directors' Statement and Auditor's Report thereon			
2	Re-election of Mr Charles Wang Chong Guang as Director retiring pursuant to Regulation 89 of the Company's Constitution			
3	Re-election of Ms Alice Ng Bee Yee as Director retiring pursuant to Regulation 89 of the Company's Constitution			
4	Approval of Directors' fee for the financial year ended 31 December 2023			
5	Re-appointment of Baker Tilly TFW LLP as Auditors			
6	Authority to issue shares and instruments convertible into shares			
7	Renewal of the Share Purchase Mandate			
8	Authority to grant options and to allot and issue shares under the AsiaMedic Employee Share Option Scheme 2016			

** Voting will be conducted by poll. If you wish to exercise all your votes "For", "Against" or to "Abstain", please indicate with a [√] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ________________ 2024

Total No. of Shares held	No. of Shares
In Depository Register	
In Register of Members	

____
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 appoints 2 proxies, the proportion of the shareholding concerned to be represented by each proxy shall be specified in Proxy Form.

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. The number of shares in relation to each proxy shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 (the "Companies Act").

3. A proxy need not be a member of the Company.

4. The Proxy Form must be submitted to the Company in the following manner:

   (a) mail or lodged with Company's Share Registrar, KCK CorpServe Pte. Ltd. at 1 Raffles Place, #04-63 One Raffles Place, Tower 2, Singapore 048616; or

   (b) email to the Company at aml-meetings@asiamedic.com.sg;

   by 26 April 2024, 10.00 a.m. Singapore time (being 72 hours before the time appointed for the holding of the AGM).

   A member who wishes to submit a Proxy Form must complete and sign it before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above.

5. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form 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. In the case of members whose shares are entered against their names in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001 of Singapore), the Company may reject the form of proxy submitted if such members' names do not appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM.

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 votes at the Annual General Meeting in person if appointed as proxy of his/ her CPF Agent Banks and/or SRS Operators. If the CPF and SRS Investors who are unable to attend the Annual General Meeting but would like to vote, may inform their respective CPF Agent Banks and SRS Operators to appoint the Chairman of the Meeting to act as their proxy.

8. Completion and return of this Proxy Form 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 by resolution of its directors or other governing body authorise 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/her name in the Register of Members of the Company, he/she should insert the aggregate number of shares. If no number is inserted, this Proxy Form will be deemed to relate to all the shares held by the member of the Company.

11. Personal data privacy: By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM.

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