ASIAMEDIC LIMITED

THE CHOICE HEALTHCARE PROVIDER IN SINGAPORE

ANNUAL REPORT 2020

CORPORATE CULTURE

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

VISION & MISSION

VISION
The choice healthcare provider in Singapore

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

VALUES & BRAND PROMISE

COMPETENCE
Commitment to ensuring the highest professional standards of service and expertise

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

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

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

CONTENTS

ASIAMEDIC BUSINESS UNITS

ASIAMEDIC WELLNESS ASSESSMENT CENTRE

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

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

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

ASIAMEDIC DIAGNOSTIC IMAGING CENTRE

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

ASIAMEDIC BUSINESS UNITS

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

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

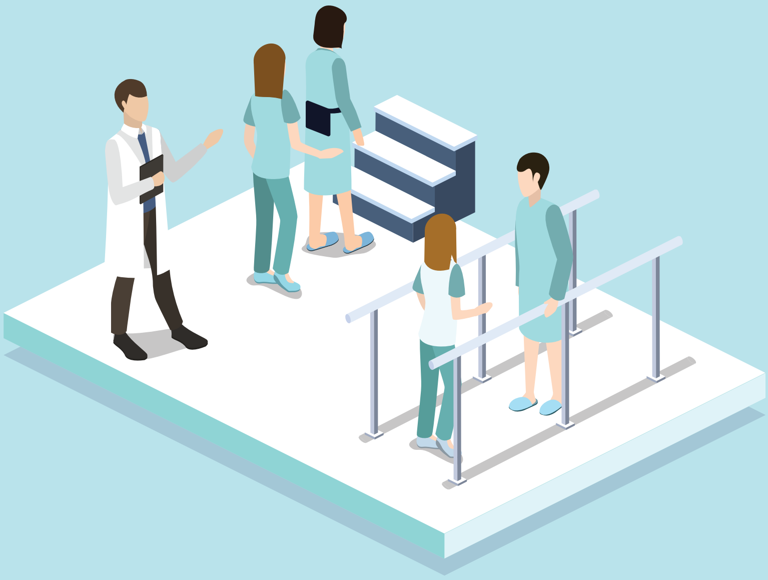
ASIAMEDIC ASTIQUE THE AESTHETIC CLINIC

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

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

COMPLETE HEALTHCARE INTERNATIONAL

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



BOARD OF DIRECTORS

MR CHARLES WANG CHONG GUANG

Non-Executive Chairman

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

Mr Wang began his career with Kingston Smith Chartered Accountants in London, United 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 which was previously listed in the United Kingdom, as a Finance Director. In June 1999, Mr Wang joined Asia Renal Care Limited, a healthcare services company which specialised in providing kidney dialysis services in the Asia Pacific region, as the Chief Financial Officer. In December 2008, Mr Wang joined Tongjitang Chinese Medicine Limited, a company which was previously listed on the New York Stock Exchange which specialised in the manufacturing and distribution of modern Chinese medicine, as the Chief Financial Officer.

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

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

MR TAN SOO KIAT

Non-Executive Director

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

BOARD OF DIRECTORS

MR GOH KIAN CHEE

Independent Director

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

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

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

MR CHUA KENG WOON

Independent Director

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

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

BOARD OF DIRECTORS

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 when he joined Singapore General Hospital as a management trainee and was later promoted to Administrator (Clinical Services) responsible for allied health services and various hospital operations. He served as Chief Operating Officer of National University Hospital from 1994 to 2000 during which he was responsible for overall operations of the hospital and helped commissioning the hospital's expansion wing. He also helped steer the hospital toward improvements in service quality as well as operational efficiency.

Mr Leong joined Thomson Medical Group as its Group Chief Executive Officer in 2000 to lead the commissioning and management of the new medical annex building and steered the hospital's strategic development.

Mr Leong joined National Healthcare Group in 2002 and was appointed Chief Executive Officer of Woodbridge Hospital/Institute of Mental Health from 2002 to 2011. In 2009, he was appointed Chief Executive Officer of National Healthcare Group Polyclinics in concurrent to his appointment at Institute of Mental Health. He stayed on as Chief Executive Officer of National Healthcare Group Polyclinics till 2014.

In 2016, Mr Leong was appointed Chief Executive Officer (Great China and North Asia) 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 operation and management of its eight member 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.

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

MS JOELLE LEE SIEW HONG

Alternate Non-Executive Director to Mr Charles Wang Chong Guang

Ms Lee has over 25 years of experience in healthcare operations, management consulting and health insurance industry. She helmed senior leadership position in both public and private healthcare sectors in Singapore in the areas of hospital operations, healthcare management, mergers and acquisitions, innovation & health technology, and healthcare financing. She has experience in planning and commissioning of greenfield hospital in Singapore, program development, outcome management and data analytics and has also lectured in hospitals and academic institutions locally and overseas. Ms Lee holds a Bachelor Degree in Nursing and a Master Degree in Nursing from the National University of Singapore.

SENIOR MANAGEMENT & CLINICIAN LEADERS

DR WONG KAE THONG

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

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

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

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

DR CELINE LEONG

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

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

Dr Leong will be leaving the Group in May 2021.

MR STANLEY WOO

Group Financial Controller
B. Com.

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.

CHAIRMAN'S STATEMENT

DEAR SHAREHOLDERS

2020 has been a tumultuous year. Our results reflected the impact of the COVID-19 pandemic which surfaced in early 2020. The Singapore government implemented circuit breaker between 7 April 2020 and 1 June 2020 to curb the spread of the COVID-19 pandemic (the "Circuit Breaker") which led to clinic closures, suspension of services, and reduced demand during this period. Before the Circuit Breaker, many customers and patients had already avoided visits to clinics, including our clinics, to mitigate their risk of infection. There was an improvement in patient volumes in the second half of FY2020 with the gradual reopening of the economy although the pace of recovery was uneven across our various businesses. As a result, the Group's revenue decreased by 20% to S$15.3 million in FY2020. The Group's loss for the year was S$4.3 million in FY2020 compared to a loss of S$0.6 million in FY2019. The higher loss was due mainly to the impact of asset impairments of S$4.2 million and an additional provision for the reinstatement of premises of S$0.2 million in FY2020. Excluding the asset impairments and provision, the Group's results would have been a profit of S$103,000 in FY2020, due mainly to the financial support grant income from the government.

IMAGING BUSINESS

The number of international patients seeking treatment in Singapore decreased due to border control measures imposed by governments. The lack of medical tourism in Singapore have had an impact on all our businesses, in particular, the imaging business. In view of the projected decline in earnings of the imaging business due to the negative impact of COVID-19 and increased competition, an impairment for imaging right-of-use assets, property, plant and equipment of S$4.2 million was recognised in FY2020.

WELLNESS BUSINESS

The Group's executive health screening was not permitted to operate during the Circuit Breaker. The executive health screening business registered a gradual increase in patient visits in the second half of FY2020 following the reopening of the economy in June 2020. All onsite school and community screening programmes were suspended during the Circuit Breaker with only some of the programmes resuming in the second half year.

The Group leveraged its resources and medical expertise and contributed to the fight against the COVID-19 pandemic. We assisted the National Centre for Infectious Diseases ("NCID") to draw blood samples of certain groups of people for COVID-19 research by NCID. We also seconded our staff to the Health Promotion Board to support the government's wider COVID-19 swab testing efforts and to visit hawkers to share information on various topics related to COVID-19, such as hand hygiene and mental health.

AESTHETIC AND INTERNATIONAL CLINIC BUSINESSES

The aesthetics business was not permitted to operate during the Circuit Breaker. There was an improvement in demand after the Circuit Breaker but as at 31 December 2020, the number of aesthetics appointments was still below the pre-pandemic level. While the international clinic was permitted to operate during the Circuit Breaker, the patient load was low. However, patient visits gradually recovered in the second half of 2020.

CHAIRMAN'S STATEMENT

OUTLOOK

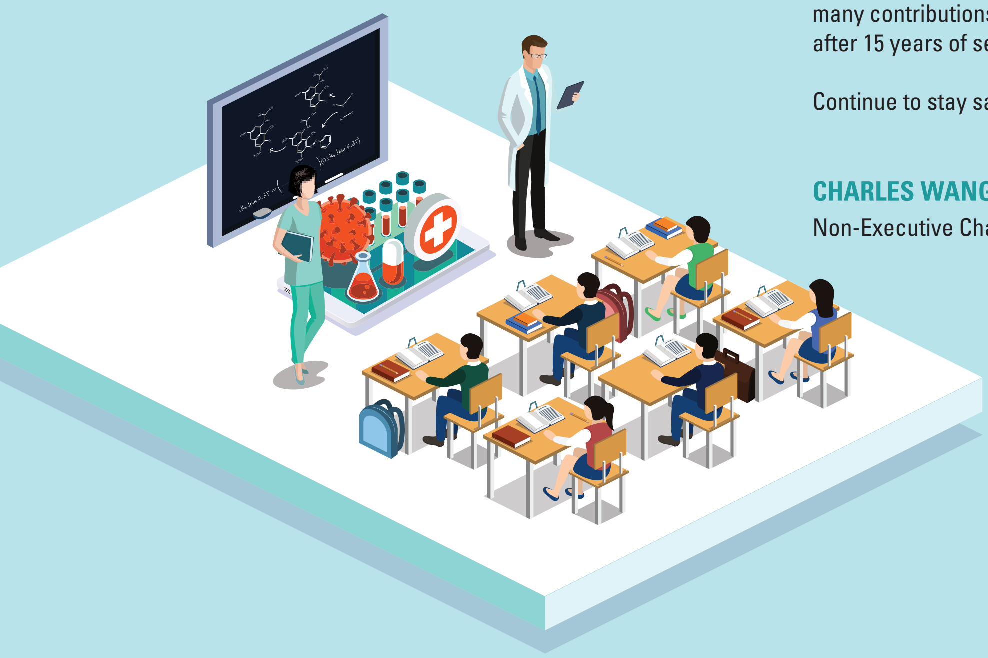
The outbreak of the COVID-19 pandemic in the first half of 2020 affected our operations. Business conditions will continue to be challenging amid the ongoing uncertainties associated with the COVID-19 pandemic. Our wellness and international clinic businesses witnessed an encouraging return by customers and patients in the second half of 2020 following the gradual reopening of the economy. However, there is no assurance that the number of patient visits will resume to the pre-pandemic level. While our onsite health screening and related services in schools and the community are scheduled to gradually resume in 2021, we expect the volume of certain services to be scaled down due to deferrals by customers and social distancing measures. The level of demand for our aesthetic services has not fully recovered due to cautious consumer sentiments. The lack of medical tourism in Singapore due to travel restrictions arising from the COVID-19 pandemic will continue to have an impact on all our businesses, in particular, the imaging business. The Group will continue to optimize the utilization of the imaging business's facilities, resources and staff.

The Group will strive to create value for its stakeholders by being agile and prudent in its approach and strategy, improve cost efficiency, and will continue to set itself apart by providing cost-effective, quality care and outstanding service to its patients and clients. Our long-standing reputation as a respected and trusted provider of quality services and care at competitive prices will continue to benefit us as the situation gradually improves.

IN APPRECIATION

We would like to pay tribute to the following groups of people whose support has helped us, in one way or other, in navigating through the difficult year.

Firstly, we are thankful for the government's approach and measures taken to contain the spread of COVID-19 in Singapore. This has enabled the country to have a good control of the pandemic and prevented a resurgence of infections and the gradual resumption of social and business activities from June 2020, clearing a path for the economy to emerge from a recession. The financial support packages of the Job Support Scheme and Rental Relief Scheme to help businesses have also partially offset our significant decrease in revenue during the year. The various ministries' advisories, guidances and directives, for example on infection control and safe management, have also been important resources to us in implementing health and safety protocols to operate safely and prevent infections at our clinics and premises.



Secondly, we would like to thank our customers and patients for returning and entrusting us with their care following the reopening of the economy in June 2020. Our top priority of providing quality services and care at competitive prices to all our customers and patients remains unchanged in these difficult times.

Thirdly, a word of thanks to our staff for their professionalism as they responded and adapted to the changes to their work and workplace brought about by the pandemic. Our people rose to the challenge of ensuring the continued delivery of quality care and services to customers and patients in all circumstances. We would like to share one uplifting example. When the aesthetic clinic had to close during the Circuit Breaker and could not operate, instead of being unoccupied, our aesthetic doctors stepped forward to care for COVID-19 patients in public facilities.

Fourthly, on behalf of the Directors, we would like to extend our sincere gratitude to our shareholders for their continuous support and commitment, particularly those who supported our Rights Issue which was completed in January 2020. The Group raised net proceeds of S$3.5 million which have been invaluable to the strengthening the Group's financial position and in managing the Group's liquidity in an uncertain operating environment.

Lastly, I would like to express my appreciation to the Board of Directors for their invaluable guidance and support. I want to warmly welcome Leong Yew Meng who joined the Board in July 2020. I would like to thank Goh Kian Chee and Tan Soo Kiat, who are retiring at the forthcoming Annual General Meeting, for their many contributions. Kian Chee is retiring as Independent Director after 15 years of service.

Continue to stay safe and healthy to all.

CHARLES WANG
Non-Executive Chairman

FINANCIAL REVIEW

The Group's revenue decreased by S$3.7 million or 20% to S$15.3 million for the financial year ended 31 December 2020 ("**FY2020**") from S$19.0 million for the financial year ended 31 December 2019 ("**FY2019**") due mainly to the COVID-19 pandemic. As mentioned in the previous announcements of the Company, the Group's executive health screening and aesthetics businesses were not permitted to operate and the onsite school and community screenings were suspended during the circuit breaker period implemented by the Singapore Government between 7 April 2020 and 1 June 2020 to curb the spread of the COVID-19 pandemic ("**Circuit Breaker**"). Before the Circuit Breaker, many customers and patients also avoided visits to our clinics to mitigate their risks of contracting COVID-19 and the number of patients decreased substantially. There was an improvement in patient volumes in the second half of FY2020 with the gradual reopening of the economy although the pace of recovery was uneven across our various businesses. The Group's executive health screening and international clinic businesses registered a gradual increase in patient visits in the second half of FY2020 while the other businesses did not fully recover.

Other income increased to S$2.1 million in FY2020 from S$204,000 in FY2019 due mainly to the grants received from the Job Support Scheme and Rental Relief Scheme put in place by the Singapore Government to help Singapore enterprises affected by the COVID-19 pandemic.

The decrease in consumables, personnel expenses and other operating expenses was due to the reduced business activities. The Directors and management also took a 20% voluntary pay cut for the months of May and June 2020. The decrease in finance costs of S$260,000 or 57% was due mainly to the capitalisation of the shareholder's loans of S$5 million as a result of the Rights Issue. The increase in depreciation of S$0.2 million was due to an additional provision for the reinstatement of premises. The impairments were for imaging right-of-use assets, property, plant and equipment of S$4.2 million due to challenging market conditions in this industry resulting from the pandemic. The share of results of associate decreased by S$186,000 or 33% as a result of lower sales due to the COVID-19 pandemic and lower sale prices.

As a result, the Group recorded a loss for the year of S$4.3 million in FY2020 compared to a loss of S$0.6 million in FY2019. Excluding the impact of the impairments and provision of S$4.4 million, the Group's profit for FY2020 would have been S$103,000.

BALANCE SHEET

NON-CURRENT ASSETS

Non-current assets decreased to S$4.9 million as at 31 December 2020 from S$11.5 million as at 31 December 2019 due mainly to depreciation and impairments during the year as mentioned in above.

CURRENT ASSETS

Current assets increased to S$12.0 million as at 31 December 2020 from S$7.7 million as at 31 December 2019 due mainly to the increase in cash and short-term deposits as a result of the Rights Issue. Trade receivables decreased to S$2.4 million as at 31 December 2020 from S$2.9 million as at 31 December 2019 due mainly to receipt of payments for health screening projects with government agencies and reduced business activities.

CURRENT LIABILITIES

Current liabilities decreased to S$5.5 million as at 31 December 2020 from S$5.8 million as at 31 December 2019 due mainly to the decrease in trade and other payables as a result of the lower level of activities during the year due to the COVID-19 pandemic.

NET CURRENT ASSETS

As a result of the increase in current assets and decrease in current liabilities, net current assets increased to S$6.5 million as at 31 December 2020 from S$2.0 million as at 31 December 2019.

NON-CURRENT LIABILITIES

Non-current liabilities decreased to S$3.3 million as at 31 December 2020 from S$9.6 million as at 31 December 2019 due mainly to the conversion of the shareholder's loans as a result of the Rights Issue.

CASH FLOW

The Group has a cash inflow from operations of S$2.3 million in FY2020 compared to an inflow of S$90,000 in FY2019 due mainly to the collection of trade receivables from government agencies. Cash inflow from financing activities were S$2.3 million in FY2020 compared to an outflow of S$0.4 million in FY2019 due mainly to the Rights Issue (Note 25 to the financial statements).

FINANCIAL HIGHLIGHTS

	2016	2017	2018	2019	2020
	S$	S$	S$	S$	S$
Revenue	20,573,255	19,015,381	18,828,662	18,989,960	15,279,133
Loss before taxation	(2,029,304)	(4,228,107)	(4,043,913)	(588,233)	(4,295,166)
Net loss after tax attributable to owners of the Company	(1,628,440)	(4,226,687)	(4,774,824)	(588,233)	(4,295,166)
Share capital and reserves	13,381,895	9,138,913	4,376,695	3,813,674*	8,040,118
	Cents	Cents	Cents	Cents	Cents
Loss per share – Basic	(0.42)	(1.08)	(1.22)	(0.15)	(0.39)
– Diluted	(0.42)	(1.08)	(1.22)	(0.15)	(0.39)
Net asset value per share	3.43	2.34	1.12	0.98	0.72

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

GROUP STRUCTURE

SUBSIDIARIES (100%)

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

ASSOCIATE (33%)

Positron Tracers Pte Ltd

* Inactive

CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr Charles Wang Chong Guang (Non-Executive Chairman)
Mr Tan Soo Kiat (Non-Executive Director)*
Mr Goh Kian Chee (Independent Director)*
Mr Chua Keng Woon (Independent Director)
Mr Leong Yew Meng (Independent Director)
Ms Joelle Lee Siew Hong (Alternate Non-Executive Director to Mr Charles Wang)

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

NOMINATING COMMITTEE
Mr Chua Keng Woon (Chairman)
Mr Leong Yew Meng
Mr Tan Soo Kiat

REMUNERATION COMMITTEE
Mr Goh Kian Chee (Chairman)
Mr Leong Yew Meng
Mr Charles Wang Chong Guang

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

COMPANY SECRETARY
Ms Foo Soon Soo

Note: *Mr Tan and Mr Goh retire as Directors at the forthcoming Annual General Meeting and will not seek re-election.

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

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

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PRINCIPAL BANKER
DBS Bank Ltd

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

CORPORATE GOVERNANCE REPORT

The Board of Directors of AsiaMedic Limited (the "Company") is committed to ensuring that high standards of corporate governance and transparency are practised for the interest of all shareholders. This report describes the corporate governance framework and practices of the Company with specific reference made to each of the principles of the Code of Corporate Governance 2018 (the "Code") pursuant to Rule 710 of the Listing Manual (Section B: Rules of Catalist) (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the financial year ended 31 December 2020 ("FY2020"). The Company confirms that it has adhered to the principles and guidelines of the Code and has specified each area of non-compliance, where appropriate. The Company will continue to improve its systems and corporate governance processes in compliance with the Code. Some of the information required under the Code are set out in other sections of this Annual Report. Hence, shareholders should read this Annual Report in entirety.

BOARD MATTERS

The Board's Conduct of Affairs

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

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

		Date of appointment as Director
Mr Charles Wang Chong Guang	Non-Executive Chairman	23 March 2019
Mr Tan Soo Kiat	Non-Executive Director	3 June 2015
Mr Goh Kian Chee	Independent Director	27 February 2006
Mr Chua Keng Woon	Independent Director	15 August 2018
Mr Leong Yew Meng	Independent Director	16 July 2020
Ms Joelle Lee Siew Hong	Alternate Non-Executive Director to Mr Charles Wang	11 August 2020

Mr Tan Soo Kiat and Mr Goh Kian Chee will be retiring at the forthcoming Annual General Meeting to be held on 29 April 2021 and will not be seeking re-election.

Provision 1.1
Board's role

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

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

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

CORPORATE GOVERNANCE REPORT

Provision 1.2
Scope of director's duties

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

Induction, training and development of new and existing directors

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

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

Mr Leong Yew Meng and Ms Joelle Lee Siew Hong who were appointed to the Board during the financial year have attended the Listed Entity Director Essentials Course conducted by the Singapore Institute of Directors.

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

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

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

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

   (b) provisions under the Catalist Rules;

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

   (d) Code of Corporate Governance; and

   (e) financial reporting standards relevant to the Group.

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

CORPORATE GOVERNANCE REPORT

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 such expenditures 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.

	Board		Board Committees		
Name of Director	**Non-Executive Directors**	**Independent Directors**	**ARMC**	**RC**	**NC**
Mr Charles Wang Chong Guang	Chairman	–	–	Member	–
Mr Tan Soo Kiat	Member	–	Member	–	Member
Mr Goh Kian Chee	–	Member	Chairman	Chairman	–
Mr Chua Keng Woon	–	Member	Member	–	Chairman
Mr Leong Yew Meng	–	Member	–	Member	Member

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

CORPORATE GOVERNANCE REPORT

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

The EXCO was constituted on 26 November 2020. The objectives of the EXCO, amongst others, are to assist the Board in the following:

(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 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 current EXCO is made up of the following members: Mr Charles Wang Chong Guang (Non-Executive Chairman), Ms Joelle Lee Siew Hong (Alternate Non-Executive Director to Mr Charles Wang), Dr Wong Kae Thong (Chief Operating Officer) and Mr Stanley Woo (Group Financial Controller).

The information on the AC, RC and NC are disclosed in this report below.

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 FY2020:

	Types of meetings			
	Board	**ARMC**	**RC**	**NC**
Mr Charles Wang Chong Guang	7/7	–	1/1	–
Mr Tan Soo Kiat	7/7	2/2	–	1/1
Mr Goh Kian Chee	7/7	2/2	1/1	–
Mr Chua Keng Woon	7/7	2/2	–	1/1
Mr Lawrence Peter Lim Hong Haw[1]	4/4	–	1/1	1/1
Mr Leong Yew Meng[2]	3/3	–	–	–

(1) Mr Lawrence Peter Lim Hong Haw retired as Independent Director on 19 June 2020.

(2) Mr Leong Yew Meng was appointed Independent Director on 16 July 2020.

In addition to the above formal meetings, the Directors also had discussions in the course of the financial year.

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

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

CORPORATE GOVERNANCE REPORT

Provision 1.6
Board's access to information

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

The Management are available to provide explanatory information in the form of briefings or formal presentations to the Directors in attendance at Board 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 has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Group. The independence of each Director is reviewed annually by the NC, based on the definition of independence as stated in the Code.

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

CORPORATE GOVERNANCE REPORT

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

Mr Goh has informed that he is not seeking re-election and will retire at the forthcoming annual general meeting of the Company ("AGM") due to the nine-year cap rule on director independence under the Catalist Rules.

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 a majority of the Board is made up of Independent Directors.

Provision 2.4
Composition and diversity of the Board

With the retirement of Mr Tan Soo Kiat and Mr Goh Kian Chee at the forthcoming AGM, the Board will comprise three members, namely Mr Charles Wang (Non-Executive Chairman), Mr Chua Keng Woon (Independent Director) and Mr Leong Yew Meng (Independent Director). While the Board continues to comply with the Code (in terms of Board composition) after the cessation of Mr Tan's and Mr Goh's directorships, the Board intends to appoint an additional director for better board diversity.

While the Board has not adopted any diversity policy, the NC reviews the composition and diversity of the Board at least once annually to ensure that the Board has the appropriate mix of expertise and experience and collectively possess the necessary core competencies for effective functioning and informed decision-making.

Provision 2.5
Role of non-executive directors

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

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

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

CORPORATE GOVERNANCE REPORT

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 Chief Operating Officer ("COO") are separate. The Group does not have a Chief Executive Officer ("CEO").

While Mr Charles Wang (the Non-Executive Chairman of the Board) is a member of the EXCO, Mr Charles Wang (and the EXCO) do not take on the role of a CEO.

Provision 3.2
Roles and Responsibilities of the Chairman

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

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

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

Provision 3.3
Lead independent director

The Board has considered the Group's current business scale and operations and noted that three out of its five board members are Independent Directors. The Independent Directors and the Non-Executive Directors individually and collectively are available to shareholders as a channel of communication between shareholders and the Board or the Management. With the retirement of Mr Tan Soo Kiat and Mr Goh Kian Chee at the forthcoming AGM, the Board will comprise three members, out of which two are independent directors. Given the size of the Board, there is no need for a Lead Independent Director ("LID"). The Board will review the need for the appointment of a LID periodically.

BOARD MEMBERSHIP

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

Provisions 4.1 and 4.2
Nominating Committee

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

Mr Chua Keng Woon	Chairman	Independent Director
Mr Leong Yew Meng (from 16 July 2020)	Member	Independent Director
Mr Tan Soo Kiat	Member	Non-Executive Director

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

(e) assess the independence of Independent Directors.

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

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

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

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

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

The Constitution of the Company requires a Director appointed by the Board to hold office only until the next Annual General Meeting and shall be eligible for re-election. Accordingly, Mr Leong Yew Meng who was appointed by the Board on 16 July 2020 will retire at the forthcoming AGM pursuant to Regulation 88 of the Constitution of the Company.

The Constitution of the Company requires one-third of the Board to retire from office at each AGM. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years. Mr Tan Soo Kiat and Mr Goh Kian Chee will retire by rotation at the forthcoming AGM pursuant to Regulation 89 of the Constitution of the Company and will not be seeking re-election.

In accordance with Catalist Rule 720(5), information as set out in Appendix 7F on Mr Leong Yew Meng are provided together with the resolutions on his proposed re-election.

CORPORATE GOVERNANCE REPORT

Provision 4.4
Determining directors' independence

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

Provision 4.5
Multiple board representations

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

The NC has considered other listed board representations held by the Directors to satisfy itself that the Directors give sufficient time and attention to the affairs of the Group.

During the year, due to travel restrictions arising from the COVID-19 pandemic, Mr Charles Wang (who is based in Hong Kong) has appointed Ms Joelle Lee (based on Singapore) as his Alternate Director. The appointment was not due to insufficient time and attention on the part of Mr Charles Wang.

Key information on Directors

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

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

BOARD PERFORMANCE

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

Provisions 5.1 and 5.2
Conduct of Board performance

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

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

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

CORPORATE GOVERNANCE REPORT

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 Goh Kian Chee	Chairman	Independent Director
Mr Leong Yew Meng (from 16 July 2020)	Member	Independent Director
Mr Charles Wang Chong Guang	Member	Non-Executive Chairman

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

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

Provision 6.3
Review of remuneration

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

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

Provision 6.4
Engagement of remuneration consultants

The RC will be provided with access to expert professional advice on remuneration matters as and when necessary. The expenses of such services shall be borne by the Company. No such consultant was engaged in FY2020.

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

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

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

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

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

Provision 7.2
Remuneration of non-executive directors

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

The RC has reviewed the fee structure for the Non-Executive Directors and Independent Directors as being reflective of their responsibilities and work commitments and recommends the Directors' fee for FY2020 for shareholders' approval at the AGM.

CORPORATE GOVERNANCE REPORT

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

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

DISCLOSURE OF REMUNERATION

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

Provision 8.1
Remuneration report

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

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

Directors and COO

The remuneration of the Directors and COO for FY2020 were as follows:

	Directors' fee %	Salary %	Bonus %	Other benefits %	Total %
Below S$250,000					
Non-Executive Directors					
Mr Charles Wang Chong Guang	100%	–	–	–	100%
Mr Tan Soo Kiat	100%	–	–	–	100%
Independent Directors					
Mr Goh Kian Chee	100%	–	–	–	100%
Mr Chua Keng Woon	100%	–	–	–	100%
Mr Lawrence Peter Lim Hong Haw(1)	100%	–	–	–	100%
Mr Leong Yew Meng(2)	100%	–	–	–	100%
S$250,000 – S$500,000					
Chief Operating Officer					
Dr Wong Kae Thong	–	86%	10%	4%	100%

Notes:

(1) Mr Lawrence Peter Lim Hong Haw retired on 19 June 2020.

(2) Mr Leong Yew Meng was appointed on 16 July 2020.

The aggregate Directors' fee was S$165,247 for FY2020 (FY2019: S$154,096). The increase is due mainly to the appointment of an additional independent director from 1 Oct 2019 to comply with the corporate governance requirement that independent directors should make up a majority of the Board where the Chairman is not independent.

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

The aggregate remuneration of the top 5 management personnel amounted to S$716,871 for FY2020. As the number of key management personnel is less than 5 under the Group's organisational structure, the list of top 5 management personnel includes key managerial positions.

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

Provision 8.2
Employee related to Directors, CEO or COO

The Group does not have any employee who is an immediate family member of a Director, CEO or COO in FY2020.

Provision 8.3
Employee share award and share option schemes

The Company has in place an employee share award scheme and an employee share option scheme to allow the Company to have the flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees. No share awards or share options were issued in FY2020.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

Provision 9.1
Risk management and internal controls system

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

The Board has approved a Group Risk Management Framework for the identification of key risks within the business. This Framework defines 14 categories of 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 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 FY2020.

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

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

Provision 9.2
Assurances from COO and GFC

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

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

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

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

Based on the internal controls and risk management established and maintained by the Group, work performed by the internal and external auditors, whistle blowing policy and reviews performed by the Management, the Board and relevant Board Committees, the Board is of the opinion that the Group's risk management and internal control systems (comprising financial, operational, compliance and information technology controls) for FY2020 are adequate and effective. The ARMC concurs with the Board's opinion based on their reviews of audit findings on internal controls and risks with the internal and external auditors, and the whistle blowing policy and procedures which are in place.

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

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE

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

Provisions 10.1 and 10.2
Audit and Risk Management Committee

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

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

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

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

Roles, responsibilities and authorities of ARMC

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

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

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

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

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

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

(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.

CORPORATE GOVERNANCE REPORT

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

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

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

Whistle-blowing

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

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

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

ARMC's comments on key audit matters

The ARMC also reviewed the key audit matters ("KAMs") set out in the external auditor's report for FY2020. The external auditor has identified the KAMs as (i) going concern assessment, (ii) impairment assessment on goodwill, (iii) impairment assessment on property, plant and equipment, and right-of-use assets, and (iv) impairment assessment on investment in subsidiaries and amounts due from subsidiaries.

In connection with the going concern matter identified by the external auditor, based on the projections and the cash and cash equivalents position of the Group, the ARMC and the Board believe that the Group will be able to continue as a going concern and will be able to pay its debts as and when they fall due for the next 12 months.

In respect of the other KAMs, the ARMC 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. Additionally, the ARMC considered and evaluated the methodology and key assumptions applied in the Management's expected credit loss ("ECL") model to determine the ECL allowance to be recognised on the amounts due from subsidiaries. The ARMC concurred with the Management's impairment assessments on (i) goodwill, (ii) property, plant and equipment, and right-of-use assets, and (iii) investment in subsidiaries and amounts due from subsidiaries, and accordingly concurred with the overall impairments recognised for FY2020.

CORPORATE GOVERNANCE REPORT

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

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

Provision 10.4
Internal audit function

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

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

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

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

The internal auditors completed a review during FY2020 in accordance with the internal audit plan approved by the ARMC with reference to the Group risk management framework. During the review, the internal auditors have unfettered access to the relevant documents, records, properties and personnel of the Group. The findings and recommendations of the internal auditors, the Management's responses, and the Management's implementation of the recommendations have been reviewed and approved by the ARMC. The ARMC is of the view that the internal audit function is independent, effective and adequately resourced.

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

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

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Provision 11.1
Shareholders participation and voting at general meetings

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

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

At the 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.

CORPORATE GOVERNANCE REPORT

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.

In FY2020, due to the COVID-19 pandemic, the Company has held AGM by electronic means as members of the Company were not allowed to attend AGM in person. The Company has despatched the annual report for FY2019 more than one month ahead of the AGM and invited shareholders to submit their questions ahead of the AGM. Questions raised by the shareholders were addressed ahead of the AGM and published on the Company's corporate website and on SGXNet. The minutes of the AGM were announced on the SGXNet. The Company is likely to conduct the forthcoming AGM in similar manner.

Provision 11.2
Separate resolutions at general meetings

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

Provision 11.3
Attendance of directors and auditors at general meetings

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

Provision 11.4
Absentia voting

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

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

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

Provision 11.5
Minutes of general meetings

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

Provision 11.6
Dividend

The details of dividend payment to shareholders will be disclosed via the release of the announcements through SGXNet. No dividend is declared or recommended due to the performance of the Group for FY2020. The Group's cash balance will be reserved for business operational purposes. The Company does not have a policy on payment of dividend. The Board will consider the Group's level of cash and retained earnings and projected working capital requirements, capital expenditure and investments in proposing a dividend.

CORPORATE GOVERNANCE REPORT

ENGAGEMENT WITH SHAREHOLDERS

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

Provision 12.1
Avenues for communication between the Board and shareholders

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

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

Information is disseminated to shareholders on a timely basis through:

(a) SGXNet announcements and news releases;

(b) Annual Reports issued to all shareholders;

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

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

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

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

Provisions 12.2 and 12.3
Investor relations

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

ENGAGEMENT WITH STAKEHOLDERS

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

Provisions 13.1 and 13.2
Engage with its material stakeholder groups

The Group's material stakeholders are its shareholders, customers, employees, regulator and suppliers. The engagement with them is set out in its Sustainability Report for FY2019 published on 16 May 2020 on SGXNet.

The Company will publish its Sustainability Report for FY2020 in May 2021.

CORPORATE GOVERNANCE REPORT

Provision 13.3
Corporate website to communicate and engage with stakeholders.

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

DEALINGS IN SECURITIES

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

INTERESTED PERSON TRANSACTIONS

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Brookline Medical Pte. Ltd.	Associate of controlling shareholder	Nil	S$117,000 (Provision of imaging services under the general mandate)

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

USE OF PROCEEDS FROM RIGHTS ISSUE

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

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

Note:

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

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

CORPORATE GOVERNANCE REPORT

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 FEES

No non-sponsor fee was paid for FY2020.

AUDIT FEES

The audit fee for FY2020 is $98,000. There is no non-audit fee.

DIRECTORS' STATEMENT

The Directors hereby present their statement to the members together with the audited consolidated financial statements of AsiaMedic Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2020.

1. Opinion of the Directors

In the opinion of the Directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

2. Directors

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

Charles Wang Chong Guang	Non-Executive Chairman	
Tan Soo Kiat	Non-Executive Director	
Goh Kian Chee	Independent Director	
Chua Keng Woon	Independent Director	
Leong Yew Meng	Independent Director	(Appointed on 16 July 2020)
Joelle Lee Siew Hong	Alternate Non-Executive Director to Charles Wang	(Appointed on 12 August 2020)

3. Arrangements to enable Directors to acquire shares and debentures

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

4. Directors' interests in shares and debentures

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

	Direct interest		Deemed interest	
Name of Director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Tan Soo Kiat	–	–	8,000,000	12,000,000
Share options of the Company				
Goh Kian Chee	150,000	169,355	–	–

DIRECTORS' STATEMENT

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

There was no change in the above-mentioned interests between the end of the financial year and 21 January 2021.

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

5. AsiaMedic Employee Share Option Scheme

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

The scheme is administered by the Remuneration Committee.

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

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

Date of grant	Balance at 1 Jan 2020	Adjustment in connection with the Rights Issue(1)	Aggregate options lapsed/ forfeited during the financial year	Balance at 31 Dec 2020	Exercise price	Discount to prevailing market price
15 Jun 2016	1,524,000	196,645	–	1,720,645	$0.050	11.1%

Note (1): The details of the Rights Issue are disclosed in Note 25 to the financial statements. The exercise price at the date of grant was $0.056. The adjusted exercise price as a result of the Rights Issue is $0.050.

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

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

Name of Grantee	Options granted during the financial year under review	Adjustment in connection with the Rights Issue(1)	Aggregate options granted since commencement of scheme to the end of the financial year under review	Aggregate options exercised/ lapsed since commencement of the scheme to the end of the financial year under review	Aggregate options outstanding as at the end of the financial year under review
Goh Kian Chee	–	19,355	150,000	–	169,355

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

DIRECTORS' STATEMENT

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

- No options have been granted to the controlling shareholders of the Company and their associates (as defined in the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited).
- No grantee has received 5% or more of the total options available under the scheme.
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporations have been granted.

6. AsiaMedic Share Award Scheme

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

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

7. Audit and Risk Management Committee

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

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors
- Reviewed the half yearly and annual results announcement and the independent auditor's report on the annual financial statements of the Group and the Company and to receive assurance from the Chief Operating Officer, and the Group Financial Controller before their submission to the Board of Directors
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the ARMC
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor
- Reviewed the nature and extent of non-audit services provided by the external auditor
- Recommended to the Board of Directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit
- Reported actions and minutes of the ARMC to the Board of Directors with such recommendations as the ARMC considered appropriate
- Reviewed interested person transactions in accordance with the requirements of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited

DIRECTORS' STATEMENT

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

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

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

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

8. Auditor

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

On behalf of the board of Directors:

Charles Wang Chong Guang
Director

Tan Soo Kiat
Director

Singapore
Date: 5 April 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIAMEDIC LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AsiaMedic Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2020, the statement of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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

Going concern assessment

The Group incurred a net loss of $4,295,166 and decrease in revenue of $3,710,827 during the financial year ended 31 December 2020. As disclosed in Note 2.1, the COVID-19 outbreak has negatively impacted the Group's operations and its financial performance for the financial year.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIAMEDIC LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

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

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

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

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

Impairment assessment on goodwill

The Group recorded goodwill of $523,864 arising from the acquisition of AsiaMedic Astique The Aesthetic Clinic Pte Ltd ("AATAC") in 2013. During the financial year, management performed impairment assessment for goodwill. Following management's impairment assessment, no impairment charge was recorded for AATAC for the year ended 31 December 2020.

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

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

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

– tested the reasonableness of the inputs, data and methodology used by management to derive the recoverable amounts of the CGU by comparing to historical data, financial budgets approved by the board and external data such as growth rate taking into consideration the current economic situation affected by COVID-19 outbreak. We discussed with management to obtain an understanding of the business environment to corroborate our testing of the reasonableness of the data used by management;

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

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

– assessed the adequacy of the disclosures in Note 13 to the financial statements.

Impairment assessment on property, plant and equipment and Right-of-Use assets

The carrying value of the Group's property, plant and equipment ("PPE"), which consist principally of medical equipment, and right-of-use assets ("ROUA"), as of 31 December 2020 amounted to $0.5 million and $1.9 million respectively. PPE and ROUAs are tested for impairment whenever there are indications of impairment. Following management's impairment assessment, impairment charge of $2.2 million and $2 million was recorded to write down the carrying amount of PPE and ROUA respectively for the year ended 31 December 2020.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIAMEDIC LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

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

– obtained an understanding and tested management's calculations in the allocation of the corporate ROUA asset to various CGUs;

– tested the reasonableness of the inputs and data used by management to derive the recoverable amounts by comparing to historical data, financial budgets approved by the board and external data such as growth rate taking into consideration the current economic situation affected by COVID-19 outbreak. We also discussed with management to obtain an understanding of the business environment to corroborate our testing of the reasonableness of the data used by management;

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

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

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

Impairment assessment on investment in subsidiaries and amounts due from subsidiaries

The carrying amounts of the Company's investment in subsidiaries and amounts due from subsidiaries, net of impairments, were $0.9 million and $1 million respectively as at 31 December 2020. The impairment assessments on investment in subsidiaries and amount due from subsidiaries were significant to our audit due to the magnitude and significant management judgment involved in the impairment assessment process. Accordingly, we have identified this as a key audit matter.

Management performed impairment assessment for investment in subsidiaries as there were indicators of impairment. Based on management's assessment, impairment charge of $0.5 million was recorded to write down the carrying amount of the investment in subsidiaries during the year.

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIAMEDIC LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The Company also provided for expected credit loss ("ECL") on the amounts due from subsidiaries based on the general approach. Based on management's assessment, an ECL allowance of $1.3 million was recognised on the amounts due from its subsidiaries during the year.

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

– obtained an understanding and reviewed the key data sources used in the ECL model;

– checked the appropriateness of the Company's assumptions in the determination of significant increase in credit risk and the resultant basis of classification of exposures into various stages under the ECL general approach;

– discussed with management and corroborated the assumptions using historical data and publicly available information where available, in relation to the estimation of default rate and loss exposure at default used by the Company, and consideration of forward-looking adjustments including the current economic and market conditions; and

– checked arithmetic computation of the loss allowance used in the ECL model

We assessed the adequacy of the disclosures investment in subsidiaries and amounts due from subsidiaries in Note 11 and 17 to the financial statements.

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIAMEDIC LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASIAMEDIC LIMITED

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Report on other legal and regulatory requirements

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

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

Date: 5 April 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 $	2019 $
Revenue	4	15,279,133	18,989,960
Other income	5	2,054,718	204,328
Items of expense			
Consumables used		(1,273,521)	(1,682,800)
Personnel expenses	28	(9,142,002)	(10,922,815)
Depreciation and amortisation of non-current assets		(2,664,454)	(2,495,511)
Operating lease expenses		(159,650)	(133,951)
Maintenance of equipment		(930,229)	(871,728)
Laboratory and consultancy fees		(1,535,440)	(1,660,538)
Finance costs	6	(195,328)	(455,663)
Other operating expenses		(1,908,826)	(2,118,087)
Impairments of non-current assets		(4,192,276)	–
Share of results of associate		372,709	558,572
Loss before tax	7	(4,295,166)	(588,233)
Income tax expense	8	–	–
Loss for the year, representing total comprehensive income for the year, attributable to owners of the Company		(4,295,166)	(588,233)
Loss per share (cent per share)			
Basic	9	(0.39)	(0.15)
Diluted	9	(0.39)	(0.15)

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

BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Note	Group		Company	
		2020	2019	**2020**	2019
		$	$	**$**	$
Non-current assets					
Property, plant and equipment	10	514,674	2,579,864	26,761	47,408
Investment in subsidiaries	11	–	–	965,230	306,547
Investment in associate	12	1,933,056	2,007,470	181,500	181,500
Right-of-use assets	29	1,878,785	6,347,253	1,878,785	5,345,828
Goodwill	13	523,864	523,864	–	–
		4,850,379	11,458,451	3,052,276	5,881,283
Current assets					
Inventories	15	269,411	269,727	–	–
Trade receivables	16	2,448,711	2,892,323	–	–
Other receivables and deposits	17	590,402	480,841	1,312,522	3,306,747
Prepayments		167,831	325,706	22,767	137,036
Cash pledged as security	18	818,100	855,682	–	–
Cash and cash equivalents	19	7,657,029	2,889,527	5,315,998	1,527,190
		11,951,484	7,713,806	6,651,287	4,970,973
Current liabilities					
Trade payables	20	1,052,147	1,291,599	–	–
Other payables and accruals	21	1,538,999	1,683,877	562,078	633,915
Deferred income	23	1,357,081	1,271,117	–	–
Lease liabilities	29	1,370,835	1,506,554	1,370,835	1,415,238
Provision for reinstatement	22	170,000	–	170,000	–
		5,489,062	5,753,147	2,102,913	2,049,153
Net current assets		6,462,422	1,960,659	4,548,374	2,921,820
Non-current liabilities					
Provision for reinstatement	22	585,980	547,898	277,000	241,552
Loans from controlling shareholder	24	–	5,000,000	–	5,000,000
Lease liabilities	29	2,664,135	4,034,970	2,664,135	4,034,970
Deferred tax liabilities	14	22,568	22,568	–	–
		3,272,683	9,605,436	2,941,135	9,276,522
Net assets/(liabilities)		8,040,118	3,813,674	4,659,515	(473,419)
Equity attributable to owners of the Company					
Share capital	25	33,284,437	24,761,027	33,284,437	24,761,027
Treasury shares	26	(2,866)	(2,866)	(2,866)	(2,866)
Other reserves	27	(562,921)	(561,121)	97,812	99,612
Accumulated losses		(24,678,532)	(20,383,366)	(28,719,868)	(25,331,192)
Total equity		8,040,118	3,813,674	4,659,515	(473,419)

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Attributable to owners of the Company				
	Share capital $	Other reserves $	Treasury shares $	Accumulated losses $	Total share capital and reserves $
Group					
Balance at 1 January 2019	24,761,027	(586,333)	(2,866)	(19,795,133)	4,376,695
Loss for the year, representing total comprehensive income for the year	–	–	–	(588,233)	(588,233)
Grant of equity-settled share options to employees	–	25,212	–	–	25,212
Balance at 31 December 2019	24,761,027	(561,121)	(2,866)	(20,383,366)	3,813,674
Loss for the year, representing total comprehensive income for the year	–	–	–	(4,295,166)	(4,295,166)
Grant of equity-settled share options to employees	–	(1,800)	–	–	(1,800)
Net proceeds from Rights Issue	8,523,410	–	–	–	8,523,410
Balance at 31 December 2020	33,284,437	(562,921)	(2,866)	(24,678,532)	8,040,118

	Share capital $	Other reserves $	Treasury shares $	Accumulated losses $	Total $
Company					
Balance at 1 January 2019	24,761,027	74,400	(2,866)	(24,565,875)	266,686
Loss for the year, representing total comprehensive income for the year	–	–	–	(765,317)	(765,317)
Grant of equity-settled share options to employees	–	25,212	–	–	25,212
Balance at 31 December 2019	24,761,027	99,612	(2,866)	(25,331,192)	(473,419)
Profit for the year, representing total comprehensive income for the year	–	–	–	(3,388,676)	(3,388,676)
Grant of equity-settled share options to employees	–	(1,800)	–	–	(1,800)
Net proceeds from Rights Issue	8,523,410	–	–	–	8,523,410
Balance at 31 December 2020	33,284,437	97,812	(2,866)	(28,719,868)	4,659,515

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 2020

	2020 $	2019 $
Cash flows from operating activities		
Loss before tax	(4,295,166)	(588,233)
Adjustments:		
Depreciation and amortisation of non-current assets	1,200,238	837,470
Depreciation of right-of-use assets	1,464,216	1,658,041
Impairment of right-of-use assets	2,002,827	–
Gain on disposal of property, plant and equipment	–	(500)
Property, plant and equipment written off	753	2,125
Impairment loss on property, plant and equipment, and reinstatement asset	2,189,449	–
Finance costs	195,328	455,663
Rental Relief Scheme grant income	(430,420)	–
Interest income	(46,066)	(6,864)
Grant of equity-settled share options to employees	(1,800)	25,212
Share of results of associate	(372,709)	(558,572)
Operating cash flows before changes in working capital	1,906,650	1,824,342
Changes in working capital:		
Decrease/(increase) in inventories	316	(28,849)
Decrease/(increase) in trade receivables, other receivables and deposits, and prepayments	491,926	(1,101,387)
Decrease in trade and other payables	(153,176)	(652,958)
Increase in deferred income	85,964	49,184
Net cash flows from operating activities	2,331,680	90,332
Cash flows from investing activities		
Interest received	46,066	6,864
Dividend received from associate	447,122	396,000
Purchase of property, plant and equipment	(349,530)	(172,450)
Proceeds from disposal of property, plant and equipment	–	500
Net cash flows from investing activities	143,658	230,914
Cash flows from financing activities		
Decrease/(increase) in cash pledged as security	37,582	(141,120)
Interest paid	(192,694)	(260,433)
Loan from controlling shareholder	–	2,000,000
Payment of principal portion of lease liabilities and finance lease rental payments	(984,818)	(1,899,224)
Repayment of loans and borrowings	(91,316)	(77,011)
Net proceeds from Rights Issue	3,523,410	–
Net cash flows from/(used in) financing activities	2,292,164	(377,788)
Net increase/(decrease) in cash and cash equivalents	4,767,502	(56,542)
Cash and cash equivalents at 1 January	2,889,527	2,946,069
Cash and cash equivalents at 31 December	7,657,029	2,889,527

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 2020

1. Corporate information

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

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

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

Going concern uncertainty

The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects and this has negatively impacted the Group's operations and its financial performance for the financial year.

The Group incurred a net loss of $4,295,166 (2019: $588,233) and decrease in revenue of $3,710,827 during the financial year ended 31 December 2020. This arises from the suspension of operations during the circuit breaker from 7 April 2020 to 1 June 2020 and the phased resumption of activities thereafter.

The financial statements have been prepared on a going concern basis as the management is reasonably confident that the Group will be able to pay its debts as and when they fall due as the Group is expected to be able to generate sufficient operating cash flows and will have sufficient funds for its operations.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

The Group has early adopted the amendment to FRS 116 which introduced an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification.

The Company has applied this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of $430,420 (Note 29) was recognised as negative variable lease payments (i.e. reduction in the rental expenses) in the profit or loss during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

2.4 Basis of consolidation and business combinations

(a) ***Basis of consolidation***

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

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

(b) ***Business combinations and goodwill***

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

2.5 Foreign currency

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

(a) ***Transactions and balances***

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

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

(b) ***Consolidated financial statements***

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

2.6 Property, plant and equipment

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

2.7 Intangible assets

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

The useful lives of intangible assets are assessed as finite.

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

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

Customer relationship

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

2.8 Impairment of non-financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

2.9 Subsidiaries

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

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

2.10 Associates

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

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

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

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

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

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

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

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

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

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

2.11 Financial instruments

(a) ***Financial assets***

Initial recognition and measurement

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

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

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

Subsequent measurement

Investments in debt instruments

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

(i) Amortised cost

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

2.11 Financial instruments (cont'd)

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

Subsequent measurement (cont'd)

(iii) Fair value through profit or loss

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

Investments in equity instruments

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

Derivatives

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

De-recognition

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

2.11 Financial instruments (cont'd)

(b) ***Financial liabilities***

Initial recognition and measurement

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

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

Subsequent measurement

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

De-recognition

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

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

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

2.12 Impairment of financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

2.13 Cash and cash equivalents

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

2.14 Inventories

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

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

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

2.15 Provisions

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

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

2.16 Government grants

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

2.17 Borrowing costs

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

2.18 Employee benefits

Defined contribution plans

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

Employee share option scheme

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

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

2.19 Leases

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

The Group has applied the amendment to SFRS(I) 16 Leases: Covid-19-Related Rent Concessions. The Group applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

(a) ***Where the Group is the lessee***

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

Right-of-use ("ROU") assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

2.19 Leases (cont'd)

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

(b) ***Where the Group is the lessor***

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

2.20 Revenue

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

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

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

2.20 Revenue (cont'd)

(a) ***Rendering of services***

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

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

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

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

(b) ***Sales of pharmaceuticals and aesthetic products***

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

(c) ***Interest income***

Interest income is recognised using the effective interest method.

(d) ***Sub-lease income***

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

2.21 Taxes

(a) ***Current income tax***

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

2.21 Taxes (cont'd)

(b) ***Deferred tax***

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

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

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

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

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

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

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

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

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

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

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

2.21 Taxes (cont'd)

(c) ***Sales tax***

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

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

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

2.22 Share capital and share issuance expenses

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

2.23 Treasury shares

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

2.24 Contingencies

A contingent liability is:

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. Significant accounting judgements and estimates

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

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

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

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

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

Key sources of estimation uncertainty

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

(a) Impairment of goodwill

As disclosed in Note 13 to the financial statements, the recoverable amount of the cash-generating unit which goodwill has been allocated to is determined based on value in use calculations. The value in use calculation is based on discounted cash flow model. The recoverable amount is most sensitive to the discount rates and the forecasted annual growth rates used during the discounted cash flow period. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 13 to the financial statements.

Following management's impairment assessment, no impairment was recognised for the financial year ended 31 December 2020.

(b) Impairment of property, plant and equipment and right-of-use assets

The Group assesses at each reporting period whether there is an indication that its property, plant and equipment may be impaired. The assessment requires an estimation of the recoverable amount of the property, plant and equipment and 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 forecasted annual growth rates used during the discounted cash flow period. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 10 to the financial statements.

The carrying value of the Group's property, plant and equipment and right-of-use assets as at 31 December 2020 was $514,674 (2019: $2,579,864) and $1,878,784 (2019: $6,347,253) respectively. During the financial year, the Group recorded an impairment loss on property, plant and equipment of $2,189,449 (2019: $Nil) and an impairment loss on right-of-use assets of $2,002,827 (2019: $Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Key sources of estimation uncertainty (cont'd)

(c) Impairment of investment in subsidiaries

The Company's investment in subsidiaries amounted to $965,230 as at 31 December 2020. The investment in subsidiaries is tested for impairment whenever there are indications of impairment. Management has identified indicators of impairment on the investment in The Orchard Imaging Centre Pte Ltd.

Following management's impairment assessment, an impairment amounting to $500,000 (2019: $100,000) was recorded to write down the carrying amounts of the investment in subsidiaries.

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

(d) Impairment of amounts due from subsidiaries

As at 31 December 2020, the Company's amounts due from subsidiaries amounted to $1,003,277 (2019: $2,997,402) and are repayable on demand. The amounts due from subsidiaries were tested for impairment under 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 cash flows of the subsidiaries.

Following management's impairment assessment, management has identified indicators of impairment on the amounts due from AsiaMedic Heart & Vascular Centre Pte Ltd and AsiaMedic PET/CT Centre Pte Ltd. Impairment amounting to $1.3 million (2019: $4.4 million) was recorded to write down the amounts due from subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. Revenue

Revenue represents fees for diagnostic imaging and radiology services, health screening and medical wellness 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 and sales of these products, there are no material variable considerations noted in the contracts with customers.

Disaggregation of revenue

	Group	
	2020	2019
	$	$
Major product or service lines:		
Health screening and medical wellness services	7,840,743	9,345,276
Diagnostic imaging and radiology services	5,310,478	7,099,719
Primary care services and sales of pharmaceuticals products	1,534,721	1,323,181
Medical aesthetic services and sales of aesthetic products	1,542,555	2,301,949
	16,228,497	20,070,125
Less: Elimination of intercompany transactions	(949,364)	(1,080,165)
	15,279,133	18,989,960
Timing of transfer of goods or services:		
At a point in time	13,935,416	17,037,341
Over time	1,343,717	1,952,619
	15,279,133	18,989,960

Information about a major customer

Revenue from one major customer amounted to $4,390,452 for the financial year (2019: $5,452,000). 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.

5. Other income

	Group	
	2020	2019
	$	$
Grant income	96,796	66,892
Job Support Scheme grant income	1,387,550	–
Sub-lease income	93,886	128,172
Rental Relief grant income	430,420	–
Interest income	46,066	6,864
Other income	–	2,400
	2,054,718	204,328

5. Other income (cont'd)

Job Support Scheme grant income relates to cash grants received from the Singapore Government to help business deal with the impact from COVID-19.

Rental Relief grant income relates to property tax rebates and rental relief received from the Singapore Government to help businesses deal with the impact from COVID-19. For the property tax rebates, the Group is obliged to pass on the benefits to its sub-tenants and has transferred a portion of the benefits received to the sub-tenants in the form of rent relief during the current financial year. As of 31 December 2020, the Group has passed on rental relief of $34,286 to its sub-lease tenants.

6. Finance costs

	Group	
	2020	2019
	$	$
Interest on loans from controlling shareholder	–	192,642
Interest on loans and borrowings	311	2,192
Interest on lease liabilities	192,249	258,211
Interest on reinstatement asset	2,634	2,588
Others	134	30
	195,328	455,663

7. Loss before tax

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

	Group	
	2020	2019
	$	$
Audit fees	98,000	105,000
Gain on disposal of property, plant and equipment	–	(500)
Property, plant and equipment written off	753	2,125
Impairments:		
Impairment of property, plant and equipment	2,175,302	–
Impairment of right-of-use assets	2,002,827	–
Impairment of reinstatement asset	14,147	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8. Income tax expense

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

	Group	
	2020	2019
	$	$
Loss before tax	(4,295,166)	(588,233)
Tax calculated at a tax rate of 17% (2019: 17%)	(730,178)	(100,000)
Adjustments:		
Share of results of associate	(63,361)	(94,957)
Non-deductible expenses	739,926	424,154
Income not subject to taxation	(45,484)	(34)
Deferred tax assets not recognised	210,327	–
Effect of partial tax exemption and tax relief	(2,206)	(93,979)
Utilisation of unutilised capital allowances under group relief	(109,692)	(136,760)
Others	668	1,576
Income tax expense recognised in profit or loss	–	–

9. Loss per share

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

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

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

	Group	
	2020	2019
	$	$
Loss for the year attributable to owners of the Company	(4,295,166)	(588,233)

	Number of shares	**Number of shares**
Weighted average number of ordinary shares for basic and diluted loss per share computation	1,093,727,615	390,588,125

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. Property, plant and equipment

Group	Leasehold improvements $	Furniture, fittings, fixtures, and office equipment $	Medical equipment $	Asset under construction $	Reinstatement assets $	Total $
Cost						
At 1 January 2019	3,255,038	2,718,470	12,576,745	49,340	143,758	18,743,351
Effect of adoption of SFRS(I) 16	–	–	(2,695,000)	–	–	(2,695,000)
Additions	14,309	252,753	223,588	–	–	490,650
Disposals	–	(18,087)	–	–	–	(18,087)
Write offs	–	(23,580)	(22,500)	–	–	(46,080)
Transfers	49,340	–	–	(49,340)	–	–
At 31 December 2019 and 1 January 2020	3,318,687	2,929,556	10,082,833	–	143,758	16,474,834
Reclassified from right-of-use assets	–	–	2,695,000	–	–	2,695,000
Additions	–	45,957	72,420	–	205,448	323,825
Write offs	–	(11,522)	(9,825)	–	–	(21,347)
At 31 December 2020	3,318,687	2,963,991	12,840,428	–	349,206	19,472,312
Accumulated depreciation and impairment loss						
At 1 January 2019	3,045,413	2,200,759	9,373,120	–	–	14,619,292
Effect of adoption of SFRS(I) 16	–	–	(1,499,750)	–	–	(1,499,750)
Depreciation charge for the year	108,111	194,941	510,458	–	23,960	837,470
Disposals	–	(18,087)	–	–	–	(18,087)
Write offs	–	(23,580)	(20,375)	–	–	(43,955)
At 31 December 2019 and 1 January 2020	3,153,524	2,354,033	8,363,453	–	23,960	13,894,970
Reclassified from right-of-use assets	–	–	1,693,575	–	–	1,693,575
Depreciation charge for the year	84,751	209,053	677,026	–	229,408	1,200,238
Write offs	–	(11,522)	(9,072)	–	–	(20,594)
Impairment loss	26,278	361,640	1,787,384	–	14,147	2,189,449
At 31 December 2020	3,264,553	2,913,204	12,512,366	–	267,515	18,957,638
Net carrying amount						
At 31 December 2019	165,163	575,523	1,719,380	–	119,798	2,579,864
At 31 December 2020	54,134	50,787	328,062	–	81,691	514,674

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Company	Leasehold improvements $	Furniture, fittings, fixtures, and office equipment $	Total $
Cost			
At 1 January 2019	246,943	280,510	527,453
Additions	–	33,789	33,789
Write offs	–	(23,580)	(23,580)
At 31 December 2019 and 1 January 2020	246,943	290,719	537,662
Additions	205,448	–	205,448
At 31 December 2020	452,391	290,719	743,110
Accumulated depreciation			
At 1 January 2019	235,459	248,959	484,418
Depreciation charge for the year	11,484	17,932	29,416
Write offs	–	(23,580)	(23,580)
At 31 December 2019 and 1 January 2020	246,943	243,311	490,254
Depreciation charge for the year	205,448	20,647	226,095
At 31 December 2020	452,391	263,958	716,349
Net carrying amount			
At 31 December 2019	–	47,408	47,408
At 31 December 2020	–	26,761	26,761

Impairment of assets

The Group carried out a review of the recoverable amount of their property, plant and equipment. The recoverable amount of the property, plant and equipment was based on their value in use and the pre-tax discount rate used was 10.5% (2019: 10.5%).

During the financial year, the Group recorded impairment loss of $2,189,449 (2019: $Nil) for the property, plant and equipment of its diagnostic imaging and radiology services companies. This amount was included in the "impairments of non-current assets" line item of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Key assumptions used in the value in use calculations

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

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

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

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

Sensitivity to changes in assumptions

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

Write-offs from wear and tear

During the financial year, the Group wrote off property, plant and equipment with a carrying value of $753 (2019: $2,125) arising from usual wear and tear of the assets.

Asset under finance lease

In the previous financial year, a right-of-use asset was recognised on the medical equipment with a net carrying amount of $1,001,425 which was acquired in the prior years by the means of finance lease. The leased asset was pledged as security for the related finance lease liability. As at 31 December 2020, the asset was fully acquired by the Group and was reclassified from right-of-use assets to property, plant and equipment (Note 29).

Purchase of property, plant and equipment by other means

During the financial year, acquisitions of property, plant and equipment with a total cost of $323,825 (2019: $172,450) were made by cash. Payments by cash for property, plant and equipment acquired in the previous year amounted to $231,153 (2019: $Nil). As at 31 December 2020, the amount owing to a vendor for acquisitions of property, plant and equipment amounted to $97,023 (2019: $328,176).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. Investment in subsidiaries

	Company	
	2020	**2019**
	$	**$**
Unquoted shares, at cost	12,195,573	4,695,573
Impairment losses	(11,230,343)	(4,389,026)
	965,230	306,547

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

	Company	
	2020	2019
	$	$
At 1 January	4,389,026	4,289,026
Charge for the year	500,000	100,000
Transferred from impairment of amounts due from subsidiaries (Note 17)	6,341,317	–
At 31 December	11,230,343	4,389,026

The Company has the following subsidiaries as at 31 December:

Name of subsidiary (Country of incorporation)	Principal activities	Effective equity interest held by the Group	
		2020	2019
		%	%
Held by the Company			
AMC Healthcare Pte Ltd[(1)] (Singapore)	Inactive	100	100
AsiaMedic Eye Centre Pte Ltd[(1)] (Singapore)	Inactive	100	100
The Orchard Imaging Centre Pte Ltd[(1)] (Singapore)	Provision of diagnostic imaging and radiology services	100	100
AsiaMedic Wellness Assessment Centre Pte Ltd[(1)] (Singapore)	Provision of health screening and medical wellness services	100	100
AsiaMedic PET/CT Centre Pte Ltd[(1)] (Singapore)	Provision of diagnostic imaging and radiology services	100	100
AsiaMedic Heart & Vascular Centre Pte Ltd[(1)] (Singapore)	Provision of diagnostic imaging and radiology services	100	100
Complete Healthcare International Pte Ltd[(1)] (Singapore)	Provision of primary healthcare services	100	100
Held by the AsiaMedic Wellness Assessment Centre Pte Ltd			
AsiaMedic Astique The Aesthetic Clinic Pte Ltd[(1)] (Singapore)	Provision of medical aesthetic services and sale of aesthetic products	100	100

(1) Audited by Ernst & Young LLP, Singapore

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. Investment in subsidiaries (cont'd)

Impairment testing of investment in subsidiaries

During the financial year, the investment in subsidiaries was tested for impairment. An impairment of $500,000 was recognised to write down the cost of investment in The Orchard Imaging Centre Pte Ltd to its recoverable amount. In the previous financial year, an impairment of $100,000 was recognised to write down the investment in AsiaMedic Heart & Vascular Centre Pte Ltd to its recoverable amount.

The recoverable amount of the investment in subsidiaries has been determined based on a value in use calculation using cash flow projection from financial budgets approved by the management covering a four-year period (2019: five-year period). The pre-tax discount rate applied to the cash flows projection is 10.5% (2019: 10.5%). The projection period is consistent with the lease term of the subsidiaries' principal place of business.

12. Investment in associate

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Positron Tracers Pte Ltd	1,933,056	2,007,470	181,500	181,500

Name of associate (Country of incorporation)	**Principal activities**	**Proportion (%) of ownership interest**	
		2020	2019
		%	%
Positron Tracers Pte Ltd[1] (Singapore)	Manufacturing and sale of fludeoxyglucose (FDG) and other radioactive isotopes	33	33

[1] Audited by KPMG LLP, Singapore

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

Summarised balance sheet

	Positron Tracers Pte Ltd	
	2020	2019
	$	$
Current assets	6,438,965	6,601,751
Non-current assets	630,208	442,182
Total assets	7,069,173	7,043,933
Total liabilities	(1,211,428)	(960,690)
Net assets	5,857,745	6,083,243
Proportion of Group's ownership	33%	33%
Group's share of net assets	1,933,056	2,007,470
Carrying amount of the investment	1,933,056	2,007,470

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12. Investment in associate (cont'd)

Group's share of profit after tax

Summarised statement of comprehensive income

	Positron Tracers Pte Ltd	
	2020	2019
	$	$
Revenue	3,146,968	3,972,744
Profit after tax representing total comprehensive income for the year	1,129,420	1,693,645
Proportion of Group's ownership	33%	33%
Group's share of profit after tax	372,709	558,572

13. Goodwill

	Group	
	2020	2019
	$	$
Cost		
At 1 January and 31 December	2,124,311	2,124,311
Accumulated impairment		
At 1 January and 31 December	1,600,447	1,600,447
Net book value		
At 31 December	523,864	523,864

Impairment testing of goodwill

Goodwill acquired through business combination relates to the cash-generating unit of AsiaMedic Astique the Aesthetic Clinic Pte Ltd ("CGU").

Following management's impairment assessment, no impairment was recognised for the financial year ended 31 December 2020.

The recoverable amount of the CGU is determined based on the value in use calculations using cash flow projections from financial budgets approved by management covering a four-year period (2019: five-year period). The pre-tax discount rate applied is 11% (2019: 10%). The cash flow projection period is consistent with the expected remaining lease term of the clinic's principal place of business.

Key assumptions used in the value in use calculations

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

13. Goodwill (cont'd)

Impairment testing of goodwill (cont'd)

Sensitivity to changes in assumptions

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

14. Deferred tax liabilities

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

At the end of the reporting period, the Group has unutilised tax losses and capital allowances of approximately $11,375,000 (2019: $10,116,000), and $14,104,000 (2019: $13,957,000) respectively that are available for offset against future taxable profits of the companies in which the losses and capital allowances arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and allowances is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of Singapore.

15. Inventories

	Group	
	2020	2019
	$	$
Medical supplies	269,411	269,727
Inventories recognised as an expense in profit or loss	791,779	1,079,435

16. Trade receivables

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Due from third parties	2,448,711	2,892,323	–	–
Add:				
Other receivables and deposits(Note 17)	590,402	480,841	1,312,522	3,306,747
Cash pledged as security (Note 18)	818,100	855,682	–	–
Cash and cash equivalents (Note 19)	7,657,029	2,889,527	5,315,998	1,527,190
Less:				
GST receivables	–	(13,576)	–	–
Total financial assets carried at amortised cost	11,514,242	7,104,797	6,628,520	4,833,937

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

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

16. Trade receivables (cont'd)

Expected credit loss

There are no provisions for expected credit loss as at 31 December 2020 and 2019.

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 51% (2019: 64%) of the Group's trade receivables, other debtors mainly consist of public and private clinics and hospitals, and private businesses. 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.

17. Other receivables and deposits

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Deposits	482,532	478,892	309,245	309,345
Other debtors	107,870	1,949	–	–
Amounts due from subsidiaries	–	–	16,694,634	23,765,970
Allowance for impairment:				
Due from subsidiaries	–	–	(15,691,357)	(20,768,568)
	590,402	480,841	1,312,522	3,306,747

Impairment of amounts due from subsidiaries

The movement of the allowance account used to record the impairment of amounts due from subsidiaries are as follows:

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
At 1 January	–	–	20,768,568	16,545,902
Charge for the year	–	–	1,264,106	4,427,443
Reversal during the year	–	–	–	(204,777)
Transferred to impairment loss on investment in subsidiaries	–	–	(6,341,317)	–
At 31 December	–	–	15,691,357	20,768,568

During the financial year, the Company capitalised $7.5 million from the amounts due from The Orchard Imaging Centre Pte Ltd to investment in subsidiaries. Subsequent to the capitalisation exercise, the previously recorded impairment loss on amounts due from subsidiaries of $6.3 million was transferred to the impairment loss on investment in subsidiaries.

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

Following the Company's impairment assessment, the Company has identified indicators of impairment on the amounts due from certain subsidiaries. Impairment was recorded to write down the carrying amount of the amounts due from these subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. Cash pledged as security

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

19. Cash and cash equivalents

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Cash at banks and on hand	7,657,029	2,889,527	5,315,998	1,527,190

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

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

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
United States Dollars	6,119	6,230	6,119	6,230

20. Trade payables

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Due to third parties	1,052,147	1,291,599	–	–
Add:				
Other payables and accruals (Note 21)	1,538,999	1,683,877	562,078	633,915
Loans from controlling shareholder (Note 24)	–	5,000,000	–	5,000,000
Lease liabilities (Note 29)	4,034,970	5,541,524	4,034,970	5,450,208
Less:				
GST payables	(166,470)	(86,806)	–	–
Total financial liabilities carried at amortised cost	6,459,646	13,430,194	4,597,048	11,084,123

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

21. Other payables and accruals

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
Other payables	419,437	466,325	279,015	341,979
Accrued operating expenses	1,119,562	1,217,552	283,063	291,936
	1,538,999	1,683,877	562,078	633,915

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

22. Provision for reinstatement

	Group		Company	
	2020	2019	**2020**	2019
	$	$	**$**	$
At 1 January	547,898	545,310	241,552	241,552
Arose during the financial year	205,448	–	205,448	–
Accretion of interest recognised during the financial year	2,634	2,588	–	–
At 31 December	755,980	547,898	447,000	241,552
Analysed into:				
Current portion	170,000	–	170,000	–
Non-current portion	585,980	–	277,000	–

The provision for reinstatement of property, plant and equipment is based on quotations from contractors.

23. Deferred income

Deferred income relates to payments for services received in advance from customers and Job Support Scheme grant income receivable by the Group.

24. Loans from controlling shareholder

The Company had a $5,000,000 loan facility with Luye Medical Group Pte Ltd, a controlling shareholder of the Group and the Company. The loan facility was unsecured and interest-bearing at the rate of 4.75% (2019: 4.75%) per annum.

The loans were repaid on 14 January 2020 in connection with the Company's Rights Issue. Details of the Rights Issue is further explained in Note 25 to the financial statements.

25. Share capital

	Group and Company			
	2020		2019	
	No. of shares	**$**	No. of shares	$
Issued and fully paid ordinary shares:				
As at 1 January and 31 December	1,119,622,270	33,284,437	390,588,125	24,761,027

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

The Company has an employee share option scheme under which options to subscribe for the Company's ordinary shares have been granted to certain employees, Directors and consultant radiologists of the Group (Note 28).

25. Share capital (cont'd)

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

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

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

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

26. Treasury shares

	Group and Company			
	2020		2019	
	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27. Other reserves

Group	Put options granted $	Capital reserve $	Employee share option scheme reserve $	Total $
2020				
At 1 January	(652,544)	(8,189)	99,612	(561,121)
Grant of equity-settled share options to employees	–	–	(1,800)	(1,800)
At 31 December	(652,544)	(8,189)	97,812	(562,921)
2019				
At 1 January	(652,544)	(8,189)	74,400	(586,333)
Grant of equity-settled share options to employees	–	–	25,212	25,212
At 31 December	(652,544)	(8,189)	99,612	(561,121)

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.

28. Personnel expenses

	Group 2020 $	Group 2019 $
Salaries and bonuses to employees	6,278,987	7,797,121
Central Provident Fund contributions	791,579	890,039
Share-based payments (employee share option scheme)	(1,800)	25,212
Other expenses	451,978	548,434
Wages and fees to contract-for-hire personnel	1,621,258	1,662,009
	9,142,002	10,922,815

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. Personnel expenses (cont'd)

Movement of share options during the financial year

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

	2020		2019	
	No.	**WAEP $**	No.	WAEP $
Outstanding at 1 January	1,524,000	0.056	1,524,000	0.056
Adjustment in connection with the Rights Issue	196,645	(0.006)	–	–
Outstanding at 31 December	1,720,645	0.050	1,524,000	0.056
Exercisable at 31 December	1,720,645	0.050	1,005,840	0.056

– The share options were granted on 15 June 2016.

– The weighted average remaining contractual life for these options is 6 years (2019: 7 years).

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

(a) 169,355 (2019: 150,000) – 5 years from the date of grant *

(b) 1,551,290 (2019: 1,374,000) – 10 years from the date of grant

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

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

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

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

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

– As at 31 December 2020 and 2019, no share options have pre-set performance conditions.

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

28. Personnel expenses (cont'd)

Movement of share options during the financial year (cont'd)

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

29. Leases

Group as a lessee

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

The Group had finance lease arrangement for certain medical equipment of a subsidiary. The lease was recognised as right-of-use assets with SFRS(I) 16 becoming effective on 1 January 2019. As of 31 December 2020, the medical equipment was reclassified to property, plant and equipment after the end of the finance lease period.

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

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

	Office and clinic premises $	Medical equipment $	Total $
Cost			
As at 1 January 2019 and 31 December 2019	6,810,044	2,695,000	9,505,044
Reclassified to to property, plant and equipment	–	(2,695,000)	(2,695,000)
As at 31 December 2020	6,810,044	–	6,810,044
Accumulated depreciation and impairment loss			
As at 1 January 2019	–	1,499,750	1,499,750
Depreciation charge	1,464,216	193,825	1,658,041
As at 31 December 2019 and 1 January 2020	1,464,216	1,693,575	3,157,791
Depreciation charge for the year	1,464,216	–	1,464,216
Impairment	2,002,827	–	2,002,827
Reclassified to property, plant and equipment	–	(1,693,575)	(1,693,575)
As at 31 December 2020	4,931,259	–	4,931,259
Net book value			
At 31 December 2019	5,345,828	1,001,425	6,347,253
At 31 December 2020	1,878,785	–	1,878,785

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

Management carried out a review of the recoverable amount of their ROU assets. The recoverable amount of the ROU assets has been determined based on a value in use calculation using cash flow projection from financial budgets approved by management covering a four-year (2019: five-year) period. The pre-tax discount rate applied to the cash flow projection is 10.5% (2019: 10.5%).

29. Leases (cont'd)

Group as a lessee (cont'd)

Impairment of right-of-use ("ROU") assets (cont'd)

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

Following management's impairment assessment, an impairment of $2,002,827 was recognised for the financial year ended 31 December 2020 (2019: $Nil).

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

	Office and clinic premise $	Medical equipment $	Total $
Carrying amount at 1 January 2019	6,810,044	630,704	7,440,748
Accretion of interest recognised during the year	247,651	10,560	258,211
Payments during the year	(1,607,487)	(549,948)	(2,157,435)
Carrying amount at 31 December 2019 and 1 January 2020	5,450,208	91,316	5,541,524
Accretion of interest recognised during the year	192,249	311	192,560
Rental relief received during the year	(430,420)	–	(430,420)
Payments during the year	(1,177,067)	(91,627)	(1,268,694)
Carrying amount at 31 December 2020	4,034,970	–	4,034,970
Analysed into:			
Current portion	1,370,835	–	1,370,835
Non-current portion	2,664,135	–	2,664,135

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

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

	2020 **$**	2019 $
Depreciation expense of right-of-use assets	1,464,216	1,658,041
Interest expense on lease liabilities	192,560	258,211
Lease expenses not capitalised in lease liabilities:		
Expenses relating to short-term and low-value leases (included in operating lease expenses)	159,650	133,951
Total amount recognised in profit or loss	1,816,426	2,050,203

The Group had total cash outflows for leases relating to the right-of-use assets of $1,268,694 (principal and interest) after offsetting with Rental Relief Scheme grant income of $430,420 during the financial year.

The Group's lease contracts of premises for use as clinics and office include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with Group's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 3.e).

29. Leases (cont'd)

Group as a lessee (cont'd)

Impairment of right-of-use ("ROU") assets (cont'd)

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

	31 December 2019 $	Non-cash changes: Rent concession $	Others $	Cash flows $	31 December 2020 $
Lease liabilities					
Current	1,506,554	(430,420)	1,370,835	(1,076,134)	1,370,835
Non-current	4,034,970	–	(1,370,835)	–	2,664,135
	5,541,524	(430,420)	–	(1,076,134)	4,034,970

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

30. Related party transactions

(a) Sale and purchase of goods and services

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

	Group 2020 $	2019 $
Purchase of consumables from an associate	521,800	516,000
Medical services rendered by a subsidiary of controlling shareholder	2,025	2,100
Medical services rendered to subsidiaries of controlling shareholder	(117,010)	(163,974)

(b) Compensation of key management personnel

	Group 2020 $	2019 $
Salaries and bonuses	474,140	433,468
Central Provident Fund contributions	28,966	27,734
Other short-term benefits	69,600	39,889
Directors' fee	165,247	154,096
Share-based payments (employee share option scheme)	617	10,904
	738,570	666,091
Comprise amounts paid to:		
Directors of the Company:		
Fee	165,247	154,096
Share-based payments (employee share option scheme)	120	1,817
Other key management personnel	573,203	510,178
	738,570	666,091

The compensation of key management personnel, except for Directors' fee, is included in the "personnel expenses" line item of profit or loss. 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 2020

31. Commitments

(a) Operating lease commitments as at 31 December 2020 – as lessee

As at 31 December 2020, the Group had short-term operating leases for logistic and warehouse. The leases had remaining expected lease terms of approximately 1 year.

As at 31 December 2020, the future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2020	2019
	$	$
Not later than one year	477,510	479,828
Later than one year but not later than five years	–	332,040
	477,510	811,868

(b) Operating lease commitments – as lessor

The Group has entered into a sub-lease agreement on its rented property. The non-cancellable lease has a remaining lease term of approximately 0.8 years (2019: 1.8 years).

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

	Group	
	2020	2019
	$	$
Not later than one year	106,810	128,172
Later than one year but not later than five years	–	106,810
	106,810	234,982

(c) Corporate guarantees

Financial support has been given to certain subsidiaries having:

	Company	
	2020	2019
	$	$
Deficiencies in shareholders' funds	15,648,000	18,457,000
Current liabilities in excess of current assets	16,374,000	21,976,000

In the previous financial year, the Company provided corporate guarantee of $91,316 to a financial institution for finance lease taken by a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

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, interest rate risk and liquidity risk. The Board of Directors reviews and approves policies and procedures for the management of these risks and they are summarised below. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

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

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

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

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

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

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Credit risk (cont'd)

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

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

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

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

– There is significant financial difficulty of the debtor;

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

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

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

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

Trade receivables

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

Information regarding loss allowance movement of trade receivable are disclosed in Note 16 to the financial statements. During the current financial year, no allowance for expected credit loss was made.

As at 31 December 2020, approximately 51% (2019: 64%) 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

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, cash pledged as security, other receivables (including related parties balances), the Group's exposure to credit risk arises from default of the counterparties, with a maximum exposure equal to the carrying amount of these instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Interest rate risk

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

Sensitivity analysis for interest rate risk

At the end of the reporting period if the interest rates had been 100 basis points lower/higher with all other variables held constant, the Group's loss before tax would have been $70,344 lower/higher (2019: $10,415 lower/higher) arising mainly as a result of lower/higher interest income from cash and cash equivalent balances.

Liquidity risk

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

Analysis of financial instruments by remaining contractual maturities

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

	One year or less $	One to five years $	Total $
Group			
2020			
Financial assets:			
Trade receivables	2,448,711	–	2,448,711
Other receivables and deposits	590,402	–	590,402
Cash pledged as security	818,100	–	818,100
Cash and cash equivalents	7,657,029	–	7,657,029
Total undiscounted financial assets	11,514,242	–	11,514,242
Financial liabilities:			
Trade payables	885,677	–	885,677
Other payables and accruals	1,538,999	–	1,538,999
Lease liabilities	1,505,593	2,822,386	4,327,979
Total undiscounted financial liabilities	3,930,269	2,822,386	6,752,655
Total net undiscounted financial assets/(liabilities)	7,583,973	(2,822,386)	4,761,587

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Liquidity risk (cont'd)

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

	One year or less $	One to five years $	Total $
Company			
2020			
Financial assets:			
Other receivables and deposits	1,312,522	–	1,312,522
Cash and cash equivalents	5,315,998	–	5,315,998
Total undiscounted financial assets	6,628,520	–	6,628,520
Financial liabilities:			
Other payables and accruals	562,078	–	562,078
Lease liabilities	1,505,593	2,822,386	4,327,979
Total undiscounted financial liabilities	2,067,671	2,822,386	4,890,057
Total net undiscounted financial assets/(liabilities)	4,560,849	(2,822,386)	1,738,463

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

Liquidity risk (cont'd)

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

34. Segment reporting

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

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

35. Capital management

Capital includes debt and equity items.

The Group reviews and manages its capital structure to maximise shareholders' returns taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 2019.

36. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Directors on 5 April 2021.

STATISTICS OF SHAREHOLDINGS

AS AT 12 MARCH 2021

Issued & Paid-Up Capital	:	S$33,284,436.50
Number & Class of Shares (Excluding Treasury Shares)	:	1,119,522,270 Ordinary Shares
Voting Rights	:	One Vote per Ordinary Share
Treasury Shares & Percentage	:	100,000 Ordinary Shares (0.01%)

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No of shareholders	%	No of shares	%
1 – 99	6	0.21	202	0.00
100 – 1,000	107	3.82	85,703	0.01
1,001 – 10,000	841	30.03	5,171,880	0.46
10,001 – 1,000,000	1,755	62.66	247,527,419	22.11
1,000,001 and above	92	3.28	866,737,066	77.42
GRAND TOTAL	**2,801**	**100.00**	**1,119,522,270**	**100.00**

LIST OF 20 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	LUYE MEDICAL GROUP PTE LTD	512,098,062	45.74
2	UNITED OVERSEAS BANK NOMINEES P L	59,777,898	5.34
3	DBS NOMINEES PTE LTD	48,178,600	4.30
4	PHILLIP SECURITIES PTE LTD	14,153,400	1.26
5	MAYBANK KIM ENG SECURITIES PTE.LTD	10,320,800	0.92
6	CITIBANK NOMS SPORE PTE LTD	8,258,000	0.74
7	LISTIAWATI	7,454,000	0.67
8	ANG KIM JOO MATTHEW	7,401,100	0.66
9	RAFFLES NOMINEES(PTE) LIMITED	6,437,200	0.58
10	LOO TIONG KHENG	6,099,900	0.55
11	OCBC NOMINEES SINGAPORE PTE LTD	6,077,100	0.54
12	LEE CHYE ONN @SOW CHYE ONN	6,000,000	0.54
13	OCBC SECURITIES PRIVATE LTD	4,700,600	0.42
14	DBS VICKERS SECURITIES (S) PTE LTD	4,671,000	0.42
15	ANG AH LEK @AN AH LEK	4,500,000	0.40
16	TAN KAI SENG	4,400,000	0.39
17	UOB KAY HIAN PTE LTD	4,228,000	0.38
18	LIM KWEE SIAH	4,000,000	0.36
19	IFAST FINANCIAL PTE LTD	3,832,300	0.34
20	LAW PENG KWEE	3,814,100	0.34
	TOTAL	**726,402,060**	**64.89**

STATISTICS OF SHAREHOLDINGS

AS AT 12 MARCH 2021

SHAREHOLDINGS HELD BY THE PUBLIC

Percentage of shareholdings held by the public is approximately 53.05%, and therefore, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited is complied with.

SUBSTANTIAL SHAREHOLDERS

(As shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%[1]	No. of Shares	%[1]
Luye Medical Group Pte. Ltd.[2]	512,098,062	45.74	–	–
Luye Medical Investment Pte. Ltd.[3]	–	–	512,098,062	45.74
Luye Life Sciences Group Ltd[4]	–	–	512,098,062	45.74
Nelumbo Investments Limited[5][7]	–	–	512,098,062	45.74
Ginkgo (PTC) Limited[6][8]	–	–	512,098,062	45.74
Shorea LBG[8]	–	–	512,098,062	45.74
The Asoka Trust[7]	–	–	512,098,062	45.74
Liu Dianbo[7][8]	–	–	512,098,062	45.74
Wang Cuilian[7]	–	–	512,098,062	45.74
Aona Liu[7]	–	–	512,098,062	45.74
Alina W Liu[7]	–	–	512,098,062	45.74

Notes:

(1) Based on 1,119,522,270 issued shares (excluding 100,000 treasury shares and nil subsidiary holdings) of the Company.

(2) Luye Medical Group Pte. Ltd. ("**LMGPL**") holds its shares in the Company directly.

(3) Luye Medical Investment Pte. Ltd. holds 100% of the issued and paid-up share capital LMGPL and is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**").

(4) Luye Life Sciences Group Ltd holds 100% of the issued and paid-up share capital of Luye Medical Investment Pte. Ltd.. Luye Medical Investment Pte. Ltd. is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA. Accordingly, Luye Life Sciences Group Ltd is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA.

(5) Nelumbo Investments Limited holds 70% of the issued and paid up share capital of Luye Life Sciences Group Ltd. Luye Life Sciences Group Ltd is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA. Accordingly, Nelumbo Investments Limited is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA.

(6) The shares representing 100% of the issued and paid up share capital of Nelumbo Investments Limited are held by Ginkgo (PTC) Limited as trustee of The Asoka Trust. Nelumbo Investments Limited is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA. Accordingly, Ginkgo (PTC) Limited is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA.

(7) The shares representing 100% of the issued and paid up share capital of Nelumbo Investments Limited are the trust property of The Asoka Trust. The settlor of The Asoka Trust is Mr Liu Dianbo. The beneficiaries of The Asoka Trust are Mr Liu Dianbo, his spouse Mdm Wang Cuilian, and his daughters Ms Aona Liu and Ms Alina W Liu. Nelumbo Investments Limited is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA. Accordingly, The Asoka Trust and the beneficiaries of The Asoka Trust are deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA.

(8) Shorea LBG holds 100% of the issued and paid up share capital of Ginkgo (PTC) Limited and is in turn wholly-owned by Mr Liu Dianbo. Ginkgo (PTC) Limited is deemed to have an interest in the Shares held by LMGPL by virtue of Section 4 of the SFA. Accordingly, each of Shorea LBG and Mr Liu Dianbo are deemed to be indirectly interested in the Shares that Ginkgo (PTC) Limited has an interest in.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of AsiaMedic Limited (the "**Company**") will be held by electronic means on Thursday, 29 April 2021 at 9.30 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 December 2020 and the Directors' Statement and Auditor's Report thereon.
(Resolution 1)

2. To re-elect Mr Leong Yew Meng, a Director retiring pursuant to Regulation 88 of the Constitution of the Company.
(Resolution 2)

3. To note the retirement of Mr Tan Soo Kiat and Mr Goh Kian Chee, who are retiring as Directors pursuant to Regulation 89 of the Constitution of the Company and do not seek re-election.

4. To approve Directors' fee of S$167,247 for the financial year ended 31 December 2020 (2019: S$154,096).
(Resolution 3)

5. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.
(Resolution 4)

SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions as Ordinary Resolutions, with or without modifications:

6. **Authority to issue Shares and Instruments convertible into Shares**

"That pursuant to Section 161 of the Singapore Companies Act, Chapter 50 (the "**Act**") and the Listing Manual (Section B: Rules of Catalist) (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (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:

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

NOTICE OF ANNUAL GENERAL MEETING

(b) new Shares arising from exercising share options or vesting of share awards provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

whereby adjustments in accordance with (a) or (b) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution; and

(ii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST 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 5)

7. **Proposed Renewal of the Share Purchase Mandate**

"THAT:

(1) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore, (the "**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or acquire issued ordinary shares fully paid in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Percentage (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

(a) on market purchases on the Singapore Exchange Securities Trading Limited (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 Ordinary Resolution and expiring on the earliest of:

(a) the date on which the next annual general meeting of the Company is held;

(b) the date by which the next annual general meeting of the Company is required by law to be held;

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 buy-back is carried out to the full extent mandated,

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

(3) in this Ordinary Resolution:

"**Maximum Percentage**" means that number of issued Shares representing 10.0% of the total number of issued Shares as at the date of the passing of this Ordinary Resolution (excluding any Shares which are held as treasury shares or subsidiary holdings as at that date); and

"**Maximum Price**" in relation to a Share to be purchased or otherwise acquired, means the purchase price as determined by the Directors (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) and not exceeding:

(a) in the case of an On-Market Purchase, 105.0% of the average closing market price. For this purpose, the average closing market price is:

(i) the average of the closing market prices of the Shares over the last five (5) Market Days (on which transactions in the Shares were recorded) immediately before the date of the Market Purchase by the Company; and

(ii) deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made; and

(b) in the case of an Off-Market Purchase, 105.0% of the highest price at which a Share is transacted on the SGX-ST on the Market Day (when transactions in the Shares are recorded) immediately preceding the date on which the Company announces an Off-Market Purchase offer stating the purchase price and the relevant terms of the equal access scheme,

(the "**Maximum Price**") in either case, excluding related expenses of the Share Purchase.

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

(Resolution 6)

8. **Authority to grant awards and to allot and issue shares under the AsiaMedic Share Award Scheme**

"That the Directors of the Company be and are hereby authorised to offer and grant awards in accordance with the provisions of the AsiaMedic Share Award Scheme (the "Share Award Scheme") and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards under the Share Award Scheme provided always that the aggregate number of shares which may be issued or transferred pursuant to awards granted under the Share Award Scheme, when added to (i) the number of shares issued and issuable and/or transferred and transferable in respect of all awards granted thereunder; and (ii) all shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under the AsiaMedic Employee Share Option Scheme 2016 or any other share incentive schemes or share plans adopted by the Company and for the time being in force shall not exceed 25% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of award, and subject to such adjustments as may be made to the Share Award Scheme as a result of any variation in the capital structure of the Company."

(Resolution 7)

NOTICE OF ANNUAL GENERAL MEETING

9. **Authority to grant options and to allot and issue shares under the AsiaMedic Employee Share Option Scheme 2016**

"That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the AsiaMedic Share Option Scheme 2016 (the "**AsiaMedic ESOS**") and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the options under the AsiaMedic ESOS provided always that the aggregate number of shares in respect of which options may be granted under the AsiaMedic ESOS shall not exceed 15% of the total issued capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of grant of option, and when added to the number of shares issued and issuable and/or transferred and transferable in respect of (a) all shares available under the AsiaMedic ESOS and (b) all shares, options or awards granted under the AsiaMedic Share Award Scheme or any other share option scheme, share award scheme or share incentive scheme of the Company then in force, shall not exceed 25% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of grant of option, and subject to such adjustments as may be made to the AsiaMedic ESOS as result of any variation in the capital structure of the Company."

(Resolution 8)

10. **Proposed renewal of the IPT General Mandate**

"THAT:

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the renewal of the IPT General Mandate (which was obtained at the extraordinary general meeting of the Company held on 24 April 2017) for the Company and/or its Subsidiaries, to enter into any of the transactions falling within the types of Interested Person Transactions described in the Appendix to this Notice of Annual General Meeting with any party who falls within the classes of interested persons as described in the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for the Interested Person Transactions as set out in the Appendix (the "**IPT General Mandate**");

(b) the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held; and

(c) the Directors be and are hereby authorised to take such steps, approve all matters and enter into all such transactions, arrangements and agreements and execute all such documents and notices as may be necessary or expedient for the purposes of giving effect to the IPT General Mandate as such Directors or any of them may deem fit or expedient or to give effect to this Ordinary Resolution."

(Resolution 9)

ANY OTHER BUSINESS

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

Dated this 7 April 2021

BY ORDER OF THE BOARD
Foo Soon Soo (Ms)
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(i) Resolution 2 – Mr Leong Yew Meng will upon re-election, remain as the member of the Remuneration and Nominating Committees. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on the Directors can be found in the Company's Annual Report 2020.

(ii) Resolution 5 – If passed, will enable the Directors to issue shares in the Company up to 100% of the total number of issued shares and instruments convertible into shares excluding treasury shares in the capital of the Company (in the case of issuance other than on a pro-rata basis to existing shareholders, such aggregate number of shares not to exceed 50% of the total number of issued shares excluding treasury shares and subsidiary holdings in the capital of the Company) for such purposes as they consider to be in the interests of the Company.

(iii) Resolution 6 – If passed, will empower the Directors, to repurchase Shares by way of market purchases or off-market purchases of up to 10% of the issued ordinary share capital of the Company (excluding treasury shares and subsidiary holdings) at such price up to the Maximum Price during the Relevant Period. Information relating to this proposed Resolution is set out in the Appendix A attached to the Annual Report.

(iv) Resolution 7 – If passed, will empower the Directors to offer and grant awards in accordance with the AsiaMedic Share Award Scheme and to allot and issue shares in the capital of the Company pursuant to the granting of awards under such scheme, which when added to the number of shares issued under any other share incentive schemes, share plans or option schemes adopted by the Company shall not shall not exceed 25% of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company on the day preceding the relevant date of award.

(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.

(vi) Resolution 9 – If passed, will allow the Company and/or its Subsidiaries to enter into transactions with interested persons as defined in Chapter 9 of the Catalist Rules of the SGX-ST. Please refer to the Appendix B attached to the Annual Report for more information on the scope of the IPT General Mandate.

NOTES:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020.

2. **Due to the current Covid-19 restriction orders in Singapore, members will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.**

   Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, at the office of the Company's Share Registrar, KCK CorpServe Pte. Ltd., 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721; or

   (b) if submitted electronically, be submitted via email to the Company at aml2021@asiamedic.com.sg.

   in either case **not less than 72 hours** before the time appointed for holding the AGM, ie. by 9.30 a.m. on 26 April 2021. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or by scanning and sending it via email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 19 April 2021 (being 7 working days before the AGM).

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. **Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" webcast or "live" audio only feed.**

Pre-Registration
Members who wish to participate in the AGM by observing the AGM proceedings via "live" webcast or listening to the AGM proceedings via "live" audio only feed (the "**AGM Webcast**") should pre-register at https://online.meetings.vision/asiamedic-agm-registration at least 3 working days before the AGM, ie. by 9.30 a.m. on 26 April 2021 (the "**Registration Deadline**").

At the pre-registration page, members can indicate whether to attend the AGM via the "live" webcast or via the "live" audio only feed. Authenticated members will receive an email containing an URL with their login credentials to access the "live" audio-and-visual webcast and/or a Singapore telephone number and password to access the "live" audio-only feed of the AGM proceedings (the "**Confirmation Email**").

Submitting Questions in Advance
Members will not be able to ask questions "live" via the AGM Webcast. Any questions on matters related to the AGM may be submitted in advance to the Chairman of the Meeting by post to the Registered Office of the Company at 350 Orchard Road, #08-00 Shaw House, Singapore 238868 stating your question and full name. Alternatively, members can also submit their questions via the pre-registration website at https://online.meetings.vision/asiamedic-agm-registration. All the questions must be submitted by 9.30 a.m. on 21 April 2021. Any question without the relevant identification details will not be entertained. The Company will endeavour to respond to substantial and relevant questions received from members via an announcement on SGXNET prior to the AGM, or during the AGM.

Members who have pre-registered by the Registration Deadline but do not receive the Confirmation Email response by 28 April 2021, 9.30 a.m. may email to sharereg@kckcs.com.sg for enquiries, with the following details included: (i) the full name of the shareholder, and (ii) his/her/its identification/registration number.

6. The Notice of AGM, Proxy Form, Annual Report 2020 and the Appendices to the Annual Report (in relation to the proposed renewal of the share purchase mandate and the general mandate for recurrent interested person transactions) may be accessed as follows:

   (a) Visit www.asiamedic.com.sg > INVESTOR RELATIONS > Annual Reports

   (b) Alternatively, you can visit http://asiamedic.listedcompany.com/ar.html

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the Meeting to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company 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 the appointment of the Chairman of the Meeting as proxy 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.

SPONSOR STATEMENT:

This Notice has been reviewed by the Company's sponsor, Xandar Capital Pte Ltd, in compliance with Rule 226 of the Catalist Rules. It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice. The contact person for the Sponsor is Ms Pauline Sim (Registered Professional, Xandar Capital Pte Ltd) at 3 Shenton Way, #24-02 Shenton House, Singapore 068805. Telephone number: (65) 63194954.

ADDITIONAL INFORMATION ON DIRECTOR 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	Mr Leong Yew Meng
Date of Appointment	16 July 2020
Date of last re-appointment (if applicable)	NA
Age	62
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Leong as Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration his qualifications, expertise, past experience and overall contribution since he was appointed as a Director
Whether appointment is executive, and if so, the area of responsibility	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	• Independent Director • Member of the Remuneration and Nominating Committees
Professional qualifications	• Bachelor of Mechanical Engineering (2nd Class Lower), National University of Singapore • Master of Business Administration, National University of Singapore • Advanced Management Program, Wharton School, University of Pennsylvania • 'Understanding the Modern China' program by Tsinghua University (Beijing) and Fudan University (Shanghai), 2006
Working experience and occupation(s) during the past 10 years	2017-2019 CEO, Shanghai Fosun Hospital Management (Group) Co., Ltd 2016-2017 CEO (Greater China & North Asia), Parkway Pantai Limited 2015-2015 Regional Practice Leader/Consultant, FranklinCovey 2009-2014 CEO, National Healthcare Group Polyclinics, Singapore 2002-2011* CEO, Institute of Mental Health/Woodbridge Hospital, Singapore *Concurrent appointment
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	No
Conflict of interest (including any competing business)	No

ADDITIONAL INFORMATION ON DIRECTOR SEEKING RE-ELECTION

Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes
Past (for the last 5 years)	Shanghai Rui Xin Healthcare Co., Ltd. Shanghai Xin Rui Healthcare Co., Ltd. Shanghai Rui Hong Clinic Co., Ltd. Shanghai Rui Xiang Clinic Co., Ltd. Shanghai Rui Pu Clinic Co., Ltd. Chengdu Rui Rong Clinic Co., Ltd. Shanghai Rui Ying Clinic., Co Ltd Shanghai Hui Xing Jin Pu Clinic Co., Ltd. Suzhou Industrial Park Yuan Hui Clinic Co., Ltd Shanghai Maikang Hospital Investment Management Co., Ltd. Shanghai Shukang Hospital Investment Management Co., Ltd Parkway (Shanghai) Hospital Management Ltd Shanghai Gleneagles Hospital Management Co., Ltd. ParkwayHealth Shanghai International Hospital Company Ltd ParkwayHealth Chengdu Hospital Company Limited PCH Holding Pte. Ltd. (fka Parkway China Holding Co. Pte Ltd) M&P Investments Pte Ltd Medical Resources International Pte Ltd Hong Kong Gleneagles Hospital Management Co., Ltd Shanghai Hui Xing Hospital Investment Management Co., Ltd Healthy Harmony GP, Inc. Chindex International Inc. Shenzhen Hengsheng Hospital United Family Healthcare (Hong Kong) Limited
Present	Nil

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

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ASIAMEDIC LIMITED

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

IMPORTANT:

This Proxy Form is not valid for use by investors who hold ordinary shares in the Company ("**Shares**") through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors (including SRS investors), if they wish to vote, CPF and SRS investors should approach their respective CPF Agent Banks and SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 19 April 2021). Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

PROXY FORM

Please read notes overleaf before completing this Form.

I/We, ______________________________ (name)

______________________________ (*NRIC/passport/company registration no.)

of ______________________________ (address)

being *a member/members of ASIAMEDIC LIMITED (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting (the "**AGM**") of the Company, as *my/our proxy to vote for *me/us on *my/our behalf, at the AGM of the Company to be held by way of electronic means, on Thursday, 29 April 2021 at 9.30 a.m. and at any adjournment thereof.

*I/We direct the Chairman of AGM to vote for, vote against or abstain from voting on the Ordinary Resolutions to be proposed at the AGM as indicated hereunder.

Members should specifically indicate in this Proxy Form how they wish to vote for or against (or abstain from voting on) the resolutions to be tabled at the AGM. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as your proxy will be treated as invalid.

* Please delete accordingly.

No.	Ordinary Resolutions	For**	Against**	Abstain**
1	Adoption of the audited financial statements for the financial year ended 31 December 2020 and the Directors' Statement and Auditor's Report thereon			
2	Re-election of Mr Leong Yew Meng as Director retiring pursuant to Regulation 88 of the Company's Constitution			
3	Approval of Directors' fee for the financial year ended 31 December 2020			
4	Re-appointment of Ernst & Young LLP as Auditors			
5	Authority to issue shares and instruments convertible into shares			
6	Renewal of the Share Purchase Mandate			
7	Authority to grant awards and to allot and issue shares under the AsiaMedic Share Award Scheme			
8	Authority to grant options and to allot and issue shares under the AsiaMedic Employee Share Option Scheme 2016			
9	Renewal of the IPT General Mandate			

** 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 ______________ 2021.

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

____
Signature(s) of member(s)/Common Seal

Notes:

1. In accordance with the alternative arrangements under the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, members of the Company who wish to have their votes cast at the AGM must appoint the Chairman of the AGM as their proxy to do so.

2. This Proxy Form is not valid for use by investors who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act (Chapter 50 of Singapore)), including CPF and SRS investors, and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF and SRS investors should approach their respective SRS Operators at least seven working days before the AGM to specify voting instructions. Other investors holding shares in the Company through relevant intermediaries who wish to vote should approach their relevant intermediaries as soon as possible to specify voting instructions.

3. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares in the box provided next to Depository Register. If you have Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Shares in the box provided next to Register of Members.

4. The Chairman of the AGM, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the AGM as proxy must be deposited with the Company (i) via post to the Share Registrar at KCK CorpServe Pte. Ltd., 333 North Bridge Road, #08-00 KH KEA Building, Singapore 188721; or (ii) electronic mail to aml2021@asiamedic.com.sg, and received by the Company not less than seventy-two (72) hours before the time for holding of the AGM.

   In view of the current COVID-19 situation and the related precautionary measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms via electronic mail.

6. Where an instrument appointing the Chairman of the AGM as proxy is sent by post, it must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

   Where an instrument appointing the Chairman of the AGM as proxy is submitted by email, it must be authorised by way of the appointor or his duly authorised attorney or, as the case may be, an officer or duly authorised attorney of a corporation signing the instrument under hand and submitting a scanned copy of the signed instrument by email.

   Where an instrument appointing the Chairman of the AGM as proxy is signed or, as the case may be, authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument appointing the Chairman of the AGM as proxy, failing which the instrument may be treated as invalid.

7. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

8. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding of the AGM (i.e. 9.30 a.m. on 26 April 2021), as certified by The Central Depository (Pte) Limited to the Company.

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