ASIAMEDIC LIMITED

THE CHOICE HEALTHCARE PROVIDER IN SINGAPORE

Annual Report 2015

OUR 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

CONTENTS

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

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

Contact person for the Sponsor: Ms Pauline Sim (Registered Professional, Xandar Capital Pte Ltd)
Address: 3 Shenton Way, #24-02 Shenton House, Singapore 068805
Telephone number: (65) 6319 4954

OUR CORE SERVICES

WELLNESS AND PREVENTIVE MANAGEMENT

Health Risk Assessments and Screenings, Anti-Aging and Health Risk Management programmes for optimised healthy aging and wellness.

COLLABORATIVE HEALTH MANAGEMENT

Collaborative partnership with medical specialists and hospitals located both locally and overseas.

ADVANCED DIAGNOSTIC IMAGING

General and sub-specialty CT and MRI imaging such as Cardiovascular, Neuroradiological, ENT and Musculoskeletal imagings. PET/CT imaging for diagnosis, staging, localisation and monitoring progress of cancer.

ASIAMEDIC'S BUSINESS UNITS

ASIAMEDIC WELLNESS ASSESSMENT CENTRE

The AsiaMedic Wellness Assessment Centre offers a comprehensive range of preventive health screening plans for patients to identify their health risk factors so that successful early intervention and behavioural modification can be implemented. Staffed by a team of experienced and caring Medical Health Navigators, we help patients achieve optimal well-being with customised lifestyle solutions that best address their individual health risk profile. Leveraging on the latest evidence-based medical knowledge and technology, the team is committed to delivering positive clinical outcomes and experiences for patients based on AsiaMedic's philosophy of early diagnosis, pre-symptomatic diseases detection and disease prevention.

ASIAMEDIC ADVANCED IMAGING CENTRE

The AsiaMedic Advanced Imaging Centre is made up of The Orchard Imaging Centre and The Heart & Vascular Centre. Equipped with a 128-slice CT scanner and three Magnetic Resonance Imaging (MRI) scanners, the Centre provides an extensive range of advanced imaging for Cardiology, Neuroradiology, ENT, Orthopaedics, etc. Other imaging services include DEXA, Mammography, Ultrasound and general X-ray. The Centre uses an integrated RIS PACS system that streamlines operations to better serve patients referred by our clinical partners.

ASIAMEDIC POSITRON EMISSION TOMOGRAPHY (PET) CENTRE

As one of Singapore's first non-hospital based PET centres, the AsiaMedic Positron Emission Tomography (PET) Centre utilises GE's Discovery ST PET/CT scanner for cardiac and cancer imaging. This system integrates a PET scanner with a multi-slice Computed Tomography (CT) scanner and is capable of 2D and 3D imaging that significantly enhances cancer diagnosis and staging.

ASIAMEDIC'S BUSINESS UNITS

ASIAMEDIC ASTIQUE THE AESTHETIC CLINIC

Located within AsiaMedic, ASTIQUE is a boutique aesthetic clinic which provides a comprehensive range of medical aesthetic treatments with minimal or no downtime. With the aim of catering to the beauty needs of patients at every stage and milestone in their lives, effective medical aesthetic treatments are customised and formulated to help them look and feel good. A wide range of products and treatments, including but not limited to, laser skin treatments, non-surgical facelifts, fillers, facials, non-invasive body contouring and skincare products help both women and men attain the complexion and figure they aspire to have in the comforts of a relaxing and private environment. Minimally invasive treatments are safely and professionally administered by our doctors leaving patients feeling at ease, building trust and forging lifelong relationships.

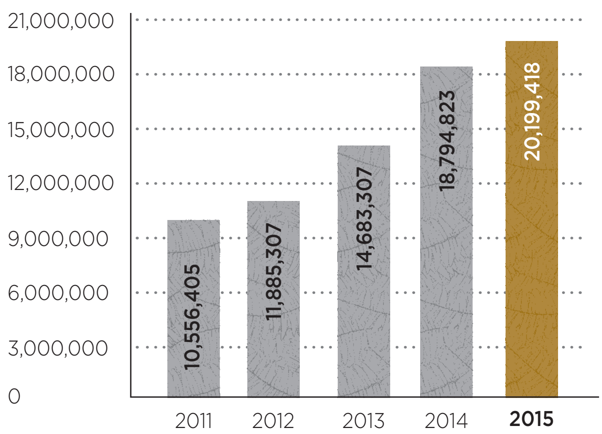
COMPLETE HEALTHCARE INTERNATIONAL

Complete Healthcare International (CHI) is an expatriate medical clinic that caters to a full range of family medical care, health screening, vaccination and travel advice. Established in the relaxing, peaceful and tranquil settings of Rochester Park, CHI brings to you a group of very experienced doctors (GP's), nurses and staff who come from many different backgrounds and countries with a common aim – to provide a high standard of healthcare for the whole family and to maintain and optimise their health. CHI, which stands for Complete Healthcare International, also holds a double meaning with an Asian influence where "Chi" also means circulating life-force and striving to be the optimal you can possibly be and thus the desire to strive to keep people as healthy as they can be.

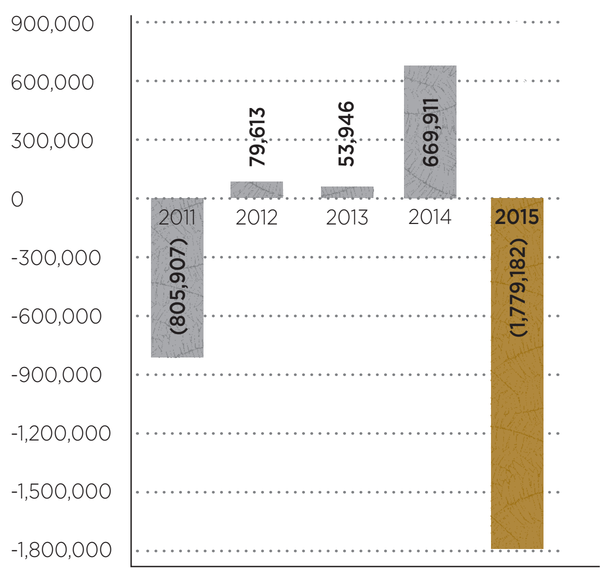
FINANCIAL HIGHLIGHTS

	2011 S$	2012 S$	2013 S$	2014 S$	**2015 S$**
Revenue	10,556,405	11,885,307	14,683,307	18,794,823	**20,199,418**
(Loss)/profit before taxation	(1,172,092)	52,884	(58,115)	467,384	**(1,873,457)**
(Loss)/profit for the year	(1,070,989)	33,923	64,654	646,012	**(1,734,384)**
Net (loss)/profit after tax attributable to owners of the Company	(805,907)	79,613	53,946	669,911	**(1,779,182)**
Share capital and reserves	13,674,029	13,715,610	13,575,783	13,954,793	**12,183,313**
	Cents	Cents	Cents	Cents	**Cents**
(Loss)/earnings per share					
– Basic	(0.24)	0.02	0.02	0.20	**(0.53)**
– Diluted	(0.24)	0.02	0.02	0.20	**(0.53)**
Net asset value per share	4.08	4.09	4.00	4.12	**3.59**

REVENUE
(S$)



NET PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY
(S$)



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I present to you the annual report for the financial year ended 31 December 2015 ("FY2015").

As the new Non-Executive Chairman of the Board, I am pleased to have been appointed to the Board with effect from 3 June 2015.

Given AsiaMedic's current capabilities and the trends in the healthcare industry, the Group aims to expand its businesses and widen its reach. In June 2015, Luye Medicals Group Pte Ltd ("Luye") came on board as a substantial shareholder, with the acquisition of an aggregate 28.15% stake that was previously held by Grandiflora Pte. Ltd. ("Grandiflora") and Mr Tan Wang Cheow. Following the completion of the acquisition, Mr Tan and Grandiflora's nominees to the Board, Mr Andi Solaiman and Ms Suzanne Liau, resigned as Directors of AsiaMedic. I would like to take this opportunity to thank our former Non-Executive Chairman Mr Tan, and former Directors Mr Solaiman and Ms Liau, for their invaluable contributions to the Group. We welcome Mr Guo Wenfei, Dr Hong Hai and Mr Koh Boon How to the Board. Mr Guo is the Chief Executive Officer of Luye Medical Group (China). Dr Hong is an Adjunct Professor at the Nanyang Business School and a Senior Fellow of the Institute of Advanced Studies at the Nanyang Technological University (NTU) in Singapore. Mr Koh is the Deputy Chief Financial Officer of Luye Pharma Group Ltd.

Following the investment by Luye, the Group sought to reorganise its operations to better position itself for future growth. The Group terminated its interest in the Shanghai medical centre and post-natal centre, and closed a clinic in East Coast that was under its 80%-owned subsidiary Complete Healthcare International Ptd Ltd ("CHI"), as these centres were not performing. We are heartened that following the reorganisation, we will be able to carve a clear growth trajectory for the Group, and take it to greater heights.

A YEAR IN REVIEW

FY2015 was an encouraging year for AsiaMedic, despite also being a year of changes. The Group achieved revenue growth of 7% to S$20.2 million in FY2015, from S$18.8 million in FY2014, as its concerted marketing efforts paid off and all business units recorded improved or comparable performance. Other income decreased from S$1,382,000 in FY2014 to S$798,000 in FY2015 on lower government grants received and the absence of a gain from disposal of equipment amounting to S$396,000.

Total operating expenses was 16% higher in FY2015 at S$23 million. The 10% increase in consumables used to S$2.3 million was in line with the increase in revenue. Employee benefits increased by 11% to S$9.7 million due to higher clinic headcount and the engagement of two in-house radiologists during FY2015. While the addition of new medical equipment resulted in higher depreciation expense from S$1.3 million in FY2014 to S$1.6 million in FY2015, it also contributed to a decrease in maintenance of equipment expenses from S$0.6 million in FY2014 to S$0.5 million in FY2015, as these equipment are still under warranty. By engaging an in-house nuclear radiologist instead of external consultants, the Group was able to reduce its laboratory and consultancy fees in FY2015.

Impairments, provisions and fair value adjustments in FY2015 represent (i) losses on termination of the Group's interest in its Shanghai medical centre and post-natal centre amounting to S$446,000 and S$1.1 million respectively, (ii) fair value loss on the contingent consideration in respect of the acquisition of CHI amounting to S$178,000, (iii) changes resulting from re-measurement of put options granted to non-controlling interests in CHI and AsiaMedic Astique The Aesthetic Clinic Pte Ltd ("Astique") amounting to S$183,000 and S$10,000 respectively, and (iv) S$227,000 in provisions for the closure of the CHI clinic in East Coast which ceased operations during the year.

CHAIRMAN'S STATEMENT

The Group's share of results of associates in FY2015 increased by 20% to S$167,000, mainly due to higher profit from Positron Tracers Pte Ltd.

As a result of the above, and coupled with the absence of a gain on disposal of equipment in FY2015, the Group recorded a loss before tax of S$1.9 million in FY2015, compared with a profit before tax of S$467,000 in FY2014. Excluding the effect of the impairments, provisions and fair value loses, the Group's profit before tax would have been approximately S$298,000 for FY2015.

Therefore, the Group registered a net loss attributable to owners of the Company amounting to S$1.8 million in FY2015, compared with a net profit attributable to owners of the Company of S$670,000 in FY2014.

Our balance sheet remains strong, with a cash and short term deposits of S$5.6 million as at 31 December 2015. This puts us in a good position as we work towards growing the business in FY2016.

The Group's net assets attributable to shareholders stood at S$12.2 million as at 31 December 2015, down from S$14.0 million a year ago. Based on the total number of issued shares of 338,988,125 shares, this translates into a net asset value per share of 3.59 Singapore cents.

Total assets decreased to S$21.1 million as at 31 December 2015, from S$22.4 million as at 31 December 2014. Non-current assets increased by S$1.0 million to S$12.7 million as at 31 December 2015, mainly due to increases in property, plant and equipment as the Group had purchased new equipment, and in deferred tax assets in respect of unabsorbed tax allowances and unutilised tax losses. The increase was partially offset by a decrease in investments in associates, as well as a decrease in convertible loans. Current assets decreased from S$10.8 million as at 31 December 2014 to S$8.3 million as at 31 December 2015, due to a decrease in other receivables and deposits and short-term loan receivables. Short-term loan receivables were working capital loans extended to the Shanghai centres and were fully written-off in FY2015 following the termination of the Group's interest in the investment. Short-term deposit pledged as security for a term loan from a bank was lifted in FY2015 due to the repayment of the term loan.

Total liabilities increased from S$8.5 million as at 31 December 2014 to S$8.9 million as at 31 December 2015. Current liabilities increased from S$5.5 million as at 31 December 2014 to S$5.8 million a year ago. The increase in provisions was due to provisions made for the closure of the CHI East Coast clinic. Put options relate to those granted to non-controlling interests for their shares in subsidiaries, namely CHI and Astique. These put options are classified as current liabilities as they are exercisable from 2016. Loans and borrowings decreased due to the repayment of a term loan, while obligations under finance leases increased due to hire purchase financing obtained for the purchase of new equipment.

Given the cash generative nature of the Group's business, cash flow from operating activities remained healthy at S$1.8 million in FY2015. Cash flow from investing activities improved due mainly to proceeds from the termination of interests in the Shanghai centres, lower payments for capital expenditure, and the absence of payment for acquisitions. Cash outflow due to financing activities increased due mainly to the repayment of a term loan. As a result, cash and short-term deposits decreased from S$6.3 million as at end FY2014 to S$5.6 million as at 31 December 2015.

The Group's continuous efforts to be innovative and provide quality service in its businesses was recognised in FY2015. AsiaMedic received the 2015 Frost & Sullivan Singapore Diagnostics Imaging Company of the Year Award, a prestigious award that recognises its diagnostics imaging capabilities. This award comes under the 2015 Frost & Sullivan Asia Best Practices Awards programme that honours companies that have demonstrated best practices and outstanding performance in their respective

CHAIRMAN'S STATEMENT

industries. AsiaMedic was also voted to be the Best Corporate Wellness Provider in HRM Asia Reader's Choice Awards 2015. HRM readers comprise influential human resources decision makers, including Chief Financial Officers and Chief Executive Officers, across various industry sectors. AsiaMedic was also one of the three finalists for the Best Healthcare Experience Award under the Singapore Excellence Awards 2015 awarded by the Singapore Tourism Board.

OUTLOOK

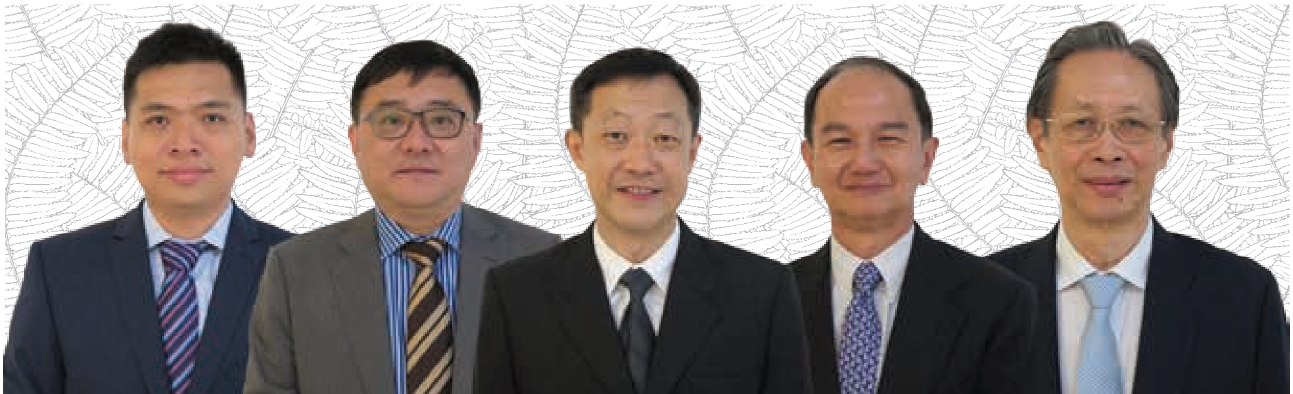
While the global economic outlook is uncertain and the operating environment is challenging, the demand for quality healthcare services in Singapore is expected to remain robust, supported by a growing awareness for preventive healthcare and a rapidly ageing population. Rising demand for early diagnosis and regular monitoring will also help drive the demand for diagnostics imaging services. AsiaMedic's strong reputation and capabilities in advanced diagnostics imaging and in the provision of wellness services will enable it to ride on these trends and grow the business further. The Group will continue to look for business expansion opportunities in the area of healthcare services.

NOTE OF APPRECIATION

I would like to express my appreciation to the Board of Directors, for their invaluable guidance and support. On behalf of the Board, I would like to thank all our stakeholders: shareholders, clients, business partners and staff for their continuous support and commitment. We remain committed to improving value for our stakeholders.

TAN SOO KIAT
Non-Executive Chairman

BOARD OF DIRECTORS



From left to right:
Mr Koh Boon How, Kenneth; Mr Guo Wenfei; Mr Tan Soo Kiat; Mr Goh Kian Chee; Dr Hong Hai

MR TAN SOO KIAT
Non-Executive Chairman

Mr Tan Soo Kiat brings with him over 17 years of experience in the banking and finance industry. He is a director of Intergate Pte Ltd, a company engaged in the provision of corporate advisory services. These include fund raising exercises, mergers & acquisitions, risk management and due diligence. Mr Tan is also currently the Lead Independent Director of Dyna-Mac Holdings Ltd. and an independent director of one other SGX-listed company.

Mr Tan was formerly the Chief Operating Officer and Executive Director of Goodpack Limited, General Manager 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 the University of Otago, New Zealand, in 1983. He is a Chartered Accountant with the New Zealand Institute of Chartered Accountants.

MR GUO WENFEI
Non-Executive Director

Mr Guo Wenfei has extensive experience in the pharmaceutical and healthcare industry in China. He has been the Chief Executive Officer of Luye Medical Group (China) since his appointment in 2014. Prior to that, Mr Guo spent over ten years as Vice-President of Marketing at Shandong Luye Pharma Co., Ltd. He was formerly the General Manager at Hong Kong-listed China NT Pharma Group, Business Manager at GSK (SmithKline), Vice-Director at Zhongwei International Medical Centre, and the Physician-in-Charge at Yantaishan Hospital in China.

Mr Guo graduated from Shandong Medical University with a degree in Clinical Medicine. He currently serves as a Director at JC Healthcare Co., Ltd and Shanghai Luye Dima Medical Investment Management Co., Ltd.

MR GOH KIAN CHEE
Lead Independent Director

Mr Goh is presently a Consultant at the National University of Singapore (NUS), Centre For The Arts. He is also an Independent Director of Indofood Agri Resources Ltd. and China Minzhong Food Corporation 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 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. Before his present role in NUS, Mr Goh was the Regional Vice President & Controller as well as an Executive Director of John Hancock International Pte Ltd.

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

BOARD OF DIRECTORS

DR HONG HAI
Independent Director

Dr Hong Hai is an Adjunct Professor at the Nanyang Business School and a Senior Fellow of the Institute of Advanced Studies at the Nanyang Technological University (NTU) in Singapore. He is an independent director of YTL Starhill Global Reit Management Ltd, Poh Tiong Choon Logistics Ltd and China Merchant Holdings (Pacific) Ltd. He was previously Dean (2003-2007) and Professor (2003-2013) at the College of Business, NTU, and President and Chief Executive Officer of Haw Par Corporation Limited (1990 – 2003).

Dr Hong holds Master's degrees from Harvard and Cambridge Universities and PhDs from Carnegie-Mellon University and the London School of Economics. He is a registered traditional Chinese medicine physician (MD, Beijing University of Chinese Medicine) and practises part-time at the Renhai Clinic and the Public Free Clinic.

MR KOH BOON HOW, KENNETH
Alternate Non-Executive Director to Mr Guo Wenfei

Mr Koh Boon How is the Deputy Chief Financial Officer of Luye Pharma Group Ltd ("Luye"). He started as an Audit Associate in KPMG Malaysia in Dec 2004 and was subsequently transferred to work in KPMG Singapore, where he was later promoted to Audit Assistant Manager. During his stint at KPMG, he was involved in the audits of a number of SGX-listed companies.

Mr Koh joined Luye as the Group Finance Manager in 2010. He was subsequently promoted to Deputy Chief Financial Officer in 2014. Mr Koh also handles mergers and acquisitions and other corporate transactions. In 2014, he assisted in Luye's IPO on the Hong Kong Stock Exchange. Mr Koh is a member of CPA Australia.

SENIOR MANAGEMENT AND CLINICIAN LEADERS

MR JONATHAN JOSEPH TAN

Chief Operating Officer
Dip. Psy (Dist), B.Sc Psy (Hons), B.Sc Eng (Hons), B.A Mgt (Hons), Master of International Business, Master of Health Admin, M.Sc Innovation (High Merit), D.Th.

Prior to his current appointment as Chief Operating Officer at AsiaMedic, Mr Tan held several leadership positions in both the public and private sectors, including senior management roles in Healthway Medical Group, National Healthcare Group, and Société Générale de Surveillance. A veteran in the healthcare sector, Mr Tan has extensive local and regional experience in various aspects of healthcare management from corporate and strategic planning, operations, P & L oversight and business development.

Mr Tan also sits on the Board of Cryoviva Singapore Pte Ltd, Singapore's 3rd Cord Blood Bank and the Board of Positron Tracers Pte. Ltd. (''PTPL'') (a Partnership with Singapore General Hospital & Parkway Group for the production and supply of radiopharmaceuticals). Apart from his official appointments, Lt Colonel (NS) Tan has extensive leadership experience through his service with the Singapore Armed Forces and the Singapore Civil Defence Force and is actively involved in community service, serving on the Board of Governors of the HomeTeamNS by the Ministry of Home Affairs. A strong proponent of academic sharing to promote best industry practices, Mr Tan was also appointed as the Consultant for Healthcare Initiatives at the Singapore Management University, where he has spoken at numerous local and international healthcare conferences. Mr Tan completed his studies under various scholarships in Singapore, US, UK & Australia. He holds fellowships and memberships with a number of professional associations, including The British Psychological Society, American Psychological Association, Singapore Institute of Directors, Australian Institute of Management, and the American Association for Financial Management.

MR STANLEY WOO

Group Financial Controller
B. Com.

Mr Woo holds a Bachelor of Commerce degree from the University of Melbourne. As the Group Financial Controller of AsiaMedic Limited, Mr Woo oversees the Group's finance, legal, accounting and taxation functions. He has more than 20 years of finance and accounting experience. Prior to joining AsiaMedic, Mr Woo spent 8 years as the Financial Controller of a public listed manufacturing company. He also has 7 years of public accounting experience. Mr Woo is a member of the Institute of Singapore Chartered Accountants.

DR WONG KAE THONG

Medical Director
Wellness Assessment Centre
MD, MRCPCh, MMed (Paed)

Dr Wong is a graduate of the University of Western Ontario, Canada. She is a general practitioner who has special interests in preventive health screening, travel medicine, and women's and children's health. She has practised medicine in rural settings and paediatric medicine in hospital settings. Dr Wong has been involved in preventive health and wellness care for individual and corporate patients since 2005.

SENIOR MANAGEMENT AND CLINICIAN LEADERS

DR KIM HAYES

Medical Director
Complete Healthcare International
MBBS, DRCOG, FRACGP

Dr Hayes graduated from Monash University, Melbourne in 1990. She is a Fellow of the Royal Australian College of General Practitioners and a Fellow of the Australian College of Nutritional and Environmental Medicine. She has a Diploma from the Faculty of Family Planning, London School of Obstetrics and Gynecology and a Diploma of the Royal Australian College of Obstetrics and Gynecology.

Dr Hayes has worked as a family doctor in the UK and also in rural Victoria, Australia. She has been in Singapore since 1997 working as a GP looking after families from the expatriate community. She has vast experience in general and behavioral medicine. She has also a very keen interest in nutritional and environmental medicine.

DR KEVIN CHEN

Consultant Radiologist
General Manager – Advanced Imaging Centre
MB ChB, MRCP, FRCR, FAMS

Dr Chen graduated from the University of Bristol Medical School in the UK. He is a member of the Royal College of Physicians (London), a Fellow of the Royal College of Radiologists and a Fellow of the Academy of Medicine, Singapore. Prior to joining AsiaMedic, Dr Chen was a consultant radiologist at the Singapore General Hospital where he was a director of the Advanced Imaging Centre and the SingHealth Centre for Non- Invasive Advanced Cardiovascular Imaging. He has a special interest in cardiovascular imaging and has completed a Fellowship in this radiological sub-specialty at the Cleveland Clinic Foundation, Ohio, USA.

DR MATTHEW YAP

Medical Director
AsiaMedic Astique The Aesthetic Clinic
MBBS (Singapore), Diploma (American Academy of Aesthetic Medicine)

Dr Yap obtained his medical degree from the National University of Singapore. He also holds a diploma in aesthetic medicine from the American Academy of Aesthetic Medicine. He has attended numerous workshops by the Aesthetic Dermatology Educational Group, local and international organizers. His passion in aesthetic medicine stems from his love of all things beautiful. Possessing a meticulous eye for detail and a caring personality, he is always ready to advise his patients on safe and effective solutions as well as the latest advances in aesthetic treatments. He has a special interest in lasers, skincare products and fillers. His mission is to help all achieve a natural and youthful appearance with non-surgical, minimally invasive procedures.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Tan Soo Kiat	(Non-Executive Chairman)
Mr Guo Wenfei	(Non-Executive Director)
Mr Goh Kian Chee	(Lead Independent Director)
Dr Hong Hai	(Independent Director)
Mr Koh Boon How	(Alternate Non-Executive Director to Mr Guo Wenfei)

AUDIT AND RISK MANAGEMENT COMMITTEE

Mr Goh Kian Chee (Chairman)
Dr Hong Hai
Mr Tan Soo Kiat

NOMINATING COMMITTEE

Dr Hong Hai (Chairman)
Mr Goh Kian Chee
Mr Tan Soo Kiat

REMUNERATION COMMITTEE

Dr Hong Hai (Chairman)
Mr Goh Kian Chee
Mr Tan Soo Kiat

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

AUDITOR

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

Partner-in-charge: Mr Tan Swee Ho
(Since financial year ended 31 December 2013)

REGISTERED OFFICE

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Tel: (65) 6789 8888
Fax: (65) 6738 4136
Email: info@asiamedic.com.sg
Website: www.asiamedic.com.sg

PRINCIPAL BANKERS

DBS Bank Ltd
Hong Leong Finance Limited

CATALIST SPONSOR

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

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 2012 (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 2015 ("FY2015"). The Company will continue to improve its systems and corporate governance processes in compliance with the Code. There are other sections in this Annual Report which contain information required by the Code. Hence, shareholders should read this Annual Report in totality.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and the Management remains accountable to the Board.

The Board of Directors (the "Board") comprises four Directors and an 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:

Mr Tan Soo Kiat	Non-Executive Chairman
Mr Goh Kian Chee	Lead Independent Director
Dr Hong Hai	Independent Director
Mr Guo Wenfei	Non-Executive Director
Mr Koh Boon How	Alternate Non-Executive Director to Mr Guo Wenfei

The primary role of the Board is to lead and control the Group. It provides entrepreneurial leadership, sets the strategies of the Group (comprising the Company and its subsidiaries), and sets directions and goals for the Management (comprising the key executive officers of the Group). 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 supervises the Management and monitors performance of these goals to enhance shareholders' value. The Board is responsible for the overall corporate governance of the Group including setting its strategic direction, establishing goals for the Management and monitoring the achievement of these goals. The Board also considers sustainability issues. The Board has adopted internal guidelines governing matters that require the 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;

CORPORATE GOVERNANCE REPORT

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

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

(h) material contracts, guarantees and commitments;

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

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

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

The present Board comprises four members. Of the four Board members, two are Non-Executive Directors and two are Independent Directors.

	Board		Board Committees		
Name of Director	**Non-Executive Director**	**Independent Director**	**Audit and Risk Management Committee**	**Remuneration Committee**	**Nominating Committee**
Mr Tan Soo Kiat	Chairman		Member	Member	Member
Mr Guo Wenfei (Alternate: Mr Koh Boon How)	Member				
Dr Hong Hai		Member	Member	Chairman	Chairman
Mr Goh Kian Chee		Member	Chairman	Member	Member

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

These Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each Board Committee is also constantly reviewed by the Board.

The following table discloses the number of meetings held for Board and Board Committees and the attendance of all Directors in FY2015:

Previous Board	**Board**	**Audit and Risk Management Committee**	**Remuneration Committee**	**Nominating Committee**
Number of meetings held	2	1	1	1
Name of Director		**Number of meetings attended**		
Mr Arthur Ng Boon Chye(1)	1	1	1	1
Mr Erhart Mark Allan(1)	1	1	NA	NA
Mr Tan Wang Cheow(2)	2	NA	NA	NA
Mr Andi Solaiman(2)	2	NA	1	1
Ms Suzanne Liau(2)	2	NA	NA	NA
Mr Goh Kian Chee	2	1	1	1

(1) Retired on 30 April 2015
(2) Resigned on 3 June 2015
NA – The Directors were not members of the respective Board Committee

CORPORATE GOVERNANCE REPORT

Present Board	Board	Audit and Risk Management Committee
Number of meetings held	2	1
Name of Director	**Number of meetings attended**	
Mr Goh Kian Chee	2	1
Dr Hong Hai(1)	2	1
Mr Tan Soo Kiat(1)	2	1
Mr Guo Wenfei(2)	NA	NA

(1) Appointed on 3 June 2015
(2) Appointed on 5 February 2016
NA – The Directors are not members of the respective Board Committee

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.

Orientation, Briefings, Updates and Professional Development Provided for Directors in FY2015

The Company has in place an orientation process. A new incoming Director will be 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 Group's strategic direction, 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.

The NC 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) enhanced provisions under the Catalist Rules;

   (c) amendments to the 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

BOARD COMPOSITION AND BALANCE

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board consists of four Directors, two of whom are Non-Executive Directors and two are Independent Directors, one of them being the Lead Independent Director.

Mr Goh Kian Chee was appointed by the Board on 5 February 2016 as Lead Independent Director.

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 10% 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 composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience and collectively possess the necessary core competencies for effective functioning and informed decision-making. The NC also considers the renewal of the Board for good governance.

The independence of Dr Hong Hai and Mr Goh Kian Chee as Independent Directors are reviewed by the NC. Both Dr Hong and Mr Goh have confirmed their independence and that they do not have any relationship with the Company, its related corporations, its 10% 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 both Dr Hong and Mr Goh continue to be independent. Dr Hong and Mr Goh have abstained from the NC's deliberations of their respective independence.

Mr Goh has served as Independent Director for more than nine years. The Board has reviewed the 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 exercised independent judgement. 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 to provide significant and valuable contribution objectively to the Board as a whole. 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 rigorous review of his independence.

The Company satisfies the requirement of the Code that at least one-third of the Board be made up of Independent Directors.

There are no other relationships or circumstances as stated in the Code that would deem an Independent Director not to be independent.

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

CORPORATE GOVERNANCE REPORT

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Chairman is primarily responsible for the effective working of the Board. In the absence of a Chief Executive Officer ("CEO"), the Chief Operating Officer ("COO") is responsible for overseeing the day-to-day operations of the Group.

Mr Tan Soo Kiat was appointed Non-Executive Chairman of the Board on 5 February 2016. The Chairman chairs the meetings of the Board and ensures effectiveness of the Board including setting agenda for Board meetings with input from the Management, and ensures there is sufficient allocation of time for thorough discussion of each agenda item, promoting open environment for debate, and ensuring that all the Directors are able to speak freely and contribute effectively.

The Company currently does not have a CEO. Mr Tan Soo Kiat assists the Board in supervising the operations of the Group in consultation with the Board.

In view of this, Mr Goh Kian Chee has been appointed as the Lead Independent Director of the Company on 5 February 2016 and makes himself available to shareholders at the Company's general meetings.

BOARD MEMBERSHIP

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Nominating Committee ("NC") comprises three members, a majority of whom are independent. The members of the NC are:

Dr Hong Hai	Chairman	Independent Director
Mr Goh Kian Chee	Member	Lead Independent Director
Mr Tan Soo Kiat	Member	Non-Executive Director

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

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

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

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

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

(e) assess the independence of Independent Directors.

CORPORATE GOVERNANCE REPORT

Succession Planning for the Board

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.

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.

Selection, 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.

Mr Guo Wenfei was identified by the NC as a candidate which complements the Board's skill and competence with his experience in healthcare management and was recommended for appointment as a Director. Mr Guo was appointed a Non-Executive Director on 5 February 2016.

Under the Constitution of the Company, all Directors appointed by the Board will be required to retire and be eligible for re-election at the next annual general meeting ("AGM"). Accordingly, Dr Hong Hai, Mr Tan Soo Kiat and Mr Guo Wenfei will retire at the forthcoming AGM and have consented to stand for re-election.

The Constitution of the Company requires one-third of the Board to retire from office at each AGM. Accordingly, the Directors will submit themselves for re-nomination and re-election at regular intervals of at least once every 3 years. Mr Goh Kian Chee will retire by rotation at the forthcoming AGM pursuant to the Constitution of the Company and has consented to stand for re-election. He was last re-elected on 26 April 2014.

Mr Koh Boon How is an Alternate Non-Executive Director. He is an employee of the controlling shareholder and is familiar with the Group's affairs.

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

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. The Company Secretary compiles the Directors' evaluation into a consolidated report. The report is discussed at the NC meeting and also shared with the entire Board.

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

ACCESS TO INFORMATION

Principle 6: In order to fulfill their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

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 quarterly management financial statements which includes explanations on material variances between projections and actual results.

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

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 Committees' meetings are circulated to the Board.

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

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Director. No Director should be involved in deciding his remuneration.

The Remuneration Committee ("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:

Dr Hong Hai	Chairman	Independent Director
Mr Goh Kian Chee	Member	Independent Director
Mr Tan Soo Kiat	Member	Non-Executive Director

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

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

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

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

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

(e) review the remuneration of employees who are immediate family members of Directors or the CEO 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.

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. 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.

There are no termination and retirement benefits that may be granted to the key management personnel.

CORPORATE GOVERNANCE REPORT

LEVEL, MIX AND DISCLOSURE OF REMUNERATION

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

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

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.

There are currently no executive directors. The key management personnel are paid a basic salary and a performance-related variable bonus pursuant to their respective service agreements. The factors for paying the bonus are the Group's performance and the performance of the personnel which contributed to the Group's performance.

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 FY2015 for shareholders' approval at the Company's AGM.

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.

Remuneration of Directors

The remuneration of the Directors of the Company for FY2015 is as follows:

Below S$250,000	**Directors' fee %**	**Salary %**	**Bonus %**	**Other benefits %**	**Total %**
Non-Executive Directors					
Mr Tan Wang Cheow[1]	100%	–	–	–	100%
Mr Andi Solaiman[1]	100%	–	–	–	100%
Ms Suzanne Liau[1]	100%	–	–	–	100%
Mr Tan Soo Kiat[2]	100%	–	–	–	100%
Independent Directors					
Mr Arthur Ng Boon Chye[3]	100%	–	–	–	100%
Mr Erhart Mark Allan[3]	100%	–	–	–	100%
Mr Goh Kian Chee	100%	–	–	–	100%
Dr Hong Hai[2]	100%	–	–	–	100%

(1) Resigned on 3 June 2015
(2) Appointed on 3 June 2015
(3) Retired on 30 April 2015

CORPORATE GOVERNANCE REPORT

The aggregate Directors' fee for FY2015 was S$146,895. Directors' fee is disclosed on a named basis in bands of S$250,000 and not to the nearest thousand dollars, in the interest of the Company to maintain confidentiality of its remuneration policies.

Remuneration of the Top Five Key Management Personnel

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

The aggregate total remuneration paid to the top five key management personnel amounted to S$1,141,078 for FY2015.

Immediate Family Member of Directors or CEO

The Company does not have any employee who is an immediate family member of a Director or CEO whose remuneration exceeded S$50,000 during FY2015.

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is accountable to the shareholders and is mindful of its obligations to ensure compliance 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 COO and the Group Financial Controller ("GFC") in their capacity as Executive Officers.

In presenting the Group's annual and half yearly financial statements to shareholders, it is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects.

The Board also reviews regulatory compliance reports from the Management to ensure that the Group complies with the relevant regulatory requirements.

The Management provides members of the Board with management accounts which present a balanced and understandable assessment of the Group's monthly performance, position and prospects on at least a quarterly basis.

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard the shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Risk Management and Internal Controls

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 instills 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 which is aligned with the ISO 31000:2009 Risk Management framework.

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.

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 FY2015.

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.

CORPORATE GOVERNANCE REPORT

The Board has obtained a written confirmation from the COO and 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 internal controls established and maintained are adequate and effective in addressing the operational, financial, compliance, and information technology risks faced by the Group.

Opinion on Adequacy of Internal Controls

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by the Management, the Board and relevant Board Committees, the ARMC and the Board are of the opinion that the Group's risk management and internal control systems are adequate and effective to address the financial, operational, compliance and information technology controls for FY2015.

The Board notes that 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.

Internal Audit

The Company outsources its internal audit function to Yang Lee & Associates. The internal auditors ("IA") 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 IA to perform its function.

The IA is guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) issued by the Institute of Internal Auditors.

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

The IA completed two reviews during FY2015 in accordance with the internal audit plan approved by the ARMC with reference to the Group Risk Management Framework. During the reviews, the IA has unfettered access to the relevant documents, records, properties and personnel of the Group. The findings and recommendations of the IA, the Management's responses, and the Management's implementation of the recommendations have been reviewed and approved by the ARMC.

AUDIT AND RISK MANAGEMENT COMMITTEE

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

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. It 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	Lead Independent Director
Dr Hong Hai	Member	Independent Director
Mr Tan Soo Kiat	Member	Non-Executive Director

Widely experienced in regional management and finance, Mr Goh (the ARMC Chairman) 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. 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.

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 financial statements of the Group with external auditors and to receive assurance from CEO, COO and the GFC before submission to the Board;

(e) to review the effectiveness and adequacy of the internal audit and finance functions and co-operation given by the Group's Management to the external auditors;

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

(g) to review the independence of the external auditors and make recommendations to the Board on the appointment, re-appointment and removal of the external auditors;

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

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

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

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

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

CORPORATE GOVERNANCE REPORT

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

The ARMC reviews the independence of the external auditors annually. The aggregate amount of audit fees paid and payable by the Group to the external auditors for FY2015 is S$110,000. The ARMC has recommended that Ernst & Young LLP be nominated for re-appointment as auditors at the forthcoming AGM.

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. Different auditors have been appointed for the Group's associated companies. The names of these auditors are disclosed in the financial statements. The Board and the ARMC are satisfied that the appointment of different auditors for its associated companies 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.

Whistle-Blowing

The Company has in place a whistle-blowing policy which is published in the handbook of 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, general manager, Human Resources Manager, COO, or CEO. The recipient of such complaints shall forward them promptly to the ARMC Chairman. Staff also can choose to send the complaint directly to the ARMC Chairman. The ARMC Chairman will treat all information received confidentially and protect the identity of all whistle-blowers. Following investigation and evaluation of a complaint, the ARMC Chairman shall report to the ARMC on recommended disciplinary or remedial action, if any. The action determined by the ARMC to be appropriated shall then be brought to the Board or to appropriate members of senior management for authorization and implementation respectively.

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

SHAREHOLDER RIGHTS, COMMUNICATION WITH SHAREHOLDERS, AND CONDUCT OF SHAREHOLDER MEETINGS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

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.

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.

The Company's AGMs are the principal forums for dialogue with shareholders. The Chairmen of the various Board Committees are normally available at the meetings to answer any question relating to the work of the Board Committees. The external auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Shareholders are encouraged to attend the AGMs and the EGMs to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Notices of the meetings will be advertised in the newspapers and announced on the SGXNET. Minutes of meetings are also taken.

The Company will have separate resolutions at general meetings on each distinct issue. 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. The Companies Act allows relevant intermediaries which include CPF agent banks 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.

All resolutions at the forthcoming AGM would be put to vote by poll. This will allow greater transparency and more equitable participation by shareholders.

The details of dividend payment to shareholders will be disclosed via the release of the announcements through SGXNET. For FY2015, no dividend is declared or recommended due to the performance of the Group.

DEALINGS IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules, 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.

CORPORATE GOVERNANCE REPORT

INTERESTED PERSON TRANSACTIONS

Name of interested person	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)
Mr Tan Soo Kiat (Non-Executive Director)	Private placement of 9,000,000 ordinary shares for a consideration of S$495,000 on 21 January 2016, pursuant to shareholders' approval obtained on 19 January 2016	No shareholders' mandate has been obtained
Mr Koh Boon How (Alternate Non-Executive Director)	Private placement of 2,500,00 ordinary shares or a consideration of S$137,500 on 21 January 2016, pursuant to shareholders' approval obtained on 19 January 2016	No shareholders' mandate has been obtained

There were no other reportable interested person transactions.

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-AUDIT FEES AND NON-SPONSOR FEES

There were no non-audit fees and non-sponsor fees paid to the external auditors and the sponsor in FY2015.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited consolidated financial statements of AsiaMedic Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2015.

1. Opinion of the Directors

In the opinion of the Directors,

(i) The consolidated financial statements of the Group and the statement of financial position 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 2015 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:

Tan Soo Kiat	Non-Executive Chairman	(appointed 03 June 2015)
Guo Wenfei	Non-Executive Director	(appointed 05 February 2016)
Goh Kian Chee	Lead Independent Director	
Hong Hai @ Huang Hai	Independent Director	(appointed 03 June 2015)
Koh Boon How	Alternate Non-Executive Director to Guo Wenfei	(appointed 05 February 2016)

In accordance with Article 92 of the Constitution of the Company, Mr Tan, Mr Guo and Dr Hong retire and, being eligible, offer themselves for re-election. In accordance with Article 93 of the Constitution of the Company, Mr Goh retires and, being eligible, offers himself for re-election.

3. Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object 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.

On 21 January 2016, the Company undertook a private placement of 9,000,000 ordinary shares for a consideration of S$495,000 to Mr Tan Soo Kiat and 2,500,000 ordinary shares for a consideration of S$137,500 to Mr Koh Boon How, pursuant to shareholders' approval obtained on 19 January 2016.

4. Directors' interests in shares and debentures

The following Directors, who held office at the end of the 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:

Name of Director	At the beginning of financial year or date of appointment	At the end of financial year	At 21 January 2016	At the beginning of financial year or date of appointment	At the end of financial year	At 21 January 2016
Ordinary shares of the Company	Direct interest			Deemed interest		
Tan Soo Kiat	–	–	–	–	–	9,000,000
Koh Boon How	–	–	2,500,000	–	–	–

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

5. 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, which 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 reports and 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 financial statements and the auditor's report on the annual financial statements of the Group and the Company and to receive assurance from Chief Operating Officer and the Group Financial Controller before 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
- 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.

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

6. AsiaMedic Share Award Scheme and AsiaMedic Employee Share Option Scheme 2016

The Company have adopted two remuneration schemes known as the "AsiaMedic Share Award Scheme" ("SAS") and the "AsiaMedic Employee Share Option Scheme 2016" ("ESOS"). SAS and ESOS were pursuant to approval obtained from its shareholders at extraordinary general meetings held on 30 April 2011 and 19 January 2016 respectively.

The schemes are administered by the Remuneration Committee. No award has been granted since the adoption of the schemes.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:

Tan Soo Kiat
Director

Goh Kian Chee
Director

Singapore
22 March 2016

INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Report on the financial statements

We have audited the accompanying financial statements of AsiaMedic Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 35 to 86, which comprise the balance sheets of the Group and the Company as at 31 December 2015, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

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.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
22 March 2016

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	2015 $	2014 $
Revenue	4	20,199,418	18,794,823
Other income		797,685	1,382,009
Items of expense			
Consumables used		(2,314,054)	(2,100,991)
Personnel expense	31	(9,704,970)	(8,744,746)
Depreciation of property, plant and equipment	9	(1,557,771)	(1,336,688)
Operating lease expenses		(2,142,530)	(2,085,068)
Maintenance of equipment		(476,409)	(625,740)
Laboratory and consultancy fees		(1,982,570)	(2,423,753)
Finance costs	5	(177,197)	(163,345)
Other operating expenses		(2,511,026)	(2,475,246)
Impairments, provisions and fair value adjustments		(2,170,855)	107,354
Share of results of associates		166,822	138,775
(Loss)/profit before tax	6	(1,873,457)	467,384
Income tax credit	7	139,073	178,628
(Loss)/profit for the year		(1,734,384)	646,012
Attributable to:			
Owners of the Company		(1,779,182)	669,911
Non-controlling interests		44,798	(23,899)
		(1,734,384)	646,012
(Loss)/earnings per share (cents per share)			
Basic	8	(0.53)	0.20
Diluted	8	(0.53)	0.20

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	2015 $	2014 $
(Loss)/profit for the year	(1,734,384)	646,012
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	7,702	23,318
Total comprehensive income for the year	(1,726,682)	669,330
Attributable to:		
Owners of the Company	(1,771,480)	693,229
Non-controlling interests	44,798	(23,899)
Total comprehensive income for the year	(1,726,682)	669,330

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 $'000	Group 2014 $'000	Company 2015 $'000	Company 2014 $'000
Non-current assets					
Property, plant and equipment	9	8,672,575	7,142,503	149,840	220,062
Investment in subsidiaries	10	–	–	2,568,161	2,568,161
Investment in associates	11	1,554,608	1,658,785	668,060	1,064,060
Convertible loan receivables	20	–	524,050	–	–
Intangible asset	12	30,767	43,953	–	–
Goodwill	13	2,124,311	2,124,311	–	–
Deferred tax assets	14	357,818	190,359	–	–
		12,740,079	11,683,961	3,386,061	3,852,283
Current assets					
Inventories	15	296,793	273,243	–	–
Trade receivables	16	1,425,518	1,363,954	–	–
Other receivables and deposits	17	833,447	2,352,390	1,767,698	2,868,150
Prepayments		141,469	205,423	44,255	78,568
Short term deposit pledged as security	18	–	300,000	–	–
Cash and short term deposits	19	5,642,145	6,259,961	4,207,641	4,055,237
		8,339,372	10,754,971	6,019,594	7,001,955
Current liabilities					
Trade payables	21	814,254	830,894	–	–
Other payables and accruals	22	1,491,067	1,563,543	639,535	751,477
Provisions	23	365,552	241,552	241,552	241,552
Deferred income	24	548,260	520,881	–	–
Current tax liabilities		–	675	–	–
Put options granted to non-controlling interests	27	761,544	–	–	–
Loans and borrowings	25	438,527	1,374,494	–	–
Obligations under finance leases	26	1,429,863	922,907	–	–
		5,849,067	5,454,946	881,087	993,029
Net current assets		2,490,305	5,300,025	5,138,507	6,008,926
Non-current liabilities					
Loans and borrowings	25	483,519	634,914	–	–
Obligations under finance leases	26	2,519,885	1,790,330	–	–
Put options granted to non-controlling interests	27	–	568,544	–	–
Deferred tax liabilities	14	52,090	46,626	–	–
		3,055,494	3,040,414	–	–
Net assets		12,174,890	13,943,572	8,524,568	9,861,209
Equity attributable to owners of the Company					
Share capital	28	21,950,527	21,950,527	21,950,527	21,950,527
Treasury shares	29	(2,866)	(2,866)	(2,866)	(2,866)
Other reserves	30	(599,166)	(606,868)	–	–
Accumulated losses		(9,165,182)	(7,386,000)	(13,423,093)	(12,086,452)
		12,183,313	13,954,793	8,524,568	9,861,209
Non-controlling interests		(8,423)	(11,221)	–	–
Total equity		12,174,890	13,943,572	8,524,568	9,861,209

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 2015

	Attributable to owners of the Company						
	Share capital $	Other reserves $	Treasury shares $	Accumulated losses $	Total share capital and reserves $	Non-controlling interests $	Total equity $
Group							
Balance at 1 January 2014	21,950,527	(630,186)	(2,866)	(7,741,692)	13,575,783	(300,041)	13,275,742
Profit for the year	–	–	–	669,911	669,911	(23,899)	646,012
Other comprehensive income							
– Foreign currency translation	–	23,318	–	–	23,318	–	23,318
Total comprehensive income for the year	–	23,318	–	669,911	693,229	(23,899)	669,330
Acquisition of a non-controlling interest without a change in control	–	–	–	(314,219)	(314,219)	312,719	(1,500)
Balance at 31 December 2014 and 1 January 2015	21,950,527	(606,868)	(2,866)	(7,386,000)	13,954,793	(11,221)	13,943,572
(Loss)/profit for the year	–	–	–	(1,779,182)	(1,779,182)	44,798	(1,734,384)
Other comprehensive income							
– Foreign currency translation	–	7,702	–	–	7,702	–	7,702
Total comprehensive income for the year	–	7,702	–	(1,779,182)	(1,771,480)	44,798	(1,726,682)
Dividend declared to non-controlling interest	–	–	–	–	–	(42,000)	(42,000)
Balance at 31 December 2015	21,950,527	(599,166)	(2,866)	(9,165,182)	12,183,313	(8,423)	12,174,890

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 2015

	Share capital $	Treasury shares $	Accumulated losses $	Total $
Company				
Balance at 1 January 2014	21,950,527	(2,866)	(10,214,164)	11,733,497
Loss for the year	–	–	(1,872,288)	(1,872,288)
Total comprehensive income for the year	–	–	(1,872,288)	(1,872,288)
Balance at 31 December 2014 and 1 January 2015	21,950,527	(2,866)	(12,086,452)	9,861,209
Loss for the year	–	–	(1,336,641)	(1,336,641)
Total comprehensive income for the year	–	–	(1,336,641)	(1,336,641)
Balance at 31 December 2015	21,950,527	(2,866)	(13,423,093)	8,524,568

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 2015

	2015 $	2014 $
Cash flows from operating activities		
(Loss)/profit before tax	(1,873,457)	467,384
Adjustments:		
Depreciation of property, plant and equipment	1,557,771	1,336,688
Changes resulting from re-measurement of put options granted to non-controlling interests	193,000	(84,000)
Fair value loss/(gain) on contingent consideration payable to non-controlling interest	178,000	(260,000)
Amortisation of intangible asset	13,186	13,186
Loss/(gain) on disposal of property, plant and equipment	1,253	(396,353)
Property, plant and equipment written off	4,442	39,841
Impairment loss on property, plant and equipment	96,362	–
Impairment loss on bad and doubtful receivables	1,346,033	181,501
Currency realignment	7,702	23,318
Interest expense	177,197	163,345
Interest income	(39,466)	(44,306)
Impairment loss on convertible loan receivables	228,884	48,260
Share of results of associates	(166,822)	(138,775)
Operating cash flows before changes in working capital	1,724,085	1,350,089
Changes in working capital:		
Increase in inventories	(23,550)	(5,427)
Decrease in trade and other receivables, accrued revenue and prepayments	88,535	143,503
(Decrease)/increase in trade and other payables	(8,233)	50,496
Increase in deferred income	27,379	267,719
Cash flows from operations	1,808,216	1,806,380
Income tax paid	(566)	(8,184)
Net cash flows generated from operating activities	1,807,650	1,798,196
Cash flows from investing activities		
Interest received	39,466	44,306
Purchase of property, plant and equipment	(317,440)	(994,562)
Proceeds from disposal of property, plant and equipment	400,850	310,305
Net cash outflow on acquisition of subsidiary	–	(957,920)
Proceeds from divestment of convertible loans	302,543	–
Short term loan receivables	(498,613)	(346,830)
Repayment of long-term loan from an associate	396,000	396,000
Investment in an associate	(125,000)	(125,000)
Net cash flows generated from/(used in) investing activities	197,806	(1,673,701)

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 2015

	2015 $	2014 $
Cash flows from financing activities		
Decrease in short term deposit pledged as security	300,000	–
Interest paid	(177,197)	(163,345)
Acquisition of non-controlling interest without a change in control	–	(1,500)
Repayment of obligations under hire purchase and loans and borrowings	(2,746,075)	(1,376,557)
Proceeds from loans and borrowings	–	500,000
Net cash flows used in financing activities	(2,623,272)	(1,041,402)
Net decrease in cash and short term deposits	(617,816)	(916,907)
Cash and short term deposits at 1 January	6,259,961	7,176,868
Cash and short term deposits at 31 December	5,642,145	6,259,961

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 2015

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 are set out in Note 10 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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 $).

2.2 *Changes in accounting policies*

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 for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

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 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets*	1 January 2016
Improvements to FRSs (November 2014)	1 January 2016
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	to be determined
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition for Deferred Tax Assets for Unrealised losses*	1 January 2017
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018

Except for FRS 115 and FRS 109, the Directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending change in accounting policy on adoption of FRS 115 and FRS 109 are described below:

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

2.3 ***Standards issued but not yet effective (cont'd)***

FRS 109 *Financial Instruments (cont'd)*

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

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

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

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

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

2.5 ***Transactions with non-controlling interests***

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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

2.6 ***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 the 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 and loss.

2.7 ***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	–	5 to 10 years

Progress payments included in 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 derecognised 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 derecognised.

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

2.8 ***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 derecognised.

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.

2.9 ***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 2015

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

2.10 ***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 separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses.

2.11 ***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 is accounted as 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 statement of financial position 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.

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

2.11 ***Associates (cont'd)***

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.

2.12 ***Financial instruments***

(a) ***Financial assets***

Initial recognition and measurement

Financial assets 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 assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

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

2.12 ***Financial instruments (cont'd)***

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

De-recognition

A financial asset is derecognised 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 has been recognised directly in other comprehensive is recognised in profit or loss.

(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.

Financial liabilities are recognised initially at fair value plus 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 rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts 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. Summary of significant accounting policies (cont'd)

2.13 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.14 *Cash and short term deposits*

Cash and short term deposits comprise cash at bank and on hand, and short term deposits placed with financial institutions that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

2.15 ***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.

2.16 ***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 economic resources 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.

2.17 ***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 may be presented as a credit in profit or loss, either separately or under a general heading such as "Other income".

2.18 ***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.

2.19 ***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.

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

2.20 ***Leases***

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating and operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.21 ***Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates, and sales taxes or duty.

(a) *Rendering of services*

Revenue from the rendering of specialised healthcare services and healthcare consultancy and management services is recognised as and when services are rendered.

(b) *Interest income*

Interest income is recognised using the effective interest method.

(c) *Rental income*

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

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

2.22 ***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.

(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.

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

2.22 ***Taxes (cont'd)***

(b) *Deferred tax (cont'd)*

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.

(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.

2.23 ***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.

2.24 ***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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

2.25 *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.

3. Significant accounting judgements and estimates

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

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

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 Company 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 Company. Such changes are reflected in the assumptions when they occur.

(a) *Impairment of medical equipment*

The Group assesses at each reporting period whether there is an indication that its medical equipment may be impaired. The assessment requires an estimation of the recoverable amount of the medical equipment. This requires the Group to make an estimate of the expected cash flows from the medical equipment and to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying value of the Group's medical equipment was $7,087,121 (2014: $5,232,088). No impairment loss was recorded in the Group relating to medical equipment.

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

Key sources of estimation uncertainty (cont'd)

(b) *Impairment of loans and receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Company considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Group's trade receivables and other receivables at the end of the reporting period are disclosed in Notes 16 and 17 to the financial statements respectively.

(c) *Impairment of goodwill*

As disclosed in Note 13 to the financial statements, the recoverable amounts of the cash generating units which goodwill have been allocated to are determined based on value in use calculations. The value in use calculations are based on discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as expected future cash inflows and the growth rates used for extrapolation purposes. 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.

The carrying amount of goodwill as at 31 December 2015 is $2,124,311 (2014: $2,124,311).

4. Revenue

Revenue represents services rendered and sale of medications and related products, net of discounts

5. Finance costs

Finance costs represents interest expense on obligations under finance leases and loans and borrowings

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

6. (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	Group	
	2015 $	2014 $
Interest income	(39,466)	(44,306)
Audit fees:		
– Auditor of the Company	110,000	131,860
– Other auditors	8,167	8,034
Grant income	(261,233)	(399,932)
Rental income	(491,697)	(495,665)
Net foreign exchange gain	(29,526)	(38,024)
Property, plant and equipment written off	4,442	39,841
Loss/(gain) on disposal of property, plant and equipment	1,253	(396,353)
Impairment and provisions on closure of East Coast Clinic:		
– Impairment loss in property, plant and equipment	96,362	–
– Provision for reinstatement of property, plant and equipment	40,000	–
– Provision for onerous contract for non-cancellable lease	84,000	–
Impairment loss on convertible loan receivables	228,884	48,260
Impairment loss on bad and doubtful receivables	1,346,033	181,501
Fair value loss/(gain) on contingent consideration payable to non-controlling interest	178,000	(260,000)
Changes resulting from remeasurement of put options granted to non-controlling interests	193,000	(84,000)

7. Income tax credit

The major components of income tax credit for the years ended 31 December 2015 and 2014 are:

	Group	
	2015 $	2014 $
Income statement		
Current income tax		
– Current income taxation	11,444	–
– Under provision in respect of previous years	11,587	–
Deferred tax		
– Origination and reversal of temporary differences	(162,104)	(177,248)
– Over provision in respect of previous years	–	(1,380)
Tax credit recognised in profit or loss	(139,073)	(178,628)

7. Income tax credit (cont'd)

The reconciliation between the tax credit and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 2014 is as follows:

	Group	
	2015 **$**	**2014** **$**
(Loss)/profit before tax	(1,873,457)	467,384
Tax calculated at a tax rate of 17%	(318,488)	79,455
Adjustments:		
Share of results of associates	(28,360)	(23,592)
Non-deductible expenses	376,486	70,148
Income not subject to taxation	(4,797)	(128,199)
Under/(over) provision of deferred tax in respect of prior years:		
– income tax	11,587	–
– deferred tax	–	(1,380)
Utilisation of tax benefits previously not recognised	(225,930)	(245,559)
Deferred tax assets not recognised	47,080	60,880
Effect of partial tax exemption and tax relief	(2,861)	–
Others	6,210	9,619
Tax credit recognised in profit or loss	(139,073)	(178,628)

8. (Loss)/earnings per share

Basic earnings per share amounts are calculated by dividing (loss)/profit 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 dilutive potential ordinary shares.

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

	Group	
	2015 **$**	**2014** **$**
(Loss)/profit for the year attributable to owners of the Company	(1,779,182)	669,911

	Number of shares	**Number of shares**
Weighted average number of ordinary shares for basic earnings per share computation	338,988,125	338,988,125

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

9. Property, plant and equipment

Group	Leasehold improvements $	Furniture, fittings, fixtures, and office equipment $	Medical equipment $	Progress payments $	Total $
Cost:					
At 1 January 2014	2,708,174	1,732,014	12,125,615	257,993	16,823,796
Additions	289,506	384,022	438,032	–	1,111,560
Disposals	–	(6,927)	(3,481,266)	–	(3,488,193)
Transfers	–	–	257,993	(257,993)	–
Write offs	–	(62,025)	(178,697)	–	(240,722)
At 31 December 2014 and 1 January 2015	2,997,680	2,047,084	9,161,677	–	14,206,441
Additions	313,060	82,792	2,794,898	–	3,190,750
Disposals	–	(37,920)	–	–	(37,920)
Write offs	–	(15,619)	(85,000)	–	(100,619)
At 31 December 2015	3,310,740	2,076,337	11,871,575	–	17,258,652
Accumulated depreciation and impairment loss:					
At 1 January 2014	1,367,665	1,207,364	6,837,343	–	9,412,372
Depreciation charge for the year	271,651	355,761	709,276	–	1,336,688
Disposals	–	(6,927)	(3,477,314)	–	(3,484,241)
Write offs	–	(61,165)	(139,716)	–	(200,881)
At 31 December 2014 and 1 January 2015	1,639,316	1,495,033	3,929,589	–	7,063,938
Depreciation charge for the year	327,065	293,674	937,032	–	1,557,771
Impairment loss	96,362	–	–	–	96,362
Disposals	–	(35,817)	–	–	(35,817)
Write offs	–	(14,010)	(82,167)	–	(96,177)
At 31 December 2015	2,062,743	1,738,880	4,784,454	–	8,586,077
Net carrying amount:					
At 31 December 2014	1,358,364	552,051	5,232,088	–	7,142,503
At 31 December 2015	1,247,997	337,457	7,087,121	–	8,672,575

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

Company	Leasehold improvements $	Furniture, fittings, fixtures, and office equipment $	Total $
Cost:			
At 1 January 2014	246,943	262,502	509,445
Additions	–	51,500	51,500
Disposals	–	(6,927)	(6,927)
At 31 December 2014 and 1 January 2015	246,943	307,075	554,018
Disposals	–	(37,920)	(37,920)
At 31 December 2015	246,943	269,155	516,098
Accumulated depreciation:			
At 1 January 2014	32,231	214,024	246,255
Depreciation charge for the year	41,131	53,497	94,628
Disposals	–	(6,927)	(6,927)
At 31 December 2014 and 1 January 2015	73,362	260,594	333,956
Depreciation charge for the year	40,784	27,335	68,119
Disposals	–	(35,817)	(35,817)
At 31 December 2015	114,146	252,112	366,258
Net carrying amount:			
At 31 December 2014	173,581	46,481	220,062
At 31 December 2015	132,797	17,043	149,840

Impairment of assets

During the financial year, the Group wrote off property, plant and equipment with a carrying value of $4,442 (2014: $39,841) arising from usual wear and tear of the assets.

Assets under finance leases

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $2,560,250 (2014: $117,000) by means of finance leases and $313,060 (2014: $Nil) by means of drawdown of loans and borrowings. The cash outflow on acquisition of property, plant and equipment amounted to $317,440 (2014: $994,562).

Included in property, plant and equipment are medical equipment with a net carrying amount of $5,640,917 (2014: $3,637,415) which are under finance leases (Note 26).

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

10. Investment in subsidiaries

	Company 2015 $	Company 2014 $
Unquoted shares, at cost	4,256,161	4,256,161
Impairment losses	(1,688,000)	(1,688,000)
	2,568,161	2,568,161

The Company had the following subsidiaries as at 31 December:

Name of subsidiary (Country of incorporation)	Principal activities	Cost of investment 2015 $	Cost of investment 2014 $	Effective equity interest held by the Group 2015 %	Effective equity interest held by the Group 2014 %
Held by the Company					
AMC Healthcare Pte Ltd (1) (Singapore)	Provision of healthcare services and healthcare consultancy and management services	548,000	548,000	100	100
AsiaMedic Eye Centre Pte Ltd (1) (Singapore)	Inactive	903,129	903,129	100	100
The Orchard Imaging Centre Pte Ltd (1) (Singapore)	Provision of diagnostic imaging and radiology services	503,257	503,257	100	100
Wellness Assessment Centre Pte Ltd (1) (Singapore)	Provision of health screening and medical wellness services	300,371	300,371	100	100
AsiaMedic PET/CT Centre Pte Ltd (1) (Singapore)	Provision of diagnostic imaging and radiology services	243,109	243,109	100	100
AsiaMedic Heart & Vascular Centre Pte Ltd (1) (Singapore)	Provision of diagnostic imaging and radiology services	103,047	103,047	100	100

10. Investment in subsidiaries (cont'd)

Name of subsidiary (Country of incorporation)	Principal activities	Cost of investment 2015 $	Cost of investment 2014 $	Effective equity interest held by the Group 2015 %	Effective equity interest held by the Group 2014 %
Held by the Company					
Complete Healthcare International Pte Ltd (1) (Singapore)	Provision of specialised medical services	1,655,248	1,655,248	80	80
CHI Clinic @ East Coast Pte Ltd (Singapore) (3)	Struck off	–	–	–	–
		4,256,161	4,256,161		
Held by the Wellness Assessment Centre Pte Ltd					
AsiaMedic Astique The Aesthetic Clinic Pte Ltd (1) (Singapore)	Provision of medical aesthetic services and sale of related products			70	70
AsiaMedic CytoLife Pte Ltd (1) (Singapore)	Investment holding			100	100
Held by the AMC Healthcare Pte Ltd					
AsiaMedic China Co., Ltd (2) (People's Republic of China)	Provision of marketing and consultancy services			100	100

(1) Audited by Ernst & Young LLP, Singapore

(2) Audited by Ernst & Young, People's Republic of China

(3) CHI Clinic @ East Coast Pte Ltd, was struck off from the register of companies in March 2015

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

10. Investment in subsidiaries (cont'd)

Contingent consideration arrangement

As part of the purchase agreement with the vendor of Complete Healthcare International Pte Ltd ("CHI"), a contingent consideration was agreed upon. Additional cash payment shall be payable by/to the vendor of CHI in the following manner:

If the aggregate profit before tax ("PBT") of CHI in respect of all of the financial years ended 31 December for 2013, 2014 and 2015 is positive and is less than $957,920, the vendor shall pay to the Group an amount equal to the shortfall between the sum of $957,920 and the 3 years' PBT (subject to a cap of $957,920).

If the aggregate PBT of CHI in respect of all of the financial years ending 31 December for 2013, 2014 and 2015 is positive and is more than $957,920, the Group shall pay to the vendor an amount equal to the 3 years' PBT (subject to a cap of $1,140,000).

As at 31 December 2014, the fair value of the contingent consideration was estimated to be $535,168. The fair value of the contingent consideration as at 31 December 2015 increased by $178,000 to $713,168.

The contingent consideration of $957,920 was paid in 2014 and a receivable of $244,672 (2014: $422,672) (Note 17) was recognised as at 31 December 2015.

11. Investment in associates

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Positron Tracers Pte Ltd	1,554,608	1,533,866	668,060	1,064,060
Other associate	–	124,919	–	–
	1,554,608	1,658,785	668,060	1,064,060

Name of associate (Country of incorporation)	Principal activities	Proportion (%) of ownership interest 2015 %	2014 %
Positron Tracers Pte Ltd [(1)] (Singapore)	Manufacture and sale of fludeoxyglucose (FDG) and other radioactive isotopes	33	33
Cryoviva Singapore Pte Ltd [(2)] (Singapore)	Provision of cord blood banking services	15.24	25

(1) Audited by KPMG LLP, Singapore.

(2) Audited by Kong, Lim & Partners LLP, Singapore.

11. Investment in associates (cont'd)

Information about the Group's investment in the associate that is not individually material is as follows:

	2015 $	2014 $
Loss after tax representing total comprehensive income for the year	1,168,192	789,261

The summarised financial information of the associate, 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	
	2015 $	2014 $
Current assets	4,762,685	4,729,348
Non-current assets	513,507	511,828
Total assets	5,276,192	5,241,176
Current liabilities representing total liabilities	(2,039,687)	(3,267,521)
Net assets	3,236,505	1,973,655
Proportion of Group's ownership	33%	33%
Group's share of net assets	1,068,048	651,306
Loan to associate	486,560	882,560
Carrying amount of the investment	1,554,608	1,533,866

Summarised statement of comprehensive income

	Positron Tracers Pte Ltd	
	2015 $	2014 $
Revenue	3,157,295	3,151,287
Profit after tax representing total comprehensive income for the year	1,262,850	1,018,456

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12. Intangible asset

	Group	
	2015	2014
	$	$
Cost:		
At 1 January and 31 December	65,930	65,930
Accumulated amortisation:		
At 1 January	21,977	8,791
Charge for the year	13,186	13,186
At 31 December	35,163	21,977
Net book value:		
At 31 December	30,767	43,953

Customer relationship has been identified as intangible asset arising from the acquisition of Complete Healthcare International Pte Ltd and has a remaining amortisation period of three years (2014: four years).

Amortisation of intangible asset is included in "Other operating expenses" in consolidated income statement.

13. Goodwill

	Group	
	2015	2014
	$	$
At 1 January and 31 December	2,124,311	2,124,311

Impairment testing of goodwill

Goodwill acquired through business combination has been allocated to its respective cash-generating units ("CGU") namely Complete Healthcare International Pte. Ltd. and AsiaMedic Astique The Aesthetic Clinic Pte. Ltd.. The recoverable amounts of the CGUs have been determined based on the value in use calculations using cash flow projections from financial budgets approved by management covering 5 years. The pre-tax discount rate applied to the cash flow projections is 12% (2014: 9.2%) for both CGUs and management has used 0% for both CGUs growth rate to extrapolate cash flow projections beyond five years period.

No impairment loss was recognised in the current and previous financial years.

14. Deferred tax

	Group	
	2015 $	2014 $
Deferred tax liabilities		
Deferred tax arising on intangible asset from acquisition of subsidiary	(11,208)	(11,208)
Differences in depreciation for tax purposes	(40,882)	(35,418)
	(52,090)	(46,626)
Deferred tax assets		
Unutilised tax losses	–	7,918
Differences in depreciation for tax purposes	357,818	182,441
	357,818	190,359

At the end of the reporting period, the Group has unutilised tax losses and capital allowances of approximately $3,809,000 (2014: $3,883,000) and $2,013,000 (2014: $2,393,000) 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	
	2015 $	2014 $
Medical supplies	296,793	273,243
Consolidated income statement:		
Inventories recognised as an expense	1,660,418	1,542,922

16. Trade receivables

	Group		Company	
	2015 $	2014 $	2015 $	2014 $
Due from third parties	1,429,498	1,367,599	–	–
Allowance for impairment:				
– third parties	(3,980)	(3,645)	–	–
	1,425,518	1,363,954	–	–
Trade receivables, net	1,425,518	1,363,954	–	–
Add:				
Other receivables (Note 17)	833,447	2,352,390	1,767,698	2,868,150
Short term deposit pledged as security (Note 18)	–	300,000	–	–
Cash and short term deposits (Note 19)	5,642,145	6,259,961	4,207,641	4,055,237
Total loans and receivables	7,901,110	10,276,305	5,975,339	6,923,387

16. Trade receivables (cont'd)

Trade receivables due from third parties are unsecured, non-interest bearing and are generally on 30 – 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to $830,151 (2014: $696,449) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	Group	
	2015	**2014**
	$	**$**
Trade receivables past due:		
Less than 30 days	310,911	386,585
30 to 60 days	204,531	179,389
61 to 90 days	149,269	71,145
More than 90 days	165,440	59,330
	830,151	696,449

Receivables that are impaired

Trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Due from third parties – nominal amounts	74,521	78,166	–	–
Less: Allowance for impairment				
– Third parties	(3,980)	(3,645)	–	–
	70,541	74,521	–	–
Movement in allowance accounts:				
At 1 January	3,645	17,569	–	–
Charge for the year	2,425	5,850	–	–
Reversal during the year	–	(12,738)	–	–
Written off	(2,090)	(7,036)	–	–
At 31 December	3,980	3,645	–	–

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

17. Other receivables and deposits

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Deposits	586,095	582,938	383,108	381,476
Other debtors	2,680	494,408	35,129	40,697
Amount due from non-controlling interest of a subsidiary	244,672	422,672	244,672	422,672
Due from subsidiaries	–	–	9,521,405	9,105,128
Short term loan receivables	–	1,040,761	–	4,615
Allowance for impairment:				
– Due from subsidiaries	–	–	(8,416,616)	(7,086,438)
– Third parties	–	(188,389)	–	–
	833,447	2,352,390	1,767,698	2,868,150

The short term loan receivables relate to loans and advances extended to the medical centre and post natal centre in Shanghai respectively for working capital purposes (Note 20). The loans were interest-free and denominated in Chinese Renminbi. The loans had no fixed term of repayment and were repayable on demand.

During the year, the Group recorded an impairment loss of $1,343,608 (2014: $188,389) pertaining to the short term loan receivables. The charge is recognised in the "Impairments, provisions and fair value adjustments" line items in the consolidated income statement (See Note 20 for details).

Receivables that are impaired

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

	Group	
	2015	**2014**
	$	**$**
At 1 January	188,389	–
Charge for the year	1,343,608	188,389
Written off	(1,531,997)	–
At 31 December	–	188,389

18. Short term deposit pledged as security

As at 31 December 2014, the Group has a short term deposit pledged as security for a term loan facility (Note 25). The deposit has an interest rate of 0.75% per annum. The deposit was lifted during the financial year ended 31 December 2015 due to the repayment of the term loan by the Group.

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19. Cash and short term deposits

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Cash at banks and on hand	2,299,838	2,701,730	865,334	497,006
Short term deposits	3,342,307	3,558,231	3,342,307	3,558,231
	5,642,145	6,259,961	4,207,641	4,055,237

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

Short term deposits are placed with financial institutions for varying periods of between one month and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term deposit rates ranging from 0.95% to 1.70% (2014: 0.29% to 1.02%) per annum.

Cash and short term deposits denominated in foreign currencies at the balance sheet date are as follows:

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
United States Dollars	17,734	17,933	5,523	5,161

20. Convertible loan receivables

	Group	
	2015	2014
	$	$
Convertible loan A – Shanghai medical centre	–	270,268
Convertible loan B – Shanghai post-natal centre	–	253,782
	–	524,050

In 2012, the Group entered into convertible loan arrangements with third parties. The convertible loans were provided for the set-up, development and operations of the Shanghai medical centre and Shanghai post-natal centre. The loan period was from February 2013 to January 2016. Pursuant to the terms of the arrangement, the Group had the rights to convert the convertible loans into 70% and 80% equity interests in Shanghai medical centre and Shanghai post-natal centre respectively during the loan period. The convertible loans were unsecured and interest-free. The Group also extended loans and advances to the centres for working capital purposes. It was the Group's intention to convert the convertible loans into equity when the centres become profitable.

However, the centres have been incurring losses since their inception in 2012 and were in a net tangible liabilities position. Therefore, the Group reviewed its options and decided that it was not in the Group's interest to hold the convertible loans, convert the convertible loans into equity, and to continue to provide funding to the centres in the form of working capital loans. Accordingly, the Group terminated its interests in the centres by way of a settlement and termination agreement with the third parties on 27 November 2015. Pursuant to the settlement and termination agreement, the Group recovered RMB1,388,450 (approximately $302,000). The unrecoverable amount of $228,884 was written off.

This is recognised in the "Impairment, provisions and fair value adjustments" line item in the consolidated income statement.

21. Trade payables

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Due to third parties	814,254	830,894	–	–
Trade payables	814,254	830,894	–	–
Add:				
Other payables and accruals (Note 22)	1,491,067	1,563,543	639,535	751,477
Obligations under finance leases (Note 26)	3,949,748	2,713,237	–	–
Loans and borrowings (Note 25)	922,046	2,009,408	–	–
Put options granted to non-controlling interests (Note 27)	761,544	568,544	–	–
Total financial liabilities carried at amortised cost	7,938,659	7,685,626	639,535	751,477

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

22. Other payables and accruals

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Other payables	862,769	776,979	548,260	558,373
Accrued operating expenses	628,298	786,564	91,275	193,104
	1,491,067	1,563,543	639,535	751,477

23. Provisions

	Group	Company
	2015	2015
	$	$
Provision for reinstatement cost		
At 1 January 2015	241,552	241,552
Arose during the financial year	40,000	–
At 31 December 2015	281,552	241,552
Provision for onerous contract on non-cancellable lease		
At 1 January 2015	–	–
Arose during the financial year	84,000	–
At 31 December 2015	84,000	–
Net carrying value		
At 31 December 2015	365,552	241,552

Provision for reinstatement cost arose on the leases of office and clinics. The provision for reinstatement cost is provided based on actual quotation by third parties.

Provision for onerous contract on non-cancellable lease arose due to the closure of Complete Healthcare International Pte Ltd's East Coast Branch. The provision provided is based on the lease agreement.

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24. Deferred income

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

25. Loans and borrowings

		Group	
	Maturity	2015 $	2014 $
Current			
2.86% fixed rate SGD bank loan	2016	165,750	170,975
3.20% fixed rate SGD bank loan	2016	125,000	125,000
1.25% below Enterprise Base Rate SGD bank loan	2016	81,101	78,519
0.5% below Enterprise Base Rate SGD bank loan	2016	66,676	–
Fully settled during the year (2014: SGD bank loan at Enterprise Base Rate plus 1.25%)	–	–	1,000,000
		438,527	1,374,494
Non-current			
2.86% fixed rate SGD bank loan	28 December 2017	–	165,749
3.20% fixed rate SGD bank loan	15 January 2018	135,417	260,417
1.25% below Enterprise Base Rate SGD bank loan	14 June 2018	127,913	208,748
0.5% below Enterprise Base Rate SGD bank loan	12 December 2019	220,189	–
		483,519	634,914
		922,046	2,009,408

The loans are secured by corporate guarantees of the Company. As at 31 December 2014, a term loan amounting to S$1,000,000 was also secured by a short term deposit of $300,000 placed with the financial institution. The loan was fully settled during the year (Note 18).

26. Obligations under finance leases

The Group has finance lease arrangements for certain medical equipment as at the end of the reporting period. The discount rate implicit in the leases is between 1.45% and 1.55% (2014: 1.45% and 1.55%) per annum.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	2015		2014	
	Minimum payments $	Present value of minimum payments $	Minimum payments $	Present value of minimum payments $
Not later than one year	1,541,745	1,429,863	991,797	922,907
Later than one year but not later than five years	2,634,242	2,519,885	1,884,569	1,790,330
Total minimum lease payments	4,175,987	3,949,748	2,876,366	2,713,237
Less: Amounts representing finance charges	(226,239)	–	(163,129)	–
Present value of minimum lease payments	3,949,748	3,949,748	2,713,237	2,713,237

26. Obligations under finance leases (cont'd)

These obligations are secured by a charge over leased assets. The net book value of assets under finance lease is disclosed in Note 9. The finance leases are also secured by corporate guarantees of the Company (Note 33(d)). Finance lease obligations are repayable in instalments and will fully mature in 2020.

27. Put options granted to non-controlling interests

Put option liabilities arose as a result of the acquisition of subsidiaries whereby the non-controlling interests of the subsidiaries have been granted the option to sell their shares to the Group.

Put Option A:

The put option represents the an option granted to the non-controlling interest of Complete Healthcare International Pte Ltd ("CHI") to require the Company to purchase all of the shares held by the non-controlling interest at the option price determined by a pre-determined formula. The option price shall be the non-controlling interest's share of CHI's net tangible assets and profit after taxation of 6.5 times, by reference to the latest available audited financial statements of CHI at the time of exercise. The option is exercisable for a period of 2 years commencing 31 December 2015.

As at 31 December 2015, the present value of the redemption amount was $378,980 (2014: $195,980), with changes in the re-measurement reflected in the consolidated income statement of $183,000 (2014: $111,000). The change was accounted for as an increase (2014: decrease) in current liability with a corresponding debit (2014: credit) to the consolidated income statement.

Put option B:

The put option represents an option granted to the non-controlling interest of AsiaMedic Astique The Aesthetic Clinic Pte Ltd ("AATAC") to require AATAC to purchase all of the shares held by the non-controlling interest at the option price determined by a pre-determined formula. The option price shall be the non-controlling interest's share of AATAC's earnings before interest costs and taxation of 7 times, by reference to the latest available audited financial statements of AATAC at the time of exercise. The option is exercisable for a period of 18 months commencing 10 June 2016.

As at 31 December 2015, the present value of the redemption amount was $382,564 (2014: $372,564), with changes in the re-measurement of the put option of $10,000 (2014: $27,000) charged to the consolidated income statement.

28. Share capital

	Group and Company			
	2015		2014	
	No. of shares	$	No. of shares	$
Issued and fully paid ordinary shares:				
As at 1 January and 31 December	339,088,125	21,950,527	339,088,125	21,950,527

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28. Share capital (comt'd)

The Company issued 51,500,000 new ordinary shares on 21 January 2016 in connection with a private placement. Following the private placement, the number of ordinary shares in issue is 390,588,125 (including 100,000 treasury shares), and the issued share capital after the placement is S$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.

29. Treasury shares

	Group and Company			
	2015		2014	
	No. of shares	$	No. of shares	$
As at 1 January and 31 December	100,000	2,866	100,000	2,866

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

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

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

30. Other reserves

	Group	
	2015	2014
	$	$
Foreign currency translation reserve	53,378	45,676
Put options granted to non-controlling interests (Note 27)	(652,544)	(652,544)
	(599,166)	(606,868)

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

31. Personnel expense

	Group	
	2015	2014
	$	$
Salaries and bonuses	8,329,252	7,475,132
Central Provident Fund contributions	711,556	638,981
Other short-term benefits	664,162	630,633
	9,704,970	8,744,746

Included in personnel expense is compensation of key management personnel as disclosed in Note 32(b).

32. 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	
	2015	**2014**
	$	**$**
Purchase of consumables from an associate	555,540	473,000

(b) ***Compensation of key management personnel***

	Group	
	2015	**2014**
	$	**$**
Salaries and bonuses	1,092,954	1,295,632
Central Provident Fund contributions	69,538	70,992
Other short-term benefits	17,553	24,500
Directors' fee	146,895	147,279
	1,326,940	1,538,403
Comprise amounts paid to:		
– Directors of the Company	146,895	147,279
– Other key management personnel	1,180,045	1,391,124
	1,326,940	1,538,403

The remuneration of key management personnel are determined by the Remuneration Committee having regard to the performance of individuals and market trends.

33. Commitments

(a) ***Capital commitments***

Capital expenditure contracted for as at the end of the reporting period but not recognized in the financial statements are as follows:

	Group	
	2015	**2014**
	$	**$**
Capital commitments in respect of property, plant and equipment	99,800	3,008,060

33. Commitments (cont'd)

(b) ***Operating lease commitments – as lessee***

The Group has entered into operating leases of premises for use as office and clinics. The leases have remaining lease terms of 1 to 5 years.

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

	Group	
	2015	**2014**
	$	**$**
Not later than one year	2,052,228	2,136,534
Later than one year but not later than five years	3,405,444	5,548,672
	5,457,672	7,685,206

(c) ***Operating lease commitments – as lessor***

The Group has entered into a sub-lease agreement on its rented property. These non-cancellable leases have a remaining lease terms between eight months to two years.

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

	Group	
	2015	**2014**
	$	**$**
Not later than one year	350,173	491,697
Later than one year but not later than five years	123,552	473,725
	473,725	965,422

(d) ***Corporate guarantees***

The Company has provided a corporate guarantee of $4,558,781 (2014: $3,722,646) to banks for finance leases and term loans taken by subsidiaries. As at year end, the Company does not expect these guarantees to be called upon.

34. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

Level 2 – Inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***Assets and liabilities measured at fair value***

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

	Group 2015 $ Fair value measurements at the end of the reporting period using		
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices** (Level 2)	**Significant unobservable inputs** (Level 3)
Recurring fair value measurements			
Assets			
Contingent consideration due from non-controlling interest	–	244,672	–
	–	244,672	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

34. Fair value of assets and liabilities (cont'd)

(b) ***Assets and liabilities measured at fair value (cont'd)***

	Group 2014 $ Fair value measurements at the end of the reporting period using		
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices** (Level 2)	**Significant unobservable inputs** (Level 3)
Recurring fair value measurements			
Assets			
Convertible loans	–	–	524,050
Contingent consideration due from non-controlling interest	–	–	422,672
	–	–	946,722

	Company 2015 $ Fair value measurements at the end of the reporting period using		
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices** (Level 2)	**Significant unobservable inputs** (Level 3)
Recurring fair value measurements			
Assets			
Contingent consideration due from non-controlling interest	–	244,672	–
	–	244,672	–

34. Fair value of assets and liabilities (cont'd)

(b) ***Assets and liabilities measured at fair value (cont'd)***

	Company 2014 $ Fair value measurements at the end of the reporting period using		
	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**
Recurring fair value measurements			
Assets			
Contingent consideration due from non-controlling interest	–	–	422,672
	–	–	422,672

(c) ***Level 2 fair value measurements***

The followings is a description of the valuation techniques and inputs used in the fair value measurements for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Contingent consideration due from non-controlling interest

Contingent consideration due from non-controlling interest refers to the contingent consideration arrangement described in Note 10. Value of the consideration is measured by the aggregate profit before tax of Complete Healthcare International Pte Ltd ("CHI") for all the financial years ended 31 December 2013, 2014 and 2015 less the contingent consideration payment of $957,920 paid in 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

34. Fair value of assets and liabilities (cont'd)

(d) ***Level 3 fair value measurements***

Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair Value as at 31 December 2014	Valuation techniques	Significant unobservable inputs	Range
Recurring fair value measurements				
2014				
Assets				
Convertible loans	524,050	Binomial method	Credit spread	10.3%
Contingent consideration for business combination	422,672	Income approach	Forecast of income for financial year ending 31 December 2015	Not applicable

For convertible loans, a significant increase/(decrease) in credit spread will results in a significantly lower/(higher) fair value measurement.

For contingent consideration, a significant increase/(decrease) in the forecast of income in CHI would result in a significantly lower/(higher) fair value measurement.

Movements in Level 3 assets and liabilities measured at fair value

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Group 2014 $ Fair value measurements using significant unobservable inputs (Level 3)	
	Convertible loans	**Contingent consideration**
Opening balance	552,251	(795,168)
Gains included in profit or loss during the year	–	260,000
Settlement during the year	–	957,840
Impairment of convertible loans	(48,260)	–
Exchange differences	20,059	–
Closing balance	524,050	422,672

34. Fair value of assets and liabilities (cont'd)

(d) ***Level 3 fair value measurements (cont'd)***

	Company 2014 $ Fair value measurements using significant unobservable inputs (Level 3) Contingent consideration
Opening balance	(795,168)
Gain included in profit or loss during the year	260,000
Settlement during the year	957,840
Closing balance	422,672

Valuation policies and procedures

The appropriate valuation techniques and inputs for fair value measurements are determined by management. In estimating the fair value of an asset or liability, the Group engaged external qualified valuers to perform the valuations. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 fair value measurement guidance. Management works closely with the valuers to establish the appropriate valuation techniques and inputs to the models. Management reports the findings to the Board of Directors.

(e) ***Transfers between fair value hierarchy***

During the financial year ended 31 December 2015, the Group transferred the contingent consideration for business consideration from Level 3 to Level 2 as the forecast for income for Complete Healthcare International Pte Ltd for year ended 31 December 2015 materialised and is no longer based on unobservable inputs.

(f) ***Fair value of financial instruments whose carrying amounts are not reasonable approximation of fair value***

Management has determined that the non-current loans to its associates form part of its investment in the associates. The fair value of the loans is not determinable as the timing of future cash flows arising from the loans cannot be estimated reliably.

35. 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, liquidity risk and foreign currency 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.

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

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 Company's maximum exposure to credit risk is the carrying amount of loans and receivables as indicated in Note 16. It is the Group's policy to minimise credit risk by dealing with creditworthy third parties and financial institutions.

At the end of the reporting period, there were no significant concentrations of credit risk for the Group, while almost all of the Company's receivables were balances with subsidiaries.

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash at bank and short term deposits are placed with or entered into with reputable financial institutions with high credit ratings.

Information regarding financial assets that are either past due or impaired is disclosed in Note 16.

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 short term deposits placed with reputable banks 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)/profit net of taxation would have been $53,553 higher/lower (2014: $55,560 lower/higher) arising mainly as a result of lower/higher interest income from cash and deposit balances and lower/higher interest expense on floating rate loans and borrowings.

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's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group monitors its liquidity risk and maintains a level of cash and short term deposits 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.

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

Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

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

	One year or less $	One to five years $	Total $
Group			
2015			
Financial assets:			
Trade receivables	1,425,518	–	1,425,518
Other receivables	833,447	–	833,447
Cash and short term deposits	5,642,145	–	5,642,145
Total undiscounted financial assets	7,901,110	–	7,901,110
Financial liabilities:			
Trade payables	814,254	–	814,254
Other payables and accruals	1,491,067	–	1,491,067
Obligations under finance leases	1,541,745	2,634,242	4,175,987
Loans and borrowings	465,946	505,635	971,581
Put options granted to non-controlling interests	769,755	–	769,755
Total undiscounted financial liabilities	5,082,767	3,139,877	8,222,644
Total net undiscounted financial assets/(liabilities)	2,818,343	(3,139,877)	(321,534)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less $	One to five years $	Total $
Group			
2014			
Financial assets:			
Trade receivables	1,363,954	–	1,363,954
Other receivables	2,352,390	–	2,352,390
Convertible loan receivables	–	524,050	524,050
Short term deposit pledged as security	300,000	–	300,000
Cash and short term deposits	6,259,961	–	6,259,961
Total undiscounted financial assets	10,276,305	524,050	10,800,355
Financial liabilities:			
Trade payables	830,894	–	830,894
Other payables and accruals	1,563,543	–	1,563,543
Obligations under finance leases	991,797	1,884,569	2,876,366
Loans and borrowings	1,401,133	656,006	2,057,139
Put options granted to non-controlling interests	–	612,862	612,862
Total undiscounted financial liabilities	4,787,367	3,153,437	7,940,804
Total net undiscounted financial assets/(liabilities)	5,488,938	(2,629,387)	2,859,511

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

Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	One year or less $	One to five years $	Total $
Company			
2015			
Financial assets:			
Other receivables	1,767,498	–	1,767,498
Cash and short term deposits	4,207,641	–	4,207,641
Total undiscounted financial assets	5,975,339	–	5,975,339
Financial liabilities:			
Other payables and accruals	639,535	–	639,535
Total undiscounted financial liabilities	639,535	–	639,535
Total net undiscounted financial assets	5,335,804	–	5,335,804
2014			
Financial assets:			
Other receivables	2,868,150	–	2,868,150
Cash and short term deposits	4,055,237	–	4,055,237
Total undiscounted financial assets	6,923,387	–	6,923,387
Financial liabilities:			
Other payables and accruals	751,477	–	751,477
Total undiscounted financial liabilities	751,477	–	751,477
Total net undiscounted financial assets	6,171,910	–	6,171,910

Foreign currency risk

The Group has no exposure in foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

36. Segment reporting

For management purposes, the Group regards the rendering of specialised healthcare services and healthcare consultancy and management 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.

37. Capital management

Capital includes equity items.

The Group reviews and manages its capital structure to ensure optimal capital structure to maximise shareholder's 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 2015 and 31 December 2014.

38. Subsequent events

The Group issued 51,500,000 new ordinary shares on 21 January 2016 in connection with a private placement. Following the private placement, the number of ordinary shares in issue is 390,488,125 excluding 100,000 treasury shares, and the share capital is S$24,761,027. The net proceeds raised was approximately S$2.8 million. The Group intends to utilize the net proceeds for the expansion of its healthcare business. As at the date of this financial statement, the Group has not made any material disbursements.

39. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on 22 March 2016.

STATISTICS OF SHAREHOLDINGS

AS AT 7 MARCH 2016

Issued and paid-up capital	:	S$24,761,027
Number of shares (including treasury shares)	:	390,588,125
Number of shares (excluding treasury shares)	:	390,488,125
Treasury shares	:	100,000 (0.03%)
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	5	0.19%	170	0.00%
100 – 1,000	93	3.57%	85,698	0.02%
1,001 – 10,000	1,010	38.77%	6,150,080	1.58%
10,001 – 1,000,000	1,461	56.09%	141,554,877	36.25%
1,000,001 and above	36	1.38%	242,697,300	62.15%
Total	**2,605**	**100.00%**	**390,488,125**	**100.00%**

LIST OF 20 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	LUYE MEDICALS GROUP PTE LTD	95,431,396	24.44
2	DBS NOMINEES PTE LTD	21,471,000	5.50
3	NGIAM MIA HAI BERNARD	18,570,000	4.76
4	NGIAM MIA HONG ALFRED	18,570,000	4.76
5	TAN GUEK MING	8,467,598	2.17
6	MAYBANK KIM ENG SECS PTE LTD	7,795,000	2.00
7	OCBC SECURITIES PRIVATE LTD	7,521,800	1.93
8	PHILLIP SECURITIES PTE LTD	5,842,700	1.50
9	CITIBANK NOMS S'PORE PTE LTD	5,837,300	1.49
10	RAFFLES NOMINEES (PTE) LTD	3,766,600	0.96
11	TAN AH SOON	3,467,200	0.89
12	LEE YUEN SHIH	3,000,000	0.77
13	OCBC NOMINEES SINGAPORE	2,887,000	0.74
14	NGIAM MIA KIAT BENJAMIN	2,860,000	0.73
15	HL BANK NOMINEES (S) PTE LTD	2,704,800	0.69
16	KOH BOON HOW	2,500,000	0.64
17	KOH ENG HONG	2,430,700	0.62
18	UNITED OVERSEAS BANK NOMINEES	2,426,100	0.62
19	YEO TIOW CHING	2,100,000	0.54
20	LIM KIAN HONG (LIN JIAN HONG)	2,000,000	0.51
	Total	**219,649,194**	**56.25**

STATISTICS OF SHAREHOLDINGS

AS AT 7 MARCH 2016

SHAREHOLDINGS HELD BY THE PUBLIC

Percentage of shareholdings held by the public is approximately 72.62%, 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)

	No. of Shares			
Substantial Shareholders	**Direct Interest**	**%**[1]	**Deemed Interest**	**%**[1]
Luye Medicals Group Pte. Ltd.	95,431,396	24.44	–	–
Luye Medicals Investment Pte. Ltd.[2]	–	–	95,431,396	24.44
Luye Group Ltd[3]	–	–	95,431,396	24.44
Nelumbo Investments Limited[4]	–	–	95,431,396	24.44
The Asoka Trust[5]	–	–	95,431,396	24.44
Liu Dianbo[6]	–	–	95,431,396	24.44
Wang Cuilian[6]	–	–	95,431,396	24.44
Aona Liu[6]	–	–	95,431,396	24.44
Alina W Liu[6]	–	–	95,431,396	24.44

Notes:

(1) Based on the Company's issued ordinary share capital of 390,488,125 shares (excluding 100,000 treasury shares).

(2) Luye Medicals Investment Pte. Ltd. holds 100% of the issued and paid up share capital of Luye Medicals Group Pte. Ltd. and is deemed interested in the shares that Luye Medicals Group Pte. Ltd. has an interest in.

(3) Luye Group Ltd holds 100% of the issued and paid up share capital of Luye Medicals Investment Pte. Ltd. and is deemed to be interested in the shares that Luye Medicals Investment Pte. Ltd. has an interest in.

(4) Nelumbo Investments Limited holds 70% of the issued and paid up share capital of Luye Group Ltd and is deemed to be interested in the shares that Luye Group Ltd has an interest in.

(5) The shares representing 100% of the issued and paid up share capital of Nelumbo Investments Limited are held as trust property of The Asoka Trust. Accordingly, The Asoka Trust is deemed interested in the shares that Nelumbo Investments Limited has an interest in.

(6) Liu Dianbo, Wang Cuilian, Aona Liu and Alina W Liu are the beneficiaries under The Asoka Trust and are deemed to be interested in the shares that The Asoka Trust has an interest in.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of AsiaMedic Limited (the "**Company**") will be held at Kent Ridge Guild House, 9 Kent Ridge Drive, Singapore 119241 on Tuesday, 26 April 2016 at 10.00 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 2015 and the Director's Statement and Auditors' Report thereon. **(Resolution 1)**

2. To re-elect Dr Hong Hai, a Director retiring pursuant to Article 92 of the Constitution of the Company. **(Resolution 2)**

   Dr Hong will, upon re-election as Director of the Company, remain as Chairman of the Remuneration and Nominating Committees, and a member of the Audit and Risk Management Committee. He will be considered independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalist) (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

3. To re-elect Mr Guo Wenfei, a Director retiring pursuant to Article 92 of the Constitution of the Company. **(Resolution 3)**

4. To re-elect Mr Goh Kian Chee, a Director retiring pursuant to Article 93 of the Constitution of the Company. **(Resolution 4)**

   Mr Goh will, upon re-election as Director of the Company, remain as Chairman of the Audit and Risk Management Committee and a member of the Remuneration and Nominating Committees. He will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.

5. To re-elect Mr Tan Soo Kiat, a Director retiring pursuant to Article 92 of the Constitution of the Company. **(Resolution 5)**

   Mr Tan will, upon re-election as Director of the Company, remain as a member of the Audit and Risk Management, Remuneration and Nominating Committees. He will be considered non-independent for the purpose of Rule 704(7) of the Catalist Rules.

6. To approve Directors' fee of S$146,895 for the financial year ended 31 December 2015 (2014: S$147,279). **(Resolution 6)**

7. To re-appoint Ernst & Young LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

SPECIAL BUSINESS

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

8. Authority to issue shares and instruments convertible into shares

"That pursuant to Section 161 of the Companies Act, Chapter 50 and the Catalist Rules, approval be and is hereby given to the Directors of the Company, to:

(a) (i) issue ordinary shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

(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, 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 for the purpose of this Resolution, the total number of issued Shares excluding treasury shares shall be the Company's total number of issued Shares excluding treasury shares at the time this Resolution is passed, after adjusting for:

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

(b) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and

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

(ii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST, the Monetary Authority of Singapore or the Sponsor of the Company) and the Constitution for the time being of the Company; and

(iii) 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 8)**

NOTICE OF ANNUAL GENERAL MEETING

9. Renewal of the Share Purchase Mandate

"That the Directors of the Company be and are hereby authorised to make purchases of issued and fully-paid ordinary shares in the capital of the Company ("Shares") from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to 10% of the total number of issued ordinary Shares in the capital of the Company as at the date of passing of this Resolution at the price of up to but not exceeding the Maximum Price, in accordance with the "Guidelines on Share Purchases" set out in the Annexure to the Appendix of this Annual Report and this Share Purchase Mandate shall continue in force until (i) the date that the next annual general meeting of the Company is held; (ii) the date that the next annual general meeting of the Company is required by law to be held; (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or (iv) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earliest.

In this Ordinary Resolution, "Maximum Price" means the maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall not exceed the sum constituting 5% above the average closing price of the Shares over the period of five (5) trading days in which transactions in the Shares on the SGX-ST were recorded, in the case of a market purchase, before the day on which such purchase is made, and in the case of an off-market purchase, immediately preceding the date of offer by the Company, as the case may be, and adjusted for any corporate action that occurs after the relevant five (5) day period." **(Resolution 9)**

10. 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) 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 10)

11. 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) 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

NOTICE OF ANNUAL GENERAL MEETING

scheme of the Company then in force, shall not exceed 25% of the issued share capital (excluding treasury shares) 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 11)**

ANY OTHER BUSINESS

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

Dated this 4 April 2016

BY ORDER OF THE BOARD
Foo Soon Soo
Company Secretary

Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

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

4. The instrument appointing a proxy/proxies must be deposited at the registered office of the Company at 350 Orchard Road, #08-00 Shaw House, Singapore 238868 not later than 48 hours before the time set for the AGM.

5. The instrument appointing a proxy/proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy/proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

6. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

7. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the AGM in person as proxy of his/her CPF and/or SRS Approved Nominee. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Resolution 8, if passed, will empower the Directors of the Company from the date of the above Meeting until the next annual general meeting to issue Shares and convertible securities in the Company up to an amount not exceeding in aggregate 100% of the total number of issued Shares excluding treasury shares of the Company, of which the total number of Shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 50% of the total number of issued Shares excluding treasury shares of the Company at the time the Resolution is passed, for such purposes as they consider would be in the interests of the Company. The Catalist Rules currently provide that the total number of issued Shares excluding treasury shares of the Company for this purpose shall be the total number of issued Shares excluding treasury shares at the time this Resolution is passed (after adjusting for new Shares arising from the conversion of convertible securities or share options on issue at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's Shares). This authority will, unless revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

2. Resolution 9, if passed, will empower the Directors, from the date of the above meeting until the next annual general meeting, 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 at such price up to the Maximum Price. Information relating to this proposed Resolution is set out in the Appendix attached to the Annual Report.

3. Resolution 10, 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 or share plans adopted by the Company shall not shall not exceed 25% of the issued share capital (excluding treasury shares) of the Company on the day preceding the relevant date of award.

4. Resolution 11, if passed, will empower the Directors to offer and grant options in accordance with the AsiaMedic Share Option Scheme 2016 and to 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) 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) of the Company on the day preceding the relevant date of grant of option.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This notice has been prepared by the Company and reviewed by the Company's sponsor, Xandar Capital Pte Ltd (the "**Sponsor**"), for compliance with the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this notice including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements made, opinions expressed or reports contained in this notice. This notice has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this notice including the correctness of any of the statements made, opinions expressed or reports contained in this notice.

Contact person for the Sponsor: Ms Pauline Sim (Registered Professional, Xandar Capital Pte Ltd)
Address: 3 Shenton Way #24-02 Shenton House, Singapore 068805
Telephone number: (65) 6319 4954

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

ANNUAL GENERAL MEETING PROXY FORM

(You are advised to read the notes on the next page before completing this form)

IMPORTANT:
1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the AGM and vote.
2. For investors who have used their CPF monies and/or SRS monies to buy shares in AsiaMedic Limited, this Annual Report is forwarded to them at the request of their CPF and/or SRS Approved Nominees.
3. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ____________________

of ____________________

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

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)

and/or (delete as appropriate)

or failing him/them, the Chairman of the Meeting as my/our proxy/proxies, to vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at Kent Ridge Guild House, 9 Kent Ridge Drive, Singapore 119241 on Tuesday, 26 April 2016 at 10.00 a.m. and at any adjournment thereof. The proxy/proxies is/are to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM.

No.	Ordinary Resolutions	No. of Votes or Indicate with a Cross	
		For	Against
1	Adoption of the audited financial statements for the financial year ended 31 December 2015 and the Director's Statement and Auditors' Report thereon		
2	Re-election of Dr Hong Hai as Director retiring pursuant to Article 92 of the Company's Constitution		
3	Re-election of Mr Guo Wenfei as Director retiring pursuant to Article 92 of the Company's Constitution		
4	Re-election of Mr Goh Kian Chee as Director retiring pursuant to Article 93 of the Company's Constitution		
5	Re-election of Mr Tan Soo Kiat as Director retiring pursuant to Article 92 of the Company's Constitution		
6	Approval of Directors' fee for the financial year ended 31 December 2015		
7	Re-appointment of Ernst & Young LLP as Auditors		
8	Authority to issue shares and instruments convertible into shares		
9	Renewal of the Share Purchase Mandate		
10	Authority to grant awards and to allot and issue shares under the AsiaMedic Share Award Scheme		
11	Authority to grant options and to allot and issue shares under the AsiaMedic Employee Share Option Scheme 2016		

All Resolutions put to the vote shall be decided by way of poll.

Please indicate with a cross "X" or indicate the number of votes in the space provided whether you wish your vote to be cast for or against the Resolutions as set out in the Notice of AGM. A cross would represent you are exercising all your votes "For" or "Against" the relevant Resolution.

Dated this ________ day of ______________ 2016.

Total Number of Shares Held

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

Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
2. A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 (the "Companies Act").
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy/proxies must be deposited at the registered office of the Company at 350 Orchard Road, #08-00 Shaw House, Singapore 238868 not later than 48 hours before the time set for the AGM.
5. The instrument appointing a proxy/proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy/proxies is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
6. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM. A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the AGM.
7. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.
8. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy/proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the AGM.
9. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act.
10. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members (maintained by or on behalf of the Company), he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.

    The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 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) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

GROUP STRUCTURE

EQUITY INTEREST	
100%	**SUBSIDIARIES** The Orchard Imaging Centre Pte Ltd AsiaMedic Heart & Vascular Centre Pte Ltd AsiaMedic PET/CT Centre Pte Ltd Wellness Assessment Centre Pte Ltd AMC Healthcare Pte Ltd* AsiaMedic Eye Centre Pte Ltd* AsiaMedic Cytolife Pte Ltd* AsiaMedic China Co., Ltd*
80%	Complete Healthcare International Pte Ltd
70%	AsiaMedic Astique The Aesthetic Clinic Pte Ltd
33%	**ASSOCIATE** Positron Tracers Pte Ltd

* Inactive

ASIAMEDIC LIMITED
(Co. Reg. No. 197401556E)

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Singapore 238868
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Website: www.asiamedic.com.sg