



ASIAN AMERICAN MEDICAL GROUP LIMITED

and its controlled entities

ABN 42 091 559 125

APPENDIX 4D

HALF YEAR REPORT

28 FEBRUARY 2019

Asian American Medical Group Limited *and its controlled entities*

Appendix 4D Half Year Report for the period ended 28 February 2019

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Appendix 4D

Asian American Medical Group Limited

ABN 42 091 559 125

Half year report

Current reporting period: 6 months ended 28 February 2019

Previous corresponding period: 6 months ended 28 February 2018

All amounts are stated in Singapore Dollars.

Results for announcement to the market

				S\$'000
Revenue	Down	43.0%	to	6,173
Loss after tax attributable to members	-	-	to	(1,111)
Net loss for the period attributable to members	-	-	to	(1,111)

Commentary on results

Please refer to the review of operations within the Directors' report on page 6.

Dividends per share

	Amount per share	Franked amount per share at 30% tax	Amount per share of foreign sourced dividend	Amount A\$'000
<u>Current period</u>				
NIL	-	-	-	-
<u>Previous corresponding period</u>				
NIL	-	-	-	-

Net tangible assets and net asset value per share

	28-Feb-19	31-Aug-18
Net tangible assets per ordinary share - (S cents)	4.11	5.19
- (A cents)*	4.26	5.21
Net asset value per ordinary share - (S cents)	4.11	5.19
- (A cents)*	4.26	5.21

*exchange rate used was 0.965 S\$ to 1A\$ (2018: 0.995 S\$ to 1A\$1)

Details of entities over which control has been gained or lost

On 20 December 2018, Dr Jonathan Teh Yi Hui ("Dr Teh"), a Consultant Radiation Oncologist employed under Asian American Radiation & Oncology Pte. Ltd. ("AARO") exercised his option under his employment contract to purchase 10,000 ordinary shares in AARO at S\$5.50 per share, amounting to S\$55,000.

Following the exercise, Dr Teh holds approximately 2.0% of all issued shares in AARO. As a result of the exercise, AAMG's shareholding in AARO was reduced from 70% to 69%.

Compliance statement

This report is based on the interim financial report that has been reviewed. The review report which was not subject to qualification is included in the interim financial report.

Asian American Medical Group Limited

Corporate Directory

Directors

Dato' Dr Kai Chah Tan (Executive Chairman)
Mr Evgeny Tugolukov (Non-Executive Director)
Mr Heng Boo Fong (Independent Non-Executive Director)
Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)
Mr Stuart L Dean (Independent Non-Executive Director)
Mr Pang Fey Yu (Independent Non-Executive Director) – appointed on 8 January 2019
Mr Peter Hurley (Independent Non-Executive Director) - appointed on 15 March 2019
Mr Paul Vui Yung Lee (Independent Non-Executive Director) - resigned on 15 March 2019

Company Secretary

Dario Nazzari

Registered Office

25 Peel Street
Adelaide SA 5000
Tel: +61 8 8110 0999
Fax: +61 8 8110 0900
Website: www.aamg.co

Auditors

BDO Audit (SA) Pty Ltd
BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
Tel: +61 8 7324 6000
Fax: +61 8 7324 6111

Bankers

DBS Bank Ltd
12 Marina Boulevard
DBS Asia Central, Marina Bay Financial Centre Tower 3
Singapore 018982

Westpac Banking Corporation
114 William Street
Melbourne VIC 3000

Share registry

Computershare Investor Services Pty Ltd

Level 5, 115 Grenfell Street

Adelaide SA 5000

Tel: +61 8 8236 2300

Fax: +61 8 9473 2408

Stock Exchange Listing

The Company's shares are quoted on the Official List of Australian Securities Exchange Limited.

ASX Code : AJJ

**Asian American Medical Group Limited
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Interim Financial Report

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the six months ended 28 February 2019 ("1H2019").

Directors

The names of directors who held office during or since the end of the period:

Dato' Dr Kai Chah Tan (Executive Chairman)

Mr Evgeny Tugolukov (Non-Executive Director)

Mr Heng Boo Fong (Independent Non-Executive Director)

Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)

Mr Stuart L Dean (Independent Non-Executive Director)

Mr Pang Fey Yu (Independent Non-Executive Director) – appointed 8 January 2019

Mr Peter Hurley (Independent Non-Executive Director)- appointed on 15 March 2019

Mr Paul Vui Yung Lee (Independent Non-Executive Director)- resigned on 15 March 2019

Review of Operations

The principal activity of Asian American Medical Group Limited and its controlled entities ("AAMG" or "the Group") is that of provision of specialised medical services for liver diseases and transplantation, radiation and oncology, healthcare project management and consultancy services and healthcare real estate.

The following table summarises the financial performance of the Group for 1H2019 compared to that of 1H2018:

	1H2019	1H2018	Change
	S\$'000	S\$'000	%
Revenue	6,173	10,836	(43.0)
Other income	33	97	(66.0)
Direct costs and operating expenses	(7,399)	(10,205)	(27.5)
Share of results of associates	1	-	n.m.
(Loss)/ Profit from operations before taxation	(1,192)	728	n.m.
Taxation	(1)	(9)	(88.0)
(Loss)/ Profit after taxation	(1,193)	719	n.m.
(Loss)/ Profit attributable to:			
Members of the parent entity	(1,111)	703	n.m.
Non-controlling interest	(82)	16	n.m.
	(1,193)	719	
Basic (loss)/ profit per share (S cents)	(0.33)	0.24	
Diluted (loss)/ profit per share (S cents)	(0.33)	0.24	

n.m. – not meaningful

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Review of Financial Performance

The Group recorded loss after tax ("Net Loss") of S\$1.2 million for the first six months of FY2019, as compared to a profit of S\$0.7 million in the comparative period. This was largely due to a decline in the overall group revenue of 43.0% or S\$4.6 million to S\$6.2 million in 1H2019 (1H2018: S\$10.8 million) as a result of lower patient numbers and income from our Management and Consultancy segment.

The declining patient number is due mainly to the overall headwinds faced by Singapore's healthcare sector. Rising cost of healthcare and its related operating cost in Singapore are increasingly diminishing the country's attractiveness as a medical hub with patients opting to turn to neighbouring countries for their medical needs. This has in turn posed a challenge to all local healthcare providers to remain competitive on top of providing quality and affordable healthcare services.

A review of our operations is as follows:

i. Liver segment

Revenue from the liver segment, Asian American Liver Centre ("AALC"), weakened by 37.7% or S\$2.7 million to S\$4.6 million from S\$7.3 million in 1H2018. This is largely due to a 34.1% decrease in total patient transactions to 2,355 as compared to 3,576 in 1H2018.

The number of liver dialysis, fibroscan, Indocyanine Green Angiography ("ICG") and surgeries declined by 54.3%, 64.4%, 65.9% and 8.3% respectively. This results in corresponding impact on the revenue generated from medicine, professional fees, lab and x-ray and miscellaneous, which recorded a decrease of 30.7%, 42.7%, 37.6% and 58.9% respectively. AALC performed two living donor liver transplant ("LDLT") in 1H2019 as compared to three cases performed in the previous period.

As a result, the liver segment Net Loss increased from S\$28,000 in 1H2018 to S\$0.6 million in 1H2019. Whilst the fall in revenue, the liver segment remained the largest revenue contributor, amounting to 74.1% from 67.6% in 1H2018, of the Group's top line.

ii. Radiation and Oncology segment

Asian American Radiation & Oncology ("AARO"), our radiation and oncology segment continued its stable revenue growth by recording an increase in revenue of 38.8% or S\$0.5 million in 1H2019, to S\$1.6 million from S\$1.1 million in 1H2018. As a result, AARO's contribution to the Group's top line increased to 25.7% in 1H2019, from 10.5% in 1H2018.

The higher revenue was largely attributable to the increase in patient visits, driving the number of patient transactions by 75.1% to 422 in 1H2019 from 241 in the previous period. This was due mainly to the full year contribution of Dr David Tan who joined AARO during the second half of FY 2018. This was slightly offset by a 10.1% decline in its management and service income from local and overseas projects.

Despite the improvement in the revenue, the radiation and oncology segment recorded a Net Loss of S\$0.3 million, reversing from a net profit after tax ("Net Profit") of S\$52,000 due mainly to higher employment benefits expenses incurred in 1H2019 of S\$0.7 million as compared to S\$0.2 million in 1H2018 as a result of increased headcount and bonuses.

iii. Management and Consultancy segment

Our management and consultancy segment revenue, operating under Asian American Medical Group Pte. Ltd. ("AAMGPL") weakened by 76.6% or S\$1.8 million to S\$0.5 million in 1H2019 from S\$2.3 million in 1H2018. This was solely attributable to professional services rendered to Hippocrates Development Sdn. Bhd. ("HDSB") relating to the construction and development of the Tunku Laksamana Johor Cancer Centre ("TLJCC") in 1H2018. There was higher professional fees charged during the preliminary phase of TLJCC in 1H2018, as a result of attainment of certain project milestones.

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Net Loss from the management and consultancy segment stood at S\$0.4 million in 1H2019, a fall of S\$1.3 million from the Net Profit position of S\$0.9 million in the previous period.

iv. Healthcare Real Estate segment

The healthcare real estate segment, operating under HDSB, is a newly acquired segment on 6 March 2018. It owns a five-acre block of land in Iskandar Puteri, in the Southern Malaysian state of Johor, which has been earmarked to be developed into a medical hub, which will include an international cancer centre to be built.

Development of the cancer centre has commenced and costs directly attributable to the construction of the cancer centre are capitalised as property, plant and equipment. The healthcare real estate segment has not generated any income yet and incurred a Net Loss of S\$18,000 in 1H2019.

Direct costs for the Group decreased by 42.5% or S\$2.7 million to S\$3.7 million in 1H2019 from S\$6.4 million in 1H2018, which is in line with the decrease in revenue of 43.0%. The marginally lower decrease in direct costs as compared to revenue is due to lower volume of sales mix from clinical procedures with higher profit margin, resulting in a slightly lower gross profit margin of 40.5% in 1H2019 as compared to 41.0% in 1H2018.

Other operating expenses declined slightly by 1.3% or S\$0.1 million to S\$3.7 million in 1H2019 from S\$3.8 million in 1H2018. This was attributable to a decrease in professional fees of S\$0.3 million because of legal and other professional services incurred last financial period in relation to the potential migration of listing exercise and acquisition of HDSB. This was partially offset by the increase in employee benefits expense of S\$0.2 million.

As a result of the above, the Group recorded a Net Loss of S\$1.2 million for 1H2019 as compared to a Net Profit of S\$0.7 million in 1H2018.

Review of Financial Position (as at 28 February 2019 vs 31 August 2018)

Trade and other receivables increased by 15.4%, or S\$0.4 million, to S\$3.2 million as at 28 February 2019 from S\$2.8 million as at 31 August 2018. The increase in trade and other receivables despite the decrease in overall Group revenue of 43.0% is due to a longer collection period from trade receivables.

Trade and other payables decreased by S\$0.6 million or 12.1% to S\$5.0 million as at 28 February 2019 from S\$5.6 million as at 31 August 2018. This is largely due to the settlement of an outstanding payment as at 31 August 2018 relating to the purchase of an ambulance in FY 2018, amounting to S\$0.5 million.

The Group's net assets declined by S\$1.5 million to S\$13.9 million as at 28 February 2019 from S\$15.4 million as at 31 August 2018, as a result of the Net Loss of S\$1.2 million in the current period and a decrease in foreign currency translation reserve of S\$0.3 million, due to the strengthening of the SGD against the AUD and MYR on the Group's foreign currency denominated net assets.

Given the above, Net Asset Value ("NAV") per share fell by S 1.1 cents from S 5.2 cents as at 31 August 2018 to S 4.1 cents as at 28 February 2019

Interim Dividends

No interim dividend has been declared by the Directors for the period ended 28 February 2019 (2018: Nil).

Subsequent Events

No matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group.

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Auditor's Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 10 for the half-year ended 28 February 2019.

This report is signed in accordance with a resolution of the Board of Directors.



Dato' Dr Kai Chah Tan
Executive Chairman
16 April 2019



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**DECLARATION OF INDEPENDENCE
BY PAUL GOSNOLD
TO THE DIRECTORS OF ASIAN AMERICAN MEDICAL GROUP LIMITED**

As lead auditor for the review of Asian American Medical Group Limited for the half-year ended 28 February 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Asian American Medical Group Limited and the entities it controlled during the period.

Paul Gosnold
Director

BDO Audit (SA) Pty Ltd

Adelaide, 16 April 2019

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 28 FEBRUARY 2019**

		Consolidated Group	
	Note	28.2.2019	28.2.2018
		S\$	S\$
Revenue	4	6,172,628	10,835,593
Other operating income	4	32,593	96,755
Changes in inventories		(10,393)	1,498
Raw materials and consumables used		(3,665,316)	(6,393,400)
Employee benefits expense		(3,115,037)	(2,897,073)
Operating lease expense		(329,448)	(278,761)
Depreciation		(22,993)	(26,054)
Directors' fee		(71,993)	(80,708)
Other expenses		(182,797)	(529,664)
Share of results of associate	7	741	-
(Loss)/ Profit before income tax from operations		(1,192,015)	728,186
Income tax expense		(743)	(8,837)
(Loss)/ Profit for the period		(1,192,758)	719,349
Other comprehensive (loss)/ gain			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net effect of foreign currency translation (tax: Nil)		(405,750)	(398,036)
Total comprehensive (loss)/ profit for the period		(1,598,508)	321,313
(Loss)/ Profit attributable to:			
Members of the parent entity		(1,111,273)	703,077
Non-controlling interests		(81,485)	16,272
		(1,192,758)	719,349
Total comprehensive (Loss)/ Profit attributable to:			
Members of the parent entity		(1,517,023)	305,041
Non-controlling interests		(81,485)	16,272
		(1,598,508)	321,313
(Loss)/ Profit per share			
Basic (loss)/ profit per share (S cents)		(0.33)	0.24
Diluted (loss)/ profit per share (S cents)		(0.33)	0.24

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2019**

		Consolidated Group	
	Note	28.2.2019	31.8.2018
		S\$	S\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	5,834,461	8,928,738
Trade and other receivables	6	3,254,239	2,820,867
Inventories		185,787	192,689
TOTAL CURRENT ASSETS		9,274,487	11,942,294
NON-CURRENT ASSETS			
Property, plant and equipment		9,373,995	8,973,374
Investment in joint venture	7	69,971	69,248
Deferred tax asset	8	171,375	171,375
TOTAL NON-CURRENT ASSETS		9,615,341	9,213,997
TOTAL ASSETS		18,889,828	21,156,291
CURRENT LIABILITIES			
Trade and other payables	9	4,919,423	5,642,378
TOTAL CURRENT LIABILITIES		4,919,424	5,642,378
NON-CURRENT LIABILITIES			
Deferred tax liability	8	75,922	75,922
TOTAL NON-CURRENT LIABILITIES		75,922	75,922
TOTAL LIABILITIES		4,995,345	5,718,300
NET ASSETS		13,894,483	15,437,991
EQUITY			
Equity attributable to members of the parent entity:			
Issued capital		17,228,598	17,228,598
Reserves		(1,218,052)	(812,302)
Accumulated losses		(2,783,105)	(1,701,739)
		13,227,441	14,714,557
Non-controlling interest		667,042	723,434
TOTAL EQUITY		13,894,483	15,437,991

The accompanying notes form part of this financial report.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 28 FEBRUARY 2019**

	Issued capital S\$	Accumulated losses S\$	Foreign currency translation reserve S\$	Non- controlling interest S\$	Total S\$
Balance at 1.9.2017	12,932,538	(3,652,505)	150,793	174,434	9,605,260
Total comprehensive income:					
Profit for the period	-	703,077	-	16,272	719,349
Other comprehensive loss	-	-	(398,036)	-	(398,036)
	-	703,077	(398,036)	16,272	321,313
Transactions with owners, recognised directly in equity					
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	33,628	33,628
	-	-	-	33,628	33,628
Balance at 28.2.2018	12,932,538	(2,949,428)	(247,243)	224,334	9,960,201
Balance at 1.9.2018	17,228,598	(1,701,739)	(812,302)	723,434	15,437,991
Total comprehensive income:					
Loss for the period	-	(1,111,273)	-	(81,485)	(1,192,758)
Other comprehensive loss	-	-	(405,750)	-	(405,750)
	-	(1,111,273)	(405,750)	(81,485)	(1,598,508)
Transactions with owners, recognised directly in equity					
Change in ownership interests in a subsidiary without loss of control (Refer note 10)	-	29,907	-	25,093	55,000
	-	29,907	-	25,093	55,000
Balance at 28.2.2019	17,228,598	(2,783,105)	(1,218,052)	667,042	13,894,483

The accompanying notes form part of this financial report.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 28 FEBRUARY 2019

	Note	Consolidated Group	
		28.2.2019	28.2.2018
		S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,372,068	7,037,271
Payments to suppliers and employees		(8,014,356)	(7,353,331)
Income tax paid		(743)	(503)
<i>Net cash used in operating activities</i>		(2,643,031)	(316,563)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary, net of cash		-	(34,767)
Purchase of property, plant and equipment		(438,023)	(5,633)
Interest income		28,594	39,052
<i>Net cash used in investing activities</i>		(409,429)	(1,348)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from non-controlling interest	10	55,000	33,628
Interest expense		(168)	-
<i>Net cash generated from financing activities</i>		54,832	33,628
Net decrease in cash and cash equivalents		(2,997,628)	(284,283)
Cash and cash equivalents at beginning of period		8,928,738	9,174,730
Exchange difference on cash and cash equivalents		(96,649)	(186,239)
Cash and cash equivalents at end of period	5	5,834,461	8,704,208

The accompanying notes form part of this financial report.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 28 FEBRUARY 2019**

1 Nature of operations and general information

Asian American Medical Group Limited ("AAMG") is a company domiciled in Australia. The consolidated financial report of the Company as at and for half-year ended 28 February 2019 comprises the Company and its subsidiaries (together referred to as the "Group"). The principal activity of AAMG is that of provision of specialised medical services for liver diseases and transplantation, radiation and oncology, healthcare project management and consultancy services and healthcare real estate. There has been no change in the principal activity of the Group during the period under review.

AAMG is a for-profit entity for the purpose of preparing financial statements.

The consolidated interim financial report is presented in Singapore Dollars (S\$) as a significant portion of the group's activity is denominated in Singapore Dollars. The rate of exchange used at 28 February 2019 was 0.965 S\$ to 1A\$ (2018: 0.995 S\$ to 1A\$).

2 Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 28 February 2019 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Asian American Medical Group Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes that occurred during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 August 2018, together with any public announcements made during the half-year.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 August 2018.

3 Impact of new accounting standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 September 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 September 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The impact on the financial performance and position of the consolidated entity from the adoption of these Accounting Standards has been assessed and no restatement of comparative disclosures is required.

These financial statements were authorised for issue by the Board of Directors on 16 April 2019.

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4 Revenue

	Consolidated Group	
	28.2.2019	28.2.2018
	S\$	S\$
Operating activities		
Provision of services	5,356,965	7,528,500
Sale of medication	716,368	867,931
Management fee	99,295	2,439,162
Total revenue from operating activities	<u>6,172,628</u>	<u>10,835,593</u>
Other operating income		
Interest received	28,594	39,052
Other income	3,999	57,703
Total other operating income	<u>32,593</u>	<u>96,755</u>

5 Cash and cash equivalents

Cash and cash equivalents comprise the following amounts:

	Consolidated Group	
	28.2.2019	31.8.2018
	S\$	S\$
Cash and bank balances	3,675,735	5,542,147
Fixed deposits	2,158,726	3,386,591
Cash per consolidated statement of cash flows	<u>5,834,461</u>	<u>8,928,738</u>

The effective interest rate on short-term bank deposits was 1.51% - 2.65% (2018: 0.74% - 2.00%) per annum; these deposits have a maturity of 3 to 9 months (2018: 6 months).

6 Trade and other receivables

	Consolidated Group	
	28.2.2019	31.8.2018
	S\$	S\$
Trade receivables	2,929,169	2,500,684
Other receivables	156,703	131,366
Deposits	168,367	188,817
Total current trade and other receivables	<u>3,254,239</u>	<u>2,820,867</u>

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Interim Financial Report

a. Allowance for expected credit loss

Current trade and term receivables are initially measured at the transaction price as it does not contain significant financing. Tracking of changes in credit risk was not required to be performed at every reporting period due to the adoption of simplified approach, but instead requires the recognition of lifetime expected credit loss at all times. In measuring the expected credit loss, a provision matrix for trade receivables was used, taking into consideration various data to get to an expected credit loss, such as diversity of the customer base. The trade receivable consists mainly amounts owing from the United Arab Emirates ("UAE") government agencies. Management holds regular meetings with the agencies relating to patient care feedback and collection of amounts outstanding. Management is of the opinion that the trade receivables are recoverable with low risk of default and hence, no provision is required.

7 Investment in joint venture

In FY 2018, Gold Bell Asia American Healthcare Ventures Company Limited ("GBAA") entered into a joint collaboration with its strategic partner to incorporate All-Star American Medical Specialists (Myanmar) Limited ("AAMS") in Myanmar. GBAA has a 50% shareholding under this joint venture, which entitles Asian American Medical Group Pte Ltd ("AAMGPL") to 25.5% of AAMS's profit.

	Consolidated Group	
	28.2.2019	31.8.2018
	S\$	S\$
Investment in Joint Venture	69,971	69,248
Profit from related associate	741	2,417
Total net assets of AAMS	124,969	123,988
Proportion of ownership interest held by the Group	50%	50%
Carrying amount of the investment in AAMS	62,485	61,994
Unrealised exchange gain impact	7,486	7,254
Net carrying amount of the investment in AAMS	69,971	69,248

**Asian American Medical Group Limited
and Controlled Entities**
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Interim Financial Report

8 Taxation

	Consolidated Group		
	31.8.2018		28.2.2019
	S\$	S\$	S\$
Non-current			
<u>Deferred tax asset and liability</u>			
Tax asset arising from unused tax losses	171,375	-	171,375
Tax liability arising from land revaluation on business combination	(75,922)	-	(75,922)
Net deferred tax asset	95,453	-	95,453

9 Trade and other payables

	Consolidated Group	
	28.2.2019	31.8.2018
	S\$	S\$
Trade payables	3,655,191	3,615,215
Patients' deposits	204,011	305,194
Provision for employee benefits	48,314	190,516
Sundry payables and accrued expenses	1,011,907	1,531,453
Total current trade and other payables	4,919,423	5,642,378

The provision for employee benefits relates to the provision for cash bonus to employees for the period from September 2018 to February 2019 (2018: January to August 2018) and is payable by December 2019 (2018: December 2018).

10 Non-controlling interest contribution

On 20 December 2018, Dr Jonathan Teh Yi Hui ("Dr Teh"), a Consultant Radiation Oncologist employed under AARO, exercised his option under his employment contract to purchase 10,000 ordinary shares in AARO at S\$5.50 per share, amounting to a consideration of S\$55,000. Following the exercise, Dr Teh holds approximately 2.0% of all issued shares in AARO. As a result of the exercise, AAMG's shareholding in AARO was reduced from 70% to 69%.

11 Controlled Entities

	Country of Incorporation	Percentage Owned	
		28 February 2019	31 August 2018
Asian American Medical Group Limited	Australia	-	-
Subsidiary of Asian American Medical Group Limited :			
Asian American Medical Group, Inc.	British Virgin Islands	100%	100%

**Asian American Medical Group Limited
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Subsidiaries of Asian American Medical Group, Inc. :

Asian American Liver Centre Pte. Ltd.	Singapore	100%	100%
Asian American Radiation & Oncology Pte. Ltd.	Singapore	69%	70%
Asian American Medical Group Pte. Ltd.	Singapore	100%	100%
Asian American Health Ventures Pte. Ltd.	Singapore	100%	100%

***Subsidiary of Asian American Health Ventures Pte Ltd
(formerly named as Million Health Ventures Pte. Ltd) :***

Asian American Oncology Management Sdn. Bhd.	Malaysia	100%	100%
Hippocrates Development Sdn. Bhd.	Malaysia	95.1%	95.1%

Subsidiary of Asian American Medical Group Pte. Ltd. :

Golden Bell Asia American Healthcare Ventures Company Limited	Myanmar	51%	51%
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12 SEGMENT INFORMATION

During the six month period ending 28 February 2019, there have been no changes from prior periods in the measurement methods used to determine operating segments and reporting segment profit or loss.

(i) Segment Performance

	Liver	Radiation & Oncology	Management & Consultancy	Healthcare Real Estate	Total
28 February 2019	S\$	S\$	S\$	S\$	S\$
External sales revenue	4,576,296	1,586,223	10,109	-	6,172,628
Inter segment sales	222	-	538,577	-	538,799
Total segment revenue	4,576,518	1,586,223	548,686	-	6,711,427
Inter-segment eliminations					(538,799)
Total Group revenue					6,172,628
Segment net loss before tax	(578,996)	(265,450)	(370,144)	(17,917)	(1,232,507)
Other Income					40,492
Income tax expense					(743)
Net profit for the period					(1,192,758)

**Asian American Medical Group Limited
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	Liver	Radiation & Oncology	Management & Consultancy	Healthcare Real Estate	Total
28 February 2018	S\$	S\$	S\$	S\$	S\$
External sales revenue	7,343,796	1,142,680	2,349,117	-	10,835,593
Inter segment sales	308	-	-	-	308
Total segment revenue	7,344,104	1,142,680	2,349,117	-	10,835,901
Inter-segment eliminations					(308)
Total Group revenue					10,835,593
Segment net (loss)/profit before tax	(27,837)	51,682	856,303		880,148
Other Expenses					(151,962)
Income tax expense					(8,837)
Net profit for the period					719,349

(ii) Segment assets

	Liver	Radiation Oncology	Management & Consultancy	Healthcare Real Estate	Others	Total
28 February 2019	S\$	S\$	S\$	S\$	S\$	S\$
Segment assets	5,341,347	1,295,269	6,705,593	9,384,112	25,223,399	47,949,720

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(29,059,892)
Total Group assets	18,889,828

	Liver	Radiation Oncology	Management & Consultancy	Healthcare Real Estate	Others	Total
31 August 2018	S\$	S\$	S\$	S\$	S\$	S\$
Segment assets	6,103,337	1,550,073	7,895,266	9,045,446	25,627,724	50,221,846

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(29,065,555)
Total Group assets	21,156,291

**Asian American Medical Group Limited
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13 Contingent liabilities

There has been no contingent liability as at reporting date.

14 Capital Commitments

There has been no other capital commitment as at reporting date.

15 Subsequent Events

No matter or circumstance has arisen which has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group.

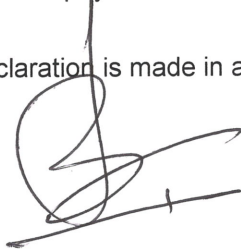
Asian American Medical Group Limited
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 22 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 28 February 2019 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Dato' Dr Kai Chah Tan
Executive Chairman

16 April 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ASIAN AMERICAN MEDICAL GROUP LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Asian American Medical Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 28 February 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 28 February 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 28 February 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit (SA) Pty Ltd

A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold
Director

Location, 16 April 2019