ASIAN AMERICAN MEDICAL GROUP LIMITED

and its controlled entities

ABN 42 091 559 125

APPENDIX 4E

PRELIMINARY FINAL REPORT FOR THE

YEAR ENDED 31 AUGUST 2013

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Appendix 4E

Asian American Medical Group Limited

ABN 42 091 559 125

Preliminary final report

Current reporting period: Year ended 31 August 2013
Previous corresponding period: Year ended 31 August 2012
All amounts are stated in Singapore Dollars unless stated otherwise.

The consolidated preliminary final report is presented in Singapore Dollars (SGD) as a significant portion of the group's activity is denominated in Singapore Dollars. The average rate of exchange used at 31 August 2013 was 1.2378 S$ to 1A$ (2012: 1.3023).

Results for announcement to the market

				S$'000
Revenue from ordinary activities	Down	19.3%	to	19,399
Profit from ordinary activities after tax attributable to members	Down	90.9%	to	231
Net profit for the year attributable to members	Down	90.9%	to	231

Commentary on results

	FY2013	FY2012	Change
	S$'000	S$'000	%
Revenue	19,399	24,050	(19.3)
Other income	67	37	81.1
Expenses	(19,135)	(21,060)	(9.1)
Profit before taxation	331	3,027	(89.1)
Taxation	(100)	(521)	(80.8)
Profit after taxation	231	2,506	(90.8)
Profit attributable to:			
Members of the parent entity	231	2,538	(90.9)
Non-controlling interest	-	(32)	(100)
	231	2,506	(90.8)
Earnings per share - (S cents)	0.12	1.35	
- (A cents)	0.10	1.04	

Review of Finance Performance

The Group commenced operation of its wholly-owned subsidiary Asian Centre for Blood and Bone Marrow Transplantation Pte Ltd ("ACBBMT") in February 2013. This is in line with the Group's strategic plan for the establishment of the Comprehensive Transplant Centre ("CTC") in Singapore in collaboration with US-based UPMC. As such, the current year under review includes a new operating segment in the Consolidated

Group.

The Group's liver segment saw a decline of 19.3% in patient transactions from 14,218 in FY2012 to 11,474 in the current financial year. Including the Vietnam associate, the decline was lower at 11.9% as patient numbers in the latter increased by 161.4%. The number of living donor liver transplantations also decreased to 12 compared to 15 last year. There was a decrease across the various categories of services, particularly for surgeries and liver dialysis performed during the year, which fell by 41.1% and 35.9% respectively, from FY2012. The lower patient transactions reflect the overall slowdown in foreign patient volumes in Singapore as the cost of healthcare here continues to rise, which also explained the importance of our recent strategic move – we have since diversified our segment to now include CTC. In addition, the depreciation of Indonesian Rupiah and Malaysian Ringgit has made travelling to Singapore more expensive and resulted in patients from two of our biggest markets deferring their visits or seeking alternative destinations. Indonesians and Malaysians comprise approximately 40% of our total patients. Also, the haze in June and July this year, the worst in Singapore's history, kept foreign patients away during that period.

The blood and bone marrow segment commenced operations in February 2013. Taking into consideration of a learning curve period of 7 months, this segment contributed a total revenue of S$0.6 million for the year ended 31 August 2013, accounting for 3.2% of Group revenue. Despite that, the total revenue for the Group for FY2013 declined by 19.3% to S$19.4 million compared to the same period last year.

Cost of sales declined by 17.4% in tandem with the lower revenue. Overall expenses decreased by 9.1% or S$1.9 million to S$19.1 million from S$21.0 million in FY2012. Excluding the cost of sales, overall expenses increased by S$0.3 million. The significant changes were:

a) Start-up costs and other operating overheads for the new ACBBMT of S$0.8 million;
b) UPMC's management fee of S$0.2 million;
c) Reduction in payroll expense of S$0.3 million in ACLDT as a result of lower headcount during the first half of FY2013;
d) Reduction in professional fee of S$0.2 million in ACLDT as FY2012's fees were mainly a result of third – party services in relation to the ACLDT and UPMC collaboration;
e) Reduction in office lease cost of S$0.1 million as a result of the closure of the Mount Elizabeth Medical Centre clinic in November 2012; and
f) The absence of a one-off gain of S$0.1 million from gain on disposal of subsidiary in FY2012.

Given the above-mentioned, the net profit before tax for the Group declined by 89.1% or S$2.7 million from S$3.0 million in FY2012 to S$0.3 million this financial year. Taxes, on the back of lower taxable profits, decreased by 80.8%.

It should be noted that, excluding the one-off expenses of S$1.0 million relating to the new ACBBMT, our Net Profit after Tax would have been S$1.2 million.

Review of Financial Position

In April 2013, the Group placed out 21,000,000 new ordinary shares at A$0.17 per share. As a result, the Shareholders' Equity or Net Assets, after accounting for a total dividend of S$1.0 million paid in FY2013, rose by S$3.2 million to S$7.9 million as at 31 August 2013. Correspondingly, Net Asset Value ("NAV") per share rose by S 1.3 cents to S 3.8 cents. The share placement exercise has strengthened both our cash position and net asset base.

Trade and other receivables decreased by S$0.8 million from S$4.2 million to S$3.4 million due mainly to the decline in revenue. Trade and other payables also reduced by $0.3 million due mainly to lower purchases, despite higher accruals which included UPMC costs of S$0.2 million as at 31 August 2013.

Cash and cash equivalents as at 31 August 2013 increased substantially by S$2.9 million to S$7.3 million due to the net proceeds from issuance of shares, current year earnings and after paying last year's final and current year's interim dividends.

Dividends per share

	Amount per share	Franked amount per share at 30% tax	Amount per share of foreign sourced dividend	Amount A$'000
Current period				
2013 Final Dividend payable - record date 11 Dec 2013				
- payment date 20 Dec 2013	A$0.001	-	A$0.001	209
2013 Interim Dividend – paid on 22 May 2013	A$0.001	-	A$0.001	188
2012 Final Dividend – paid on 21 Dec 2012	A$0.003	-	A$0.003	565
Previous corresponding period				
2012 Interim Dividend – paid on 31 May 2012	A$0.001	-	A$0.001	188
2011 Final Dividend	A$0.002	-	A$0.002	377

*closing exchange rate used was 1.14 S$ to 1A$ (2012: 1.29 S$ to 1A$)

Net tangible assets and net asset value per share

	31-Aug-13	31-Aug-12
Net tangible assets per ordinary share - (S cents)	**3.64**	**2.31**
- (A cents)	**3.19**	**1.78**
Net assets value per ordinary share - (S cents)	**3.77**	**2.45**
- (A cents)	**3.31**	**1.89**

*closing exchange rate used was 1.14 S$ to 1A$ (2012: 1.29 S$ to 1A$)

Details of entities over which control has been gained or lost

Not applicable.

Compliance statement

This preliminary final report is based on accounts which are in the process of being audited.

Directors
Dato' Dr Kai Chah Tan (Executive Chairman)
Ms Pamela Anne Jenkins (Executive Director)
Mr Wing Kwan Teh (Non-Executive Director)
Mr Evgeny Tugolukov (Non-Executive Director) (appointed 3 June 2013)
Mr Heng Boo Fong (Independent Non-Executive Director)
Mr Paul Vui Yung Lee (Independent Non-Executive Director) (appointed 31 January 2013)
Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)
Mr Harry Vui Khiun Lee (Independent Non-Executive Director) (resigned 31 January 2013)

Company Secretary
Dario Nazzari

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Website: www.asianlivercentre.com.sg

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Level 1, 67 Greenhill Road
Wayville SA 5034
Tel: +61 8 8372 6666
Fax: +61 8 8372 6677

Banker
Westpac Banking Corporation
447 Bourke Street
Melbourne VIC 3000

Share registry
Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Tel: +61 8 9323 2000
Fax: +61 8 9323 2033

Stock Exchange Listing
The Company's shares are quoted on the Official List of Australian Securities Exchange Limited.
ASX Code : AJJ

Preliminary Final Report

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2013

		Consolidated Group	
	Note	**Year ended 31.8.2013**	**Year ended 31.8.2012**
		S$	**S$**
Revenue	3	19,399,378	24,049,814
Other income	3	67,033	37,090
Changes in inventories of finished goods and work in progress		56,216	55,128
Raw materials and consumables used		(10,846,449)	(13,115,920)
Employee benefits expense		(6,632,480)	(6,345,011)
Depreciation		(143,220)	(146,604)
Directors' fees		(78,081)	(50,806)
Operating lease expense		(586,095)	(600,087)
Gain on disposal of subsidiary	22c	-	59,473
Finance expense	4	(4,326)	(6,358)
Other expenses		(900,688)	(909,971)
Profit before income tax		**331,288**	**3,026,748**
Income tax expense	6	(99,865)	(520,532)
Profit for the year	5	**231,423**	**2,506,216**
Other comprehensive income			
Items that may be reclassified to Profit or Loss:			
Net effect of foreign currency translation		(20,696)	8,625
Total comprehensive income for the year		**210,727**	**2,514,841**
Profit attributable to:			
Members of the parent entity		231,423	2,537,771
Non-controlling interest		-	(31,555)
		231,423	**2,506,216**
Total comprehensive income attributable to:			
Members of the parent entity		210,727	2,548,043
Non-controlling interest		-	(33,202)
		210,727	**2,514,841**
Earnings per share			
From continuing operations:			
Basic earnings per share (S cents)	9	**0.12**	**1.35**
Diluted earnings per share (S cents)	9	**0.12**	**1.34**

The accompanying notes form part of this financial report.

Asian American Medical Group Limited
and Controlled Entities
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2013

	Note	Consolidated Group 31.8.2013 S$	Consolidated Group 31.8.2012 S$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	7,317,924	4,392,953
Trade and other receivables	11	3,432,718	4,248,855
Balance with related party	12	-	360,817
Inventories	13	373,019	316,803
TOTAL CURRENT ASSETS		11,123,661	9,319,428
NON-CURRENT ASSETS			
Property, plant and equipment	14	594,063	284,565
Intangible assets	15	266,123	266,123
Balance with related party	12	360,817	-
TOTAL NON-CURRENT ASSETS		1,221,003	550,688
TOTAL ASSETS		12,344,664	9,870,116
CURRENT LIABILITIES			
Trade and other payables	16	4,207,918	4,555,800
Finance lease liabilities	18	49,059	47,025
Current tax liabilities	17	141,028	527,965
TOTAL CURRENT LIABILITIES		4,398,005	5,130,790
NON-CURRENT LIABILITIES			
Finance lease liabilities	18	29,580	78,639
Deferred tax liabilities	17	17,645	38,492
TOTAL NON-CURRENT LIABILITIES		47,225	117,131
TOTAL LIABILITIES		4,445,230	5,247,921
NET ASSETS		**7,899,434**	**4,622,195**
EQUITY			
Issued capital	19	4,267,495	266,133
Reserves	20	69,992	67,575
Retained earnings		3,561,947	4,288,487
TOTAL EQUITY		**7,899,434**	**4,622,195**

The accompanying notes form part of this financial report.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Retained Earnings	Reserve for own shares	Foreign Currency Translation Reserve	Employee share option reserve	Non-controlling interest	Total
	S$	S$	S$	S$	S$	S$	S$
Balance at 1.9.2011	266,133	2,482,040	(2,883)	16,407	15,469	(20,119)	2,757,047
Total comprehensive income for the year	-	2,537,771	-	10,272	-	(33,202)	2,514,841
Employee share option	-	-	-	-	25,427	-	25,427
Shares sold during the year	-	-	2,883	-	-	-	2,883
Transfer to gain on disposal of subsidiary	-	-	-	-	-	53,321	53,321
Dividend paid (note 8)	-	(731,324)	-	-	-	-	(731,324)
Balance at 31.8.2012	266,133	4,288,487	-	26,679	40,896	-	4,622,195
Balance at 1.9.2012	266,133	4,288,487	-	26,679	40,896	-	4,622,195
Total comprehensive income for the year	-	231,423	-	(20,696)	-	-	210,727
Employee share option	-	-	-	-	23,113	-	23,113
Shares issue during the year (net of costs)	4,001,362	-	-	-	-	-	4,001,362
Dividend paid (note 8)	-	(957,963)	-	-	-	-	(957,963)
Balance at 31.8.2013	4,267,495	3,561,947	-	5,983	64,009	-	7,899,434

The accompanying notes form part of this financial report.

Asian American Medical Group Limited
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Consolidated Group	
		Year ended 31.8.2013	**Year ended 31.8.2012**
		S$	**S$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		20,214,587	20,510,291
Payments to suppliers and employees		(19,355,277)	(20,219,339)
Income tax paid		(507,649)	(315,109)
Net cash provided by/(used in) operating activities	24a	351,661	(24,157)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(452,718)	(5,710)
Disposal of subsidiary	22c	-	(6,273)
Interest income		33,980	9,161
Net cash used in investing activities		(418,738)	(2,822)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares		4,001,362	-
Repayment of finance lease liabilities		(47,025)	(44,990)
Dividends paid	8	(957,963)	(731,324)
Proceeds from sale of treasury shares		-	5,766
Fixed deposits pledged		(1,500,000)	(696)
Finance cost		(4,326)	(6,358)
Net cash generated from/(used in) financing activities		1,492,048	(777,602)
Net change in cash and cash equivalents		1,445,667	(804,581)
Cash and cash equivalents at beginning of the year		4,271,067	5,054,285
Exchange difference on cash and cash equivalents		(20,696)	21,363
Cash and cash equivalents at end of the year	10	5,696,038	4,271,067

The accompanying notes form part of this financial report.

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 year ended 31 August 2013 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 to cater for patients seeking treatment for liver and blood diseases and transplantation under its Comprehensive Transplant Centre ("CTC"). AAMG is a for profit entity for the purpose of preparing financial statements.

2 Statement of significant accounting policies

This financial report includes the consolidated financial statements and notes of Asian American Medical Group Limited and controlled entities ("Consolidated Group" or "Group").

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

AAMG is a company domiciled in Australia.

The consolidated preliminary final report is presented in Singapore Dollars (SGD or S$) as a significant portion of the group's activity is denominated in Singapore Dollars.

(b) Principles of consolidation

A controlled entity is any entity over which AAMG has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 22 to the financial statements. All controlled entities have a 31 August financial year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered the consolidated group during the year, their operating results have been included from the date control was obtained.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Accounting policies of subsidiaries are consistent with those adopted by the parent entity.

(c) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received in recognised in a separate reserve within equity attributable to owners of AAMG.

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(d) Business Combinations

Business combinations occur where an acquirer obtains controls over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The acquisition method requires that for each business combination one of the combining entities must be identified as the acquirer (i.e. parent entity). The business combination will be accounted for as at the acquisition date, which is the date that control over the acquiree is obtained by the parent entity. At this date, the parent shall recognise, in the consolidated accounts, and subject to certain limited exceptions, the fair value of the identifiable assets acquired and liabilities assumed. In addition, contingent liabilities of the acquiree will be recognised where a present obligation has been incurred and its fair value can be reliably measured.

The acquisition may result in the recognition of goodwill (refer Note 2(k)) or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact on the measurement of any non-controlling interest to be recognised in the acquiree where less than 100% ownership interest is held in the acquiree.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. Consideration may comprise the sum of the assets transferred by the acquirer, liabilities incurred by the acquirer to the former owners of the acquiree and the entity interest issued by the acquirer.

Reverse acquisition, where the cost of the business combination is deemed to have been incurred by the legal subsidiary (ie. the acquirer for accounting purposes) in the form of equity instruments issued to the owners of the legal parent (i.e. the acquiree for accounting purposes), are accounted for under AASB 3: Business Combinations. The method calculates the fair value of the instruments issued by the legal parent on the basis of existing instruments of the legal subsidiary.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

(e) Income tax

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates that have been enacted, or substantially enacted, as at reporting date.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in when management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories includes direct costs associated with the purchase of inventory including transportation costs.

(g) Plant & equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciation of all fixed assets is depreciated on a straight line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	*Depreciation Rate*
Office equipment	5 years
Surgical equipment	5 years
Computers	5 years
Furniture and fittings	5 years
Renovations	5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(h) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

In accordance with AASB 117 *Leases*, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease. Leases of land and buildings are classified separately and are split into a land and a building element, in accordance with the relative fair values of the leasehold interests at the date the asset is recognised initially.

Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Group. The corresponding finance leasing liability is reduced by lease payments less finance charges, which are expensed as part of finance costs.

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss over the period of the lease.

(i) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties. Where available, quoted prices in an active market are used to determine fair value.

The Group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

(ii) Held-to-maturity investments

These investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iii) Available for sale financial assets

Available for sale financial assets are non-derivative assets that are either not suitable to be classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available for sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(v) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(j) Impairment of assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill.

(k) Intangibles

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;
(ii) any non-controlling interest; and

(iii) the acquisition date fair value of any previously held equity interests

over the acquisition date fair value of net identifiable assets acquired. Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored by where such level is not larger than an operating segment.

(l) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Singapore dollars which is the group's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on the translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of comprehensive income. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

(m) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Central Provident Fund ("CPF") contributions: The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution post-employment or pension scheme. Contributions to post-employment benefits under defined contribution plans are recognised as an expense in the statement of comprehensive income as incurred.

(n) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(o) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits held with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

(p) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods or rendering of a service is recognised upon delivery of the goods or service.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of goods and services tax ("GST").

(q) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid, The balance is recognised as a current liability with the amount being normally paid within 30 days of initial recognition.

(r) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO") or Inland Revenue Authority of Singapore ("IRAS"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated in the statement of financial position inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO or IRAS is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO or IRAS are classified as operating cash flows.

(s) Share-based employee remuneration

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to 'share option reserve'.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up are allocated to share capital.

(t) Transaction costs on the issue of equity instruments

Transaction costs arising from the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(u) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(v) Standards and Interpretations issued but not yet effective

The Company notes the following Accounting Standards which have been issued but are not yet effective at 31 August 2013. These standards have not been adopted early by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures (effective from 1 January 2015)

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss).
- Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows;
    - The change attributable to changes in credit risk are presented in other comprehensive income (OCI) and;
    - The remaining change is presented in profit or loss.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Group has not yet decided when to adopt AASB 9.

(ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and Joint Ventures, AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments (effective 1 January 2013)

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns.

When this standard is first adopted for the year ended 31 August 2014, there will be no impact on the transactions and balances recognised in the financial statements.

AASB 11 replaces AASB 131 Interests in Joint Ventures and AASB Interpretation 113 Jointly-controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change.

In addition, AASB 11 removes the option to account for jointly-controlled entities using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations for liabilities are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.

When this standard is first adopted for the year ended 31 August 2014, there will be no impact on transactions and balances recognised in the financial statements because the joint arrangements in place relate to joint operations.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept.

When this standard is first adopted for the year ended 31 August 2014, there will be no impact on the transactions and balances recognised in the financial statements.

(iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures. Application of the new standard will impact the type of information disclosed in the notes to the financial statements.

The Group is yet to undertake a detailed analysis of the differences between the current fair valuation methodologies used and those required by AASB 13. However, when this standard is adopted for the first time for the year ended 31 August 2014, there will be no impact on the financial statements because the revised fair value measurement requirements apply prospectively from 1 January 2013.

(iv) Revised AASB 119 Employee Benefits and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The AASB released a revised standard on accounting for employee benefits. It requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively.

The Group does not have any defined benefit plans. Therefore, these amendments will have no impact on the Group/Company.

(v) AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements

The Standard amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards.

When these amendments are first adopted for the year ending 31 August 2014, they are unlikely to have any significant impact on the Group.

(vi) AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

When this AASB 2012-2 is first adopted for the year ended 31 August 2014, there will be no impact on the Group as the Group does not have any netting arrangements in place.

(vii) AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

When AASB 2012-3 is first adopted for the year ended 31 August 2015, there will be no impact on the Group as this standard merely clarifies existing requirements in AASB 132.

(w) Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates and Judgements

(i) Impairment

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations and valuations from independent valuers are performed and used in assessing recoverable amounts, these calculations and valuations incorporate a number of key estimates.

3 Revenue

	Consolidated Group 2013 S$	Consolidated Group 2012 S$
Operating activities		
Provision of services	15,889,095	20,322,069
Sale of medication	3,443,852	3,677,745
Management fee	66,431	50,000
Total revenue from operating activities	19,399,378	24,049,814
Other revenue		
Interest received	33,980	9,161
Other income	33,053	27,929
Total other revenue	67,033	37,090

4 Finance expense

Interest expense on obligation under finance lease	4,326	6,358

5 Profit for the year

The profit for the year has been arrived at after crediting / (charging) the following items:

a. Expenses

Cost of sales	(10,790,233)	(13,060,792)
Foreign currency translation gains	105,759	508
Administrative expenses include rental expense on operating leases as follows:		
- premises	(586,095)	(600,087)
Depreciation and amortisation is reflected in the statement of comprehensive income as follows:		
- depreciation	(143,220)	(146,604)
Professional fees	(179,220)	(266,542)
Management fees	(214,020)	-
Credit card charges	(98,541)	(118,274)
Central Provident Fund	(221,784)	(190,585)
Share option expense	(23,225)	(25,427)

6 Income Tax Expense

	Note	Consolidated Group	
		2013	2012
		S$	S$
a. The components of tax expense comprise:			
Current tax		141,028	527,965
Deferred tax		(20,847)	-
Over-provision in respect of prior years		(20,316)	(7,433)
		99,865	520,532

b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:

	2013	2012
Prima facie tax payable on profit before income tax at 17% (2012: 17%)	56,319	514,547
Add:		
Tax effect of:		
- over provision for income tax in prior years	(20,316)	(7,433)
- partial income tax exemption	(25,925)	(25,925)
- current year losses for which no deferred tax asset was recognised	89,787	39,343
Income tax expense	99,865	520,532

The value of tax losses not recognised is S$780,984 (2012: $290,902).

7 Auditor's Remuneration

	Consolidation Group	
	2013	2012
	S$	S$
Remuneration of the parent entity auditor, Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report	35,897	36,464
- taxation services	3,837	11,070
Remuneration of related practices of Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report of subsidiaries	68,500	64,300
- taxation services	-	8,400

8 Dividends

	Consolidation Group	
	2013	2012
	S$	S$
Final unfranked dividend of 0.4 S cents per share in respect of financial year ended 2012 (2012: 0.3 S cents per share)	728,088	495,081
Interim unfranked dividends of 0.1 S cents per share (2012: 0.1 S cents per share)	229,875	236,243
	957,963	731,324

9 Earnings per Share

	Consolidation Group	
	2013	2012
Profit for the year	S$231,423	S$2,537,771
Weighted average number of ordinary shares during the year used in calculating basic EPS	196,011,692	188,454,000
Effect of dilution:		
Share option	812,121	811,875
Weighted average number of ordinary shares during the year used in calculating diluted EPS	196,823,813	189,265,875
Basic earnings per share (S cents)	0.12	1.35
Diluted earnings per share (S cents)	0.12	1.34

10 Cash and Cash Equivalents

	Consolidation Group	
	2013	2012
	S$	S$
Cash and bank balances	5,696,038	4,271,067
Fixed deposit pledged	1,621,886	121,886
	7,317,924	4,392,953

The effective interest rate on short-term bank deposits was 0.13% - 1.15% (2012: 0.13%) per annum; these deposits have an average maturity of 18 months (2012: 24 months).

Fixed deposit amounting to S$1,500,000 (2012: Nil) is pledged to a bank for a standby credit facility of S$3,000,000. The rest of the Fixed deposit is pledged to a bank for performance guarantee relating to the operating lease.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	7,317,924	4,392,953
Less: Fixed deposit pledged	(1,621,886)	(121,886)
Cash and cash equivalents in the statement of cash flows	5,696,038	4,271,067

11 Trade and Other Receivables

	Consolidation Group	
	2013	2012
	S$	S$
Current		
Trade receivables	3,227,588	4,218,476
Other receivables	137,679	17,879
Deposits	67,450	12,500
Total current trade and other receivables	3,432,717	4,248,855

a Provision for impairment of receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. No trade or other receivables are considered past due or impaired.

b Credit risk

The group has no significant concentration of credit risk with respect to any single counter party or group of counter parties.

The following table details the Group's trade receivables exposed to credit risk with ageing analysis. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms are considered to be high credit quality.

	Consolidation Group	
	2013	2012
	S$	S$
Current	1,418,331	1,936,299
Due 1 - 30 days	1,211,596	711,421
Due 31- 60 days	508,233	797,483
Due over 60 days	89,428	773,273
	3,227,588	4,218,476

12 Balance with related party

	Consolidated Group	
	2013	2012
	S$	S$
Current		
Non-trade amount due from associate company	-	360,817
Non-current		
Non-trade amount due from associate company	360,817	-

The non-trade amount due from associate company is unsecured, interest-free and has no fixed repayment terms.

13 Inventories

	Consolidated Group	
	2013	2012
	S$	S$
Current		
- Medical Supplies at cost	373,019	316,803
Total inventories	373,019	316,803

14 Plant and Equipment

	Consolidated Group	
	2013	2012
	S$	S$
Office equipment		
At Cost	12,792	12,792
Accumulated depreciation	(10,824)	(8,666)
Total office equipment	1,968	4,126
Surgical equipment		
At Cost	383,824	293,429
Accumulated depreciation	(185,988)	(127,624)
Total surgical equipment	197,836	165,805
Computers		
At Cost	132,068	116,377
Accumulated depreciation	(69,027)	(55,669)
Total computers	63,041	60,708

Furniture and fittings		
At Cost	13,294	13,294
Accumulated depreciation	(13,056)	(10,397)
Total furniture and fittings	238	2,897
Renovations		
At Cost	480,288	144,926
Accumulated depreciation	(149,308)	(93,897)
Total Renovations	330,980	51,029
Total plant and equipment	594,063	284,565

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Office equipment	Surgical equipment	Computers	Furniture and fittings	Renovations	Total
	S$	S$	S$	S$	S$	S$
Consolidated Group						
Balance at 1.9.2012	4,126	165,805	60,708	2,897	51,029	284,565
Additions	-	90,395	26,961	-	335,362	452,718
Depreciation expense	(2,158)	(58,364)	(24,628)	(2,659)	(55,411)	(143,220)
Carrying amount at 31.8.2013	1,968	197,836	63,041	238	330,980	594,063

Included in surgical equipment is medical equipment under finance lease arrangement amounting to S$121,933 (2012: S$161,267).

Finance lease liabilities (see note 18) are secured by the related assets held under finance leases.

15 Intangible Assets

	Consolidated Group	
	2013	2012
	S$	S$
Total Intangible Assets		
Goodwill		
Cost	266,123	266,123
Accumulated impairment losses	-	-
Closing carrying value at the end of the year	266,123	266,123

Reconciliation of Goodwill

Balance at the beginning of year	266,123	266,123
Additions	-	-
Disposals	-	-
Impairment losses	-	-
Closing carrying value at the end of the year	266,123	266,123

Impairment disclosures

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. There is no impairment loss in the current period and prior year. In the current financial period and prior financial year, AAMG had one cash generating unit which is medical services. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected cash flows approved by management covering a period not exceeding five years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using a discount rate of 7% (2012: 7%) and a growth rate of 10% (2012: 10%) per annum to determine value-in-use.

No impairment loss was required for the carrying value of goodwill as the recoverable amount was assessed to be in excess of its carrying value. The directors believe that any reasonable change in the key assumptions will not materially cause the recoverable value of the CGU to be lower than the carrying amount.

16 Trade and Other Payables

	Consolidated Group	
	2013	**2012**
Current	**S$**	**S$**
Trade payables	3,431,120	3,634,644
Patients' deposits	70,159	450,103
Sundry payables and accrued expenses	706,639	471,053
Total current trade and other payables	4,207,918	4,555,800

17 Taxation

	Consolidated Group	
	2013	**2012**
	S$	**S$**
Current		
Income tax payable	141,028	527,965

Non-current

Deferred tax liabilities:	1 September 2012 S$	Recognised in profit and loss S$	31 August 2013 S$
Tax allowances relating to plant & equipment	38,492	(20,847)	17,645
Net deferred tax liability	38,492	(20,847)	17,645

Deferred tax liabilities:	1 September 2011 S$	Recognised in profit and loss S$	31 August 2012 S$
Tax allowances relating to plant & equipment	38,492	-	38,492
Net deferred tax liability	38,492	-	38,492

18 Finance Lease

	Consolidated Group	
	2013	2012
	S$	S$
Current	49,059	47,025
Non-current	29,580	78,639
	78,639	125,664

19 Issued Capital

	Consolidated Group	
	2013	2012
	S$	S$
Opening share balance	266,133	266,133
Shares issued during the year	4,001,362	-
Closing share capital	4,267,495	266,133

Changes to the then Corporation Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Parent Entity does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

In April 2013, the Company issued 21,000,000 new ordinary shares at A$0.17 per share (2012: Nil) which are fully paid.

b. Capital Management

Management controls the capital of the Group in order to provide shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. Currently the group has no debt.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital during the period.

20 Reserves

Nature and purpose of reserve

(j) Share-based payments

The share-based payments reserve is used to recognise:

- At grant date the fair value of options issued to employees but not exercised
- At grant date the fair value of shares issued to employees
- The issue of shares held by the AAMG Employee Share Trust to employees

(ii) Transactions with non-controlling interests
The reserve is used to record the differences described in note 2(d) which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

(iii) Foreign currency translation
Exchange difference arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 2(l) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(iv) Reserve for own shares
The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 August 2013, the Group held no Company's shares (2012: Nil).

21 Share-based employee remuneration

As at 31 August 2013 the Group maintained an equity settled share-based payment schemes for employee remuneration.

For the options granted to vest, persons eligible to participate in this programme have to remain employed for the agreed vesting period. The maximum term of the options granted under the Scheme ends on 17 January 2016. Upon vesting, each option allows the holder to purchase one ordinary share at a discount of 20% of the market price determined at grant date.

All share-based employee remuneration will be settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options.

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	Number of share	Weighted average exercise price (A$)
Outstanding at 31 August 2012	1,299,000	0.088
Granted	-	-
Forfeited	-	-
Exercised	-	-
Outstanding at 31 August 2013	1,299,000	0.088
Exercisable at 31 August 2013	865,000	0.088
Exercisable at 31 August 2012	432,000	0.088

The weighted average share price at the date of exercise was A$0.088 (no exercises in 2013).

The fair values of options granted were determined using a variation of the binomial option pricing model that takes into account factors specific to the share incentive plans, such as the vesting period. The total shareholder return performance condition related to the Scheme, being a market condition, has been incorporated into the measurement by means of actuarial modelling.

The following principal assumptions were used in the valuation:

Grant date	17 January 2011
Vesting period ends	17 January 2014
Share price at date of grant	A$0.12
Volatility	69%
Option life	5 years
Dividend yield	5.830%
Risk free investment rate	2.875%
Fair value at grant date	A$0.04
Exercise price at date of grant	A$0.088
Exercisable from / to	17 January 2012- 17 January 2016
Weighted average remaining contractual life	2.4 years

The underlying expected volatility was determined by reference to historical data of the Company's shares over a period of time since its flotation on the ASX. No special features inherent to the options granted were incorporated into measurement of fair value.

In total, S$23,225 of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss for 2013 (2012: S$25,427) and credited to share option reserve.

22 Controlled Entities

a. Controlled entities consolidated

	Country of incorporation	Percentage owned (%) 2013	2012
Asian American Medical Group Limited (formerly known as Asian Centre for Liver Diseases and Transplantation Limited)	Australia		
Subsidiary of Asian American Medical Group Limited:			
Asian American Medical Group Inc. (formerly known as Asian Centre for Liver Diseases and Transplantation Inc)	British Virgin Islands	100	100
Subsidiaries of Asian American Medical Group Inc.			
Asian Centre for Liver Diseases and Transplantation Pte. Ltd.	Singapore	100	100
Asian Centre for Blood & Bone Marrow Transplantation Pte. Ltd. (formerly known as ALC	Singapore	100	100

Management Consultancy Pte. Ltd.)			
Asian American Medical Group Pte. Ltd.	Singapore	100	-
Associate of Asian Centre for Liver Diseases and Transplantation Pte. Ltd :			
Asian Liver Centre Co. Ltd.	Vietnam	30	30
PT. Asian Liver Center Indonesia	Indonesia	50	50

b. Acquisition of controlled entities

Asian American Medical Group Inc., a subsidiary of Asian American Medical Group Ltd, on 1 March 2013, incorporated a fully owned subsidiary called Asian American Medical Group Pte Ltd, a limited liability company in Singapore with an intended activity of providing management and consultancy services in the healthcare industry.

c. Disposal of subsidiary

On 3 January 2012, Asian Liver Centre Co. Limited ("ALCVN") issued new shares to Hoa Lam Consultant Investment Ltd for cash which raised its shareholding in ALCVN from 25% to 67.86%. As a result of this capital enlargement, Asian Centre for Liver Diseases and Transplantation Pte Ltd's shareholding, a subsidiary of Asian Centre for Liver Diseases and Transplantation Ltd, was diluted from 70% to 30%. ALCVN has ceased to be a subsidiary of the Group.

The fair value of assets and liabilities disposed are as follows:-

	2012 S$
Cash and cash equivalents	6,273
Property, plant and equipment	488,561
Deposits and other receivables	2,983
Trade and other payables	(117,981)
Current borrowings	(504,096)
Net liabilities disposed	(124,260)
Non-controlling interest	48,408
Transfer from foreign currency translation reserve	16,379
Gain on disposal of subsidiary	(59,473)

Revenue and loss of ALCVN included in last year's consolidated results of the Group prior to the dilution amounted to S$8,339 and S$105,183 respectively.

23 Leasing Commitments

	Consolidated Group	
	2013	2012
	S$	S$
Operating leases		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
Not longer than 1 year	587,423	568,725
Longer than 1 year but not longer than 5 years	319,501	374,422
	906,924	943,147

The leases on the Group's office premises at Gleneagles Hospital expires in June 2014 and February 2016.

Finance leases

Future minimum finance lease payments at the end of each reporting period under review were as follows:

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
	$'000	$'000	$'000	$'000
31 August 2013				
Lease payments	51,348	29,975	-	81,323
Finance charges	(2,289)	(395)	-	(2,684)
Net present values	49,059	29,580	-	78,639
31 August 2012				
Lease payments	51,348	81,323	-	132,671
Finance charges	(4,323)	(2,684)	-	(7,007)
Net present values	47,025	78,639	-	125,664

24 Cash Flow Information

	Consolidated Group	
	2013	2012
	S$	S$
a Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	231,423	2,506,216
Non cash flows in profit:		
Depreciation and amortisation	143,220	146,604
Foreign currency translation	(20,696)	(67,077)
Employee share option cost	23,113	25,427
Finance income	(33,980)	(9,161)
Finance cost	4,326	6,358
Gain on disposal of subsidiary	-	(59,473)
Changes in assets and liabilities:		
Decrease/(Increase) in trade and other receivables	816,137	(3,561,687)
Increase in inventories	(56,216)	(55,128)
(Decrease)/Increase in trade and other payables	(347,882)	838,341
(Decrease)/Increase in deferred and current tax liabilities	(407,784)	205,423
Net cash provided by/(used in) operating activities	351,661	(24,157)

b Disposal of entity

During the last financial year, Asian Liver Centre Co. Limited (“ALCVN”) issued new shares to Hoa Lam Consultant Investment Ltd for cash which raised its shareholding in ALCVN from 25% to 67.86%. As a result of this capital enlargement, Asian Centre for Liver Diseases and Transplantation Pte Ltd’s shareholding, a subsidiary of Asian American Medical Group Limited, was diluted from 70% to 30%. ALCVN has ceased to be a subsidiary of the Group.

25 Events After the Balance Sheet Date

The Group received approval from the Accounting and Corporate Regulatory Authority (“ACRA”) in Singapore to change the names of its subsidiaries Asian Centre for Liver Diseases & Transplantation Pte Ltd and Asian Centre for Blood and Bone Marrow Transplantation Pte Ltd to Asian American Liver Centre Pte Ltd and Asian American Blood & Marrow Transplant Centre Pte Ltd on 10 and 11 October 2013, respectively.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

26 Operating Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Group that are regularly reviewed by the chief operating decision maker, the Board of Directors (chief operating decision makers), in order to allocate resources to the segment and to assess its performance. The Consolidated Group has identified its operating segments to be as follows based on distinct operational activities:

(i) Provision of medical consultation and services in the hepatology and related fields;
(ii) Provision of medical consultation and services in the haematology and related fields; and
(iii) Corporate activities.

This is the basis on which internal reports are provided to the Board of Directors for assessing performance and determining the allocation of resources within the Consolidated Group. Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the group.

The Consolidated Group operates primarily in three businesses, namely the provision of medical consultation and services in the hepatology and haematology and their related fields and corporate activities.

Details of the performance of each of these operating segments for the financial years ended 31 August 2013 and 31 August 2012 are set out below:

(i) Segment Performance

31 August 2013	**Corporate**	**Liver**	**Blood & Bone Marrow**	**Total**
	S$	**S$**	**S$**	**S$**
External sales revenue	-	18,786,215	613,163	19,399,378
Inter segment sales	2,300,000	110,897	-	2,410,897
Total segment revenue	2,300,000	18,897,112	613,163	21,810,275
Inter-segment eliminations				(2,410,897)
Total Group revenue				19,399,378
Segment net profit/(loss) before tax	(388,246)	1,086,045	(366,511)	331,288

31 August 2012	**Corporate**	**Liver**	**Blood & Bone Marrow**	**Total**
	S$	**S$**	**S$**	**S$**
External sales revenue	-	24,049,814	-	24,049,814
Inter segment sales	1,700,000	-	-	1,700,000
Total segment revenue	1,700,000	24,049,814	-	25,749,814
Inter-segment eliminations				(1,700,000)
Total Group revenue				24,049,814
Segment net profit/(loss) before tax	(126,246)	3,152,994	-	3,026,748

(ii) Segment assets

31 August 2013	Corporate S$	Liver S$	Blood & Bone Marrow S$	Total S$
Segment assets	9,004,046	10,315,677	1,159,315	20,479,038
Reconciliation of segment assets to Group assets:				
Inter-segment eliminations				(8,400,497)
Unallocated assets intangibles				266,123
Total Group assets				12,344,664
Segment asset increases in the year				
Capital expenditure	-	56,282	396,436	452,718

31 August 2012	Corporate S$	Liver S$	Blood & Bone Marrow S$	Total S$
Segment assets	4,987,665	11,225,704	-	16,213,369
Reconciliation of segment assets to Group assets:				
Inter-segment eliminations				(6,609,376)
Unallocated assets intangibles				266,123
Total Group assets				9,870,116
Segment asset increases in the year				
Capital expenditure	-	5,710	-	5,710
Disposal	-	(497,817)	-	(497,817)
	-	(492,107)	-	(492,107)

(iii) Segment liabilities

31 August 2013	Corporate S$	Liver S$	Blood & Bone Marrow S$	Total S$
Segment liabilities	(1,655,344)	(4,476,056)	(1,528,834)	(7,660,234)
Reconciliation of segment liabilities to Group liabilities:				
Inter-segment eliminations				3,215,004
Total Group liabilities				(4,445,230)

31 August 2012	Corporate	Liver	Blood & Bone Marrow	Total
	S$	S$	S$	S$
Segment liabilities	(1,443,066)	(5,222,264)	-	(6,665,330)
Reconciliation of segment liabilities to Group liabilities:				
Inter-segment eliminations				1,417,409
Total Group liabilities				(5,247,921)

(iv) Revenue by geographical location

	Consolidated Group	
	2013	2012
	S$	S$
Revenue attributable to external customers is disclosed below, based on the location of where the revenue was derived:		
Singapore	19,382,947	24,041,475
Outside Singapore	16,431	8,339
Total revenue	19,399,378	24,049,814

(v) Assets by geographical location

	Consolidated Group	
	2013	2012
	S$	S$
Assets by geographical location:		
Australia	4,119,618	103,237
Singapore	8,225,046	9,766,879
Total assets	12,344,664	9,870,116

(vi) Major Customers

The group is not reliant on any one major customer to whom it provides its products or services to.

27 Parent Company Information

	2013	2012
Parent entity	**S$**	**S$**
Assets		
Current assets	4,119,618	103,237
Non-current assets	2,803,557	2,803,557
Total assets	6,923,175	2,906,794
Liabilities		
Current liabilities	(160,422)	(186,453)
Non-current liabilities	-	-
Total liabilities	(160,422)	(186,453)
Total Net Assets	6,762,753	2,720,341
Equity		
Issued capital	17,354,262	13,352,900
Reserves	(10,532,277)	(10,573,204)
Foreign currency revaluation reserve	(59,232)	(59,356)
Total Equity	6,762,753	2,720,340
Financial performance		
Profit for the year	975,774	664,281
Other comprehensive income	124	2,026
Total comprehensive income	975,898	666,307

The parent entity has no contingent liabilities, contractual commitments or guarantees in relation to its subsidiary entities.

28 Company Details

The registered office of the company is:
25 Peel Street
Adelaide SA 5000

The principal place of business is:
Asian American Medical Group
6A Napier Road,
Gleneagles Hospital Annexe Block #02-37,
Singapore 258500

Singapore centres:
Asian American Liver Centre
6A Napier Road,
Gleneagles Hospital Annexe Block #02-37,
Singapore 258500

Asian American Blood & Marrow Transplant Centre
6A Napier Road,
Gleneagles Hospital Annexe Block #05-36,
Singapore 258500

Vietnam centres:
201 Nguyen Thi Minh Khai Street,
Nguyen Cu Trinh Ward,
District 1, Ho Chi Minh City,
Vietnam

Vinmec International Hospital
458 Minh Khai,
Hai Ba Trung District, Hanoi,
Vietnam

Malaysia centre:
iHEAL Medical Centre
Level 7 & 8, Annexe Block, Menara IGB,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.