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 2014

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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 2014
Previous corresponding period: Year ended 31 August 2013
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 2014 was 1.1559 S$ to 1A$ (2013: 1.2378).

Results for announcement to the market

				S$'000
Revenue from ordinary activities	Down	16.5%	to	16,202
Loss from ordinary activities after tax attributable to members	-	-	to	(2,493)
Net loss for the year attributable to members	-	-	to	(2,493)

Commentary on results

	FY2014	**FY2013**	**Change**
	S$'000	S$'000	%
Revenue	16,202	19,399	(16.5)
Other income	101	67	51.3
Direct costs and operating expenses	(18,580)	(19,135)	(2.9)
Related party loan written off	(267)	-	n.a.
(Loss)/Profit before taxation	(2,544)	331	n.a.
Taxation	51	(100)	n.a.
(Loss)/Profit after taxation	(2,493)	231	n.a.
(Loss)/Profit attributable to:			
Members of the parent entity	(2,493)	231	n.a.
	(2,493)	231	n.a.
Earnings per share - (S cents)	(1.19)	0.12	
- (A cents)	(1.01)	0.10	

Review of Finance Performance

The overall Group's revenue declined 16.5% or S$3.2 million to S$16.2 million in FY2014 from S$19.4 million in FY2013. The overall number of patient transaction (for the liver segment, in particular) declined by 3.5% from 11,930 in FY2013 to 11,508 in FY2014. In general, the healthcare related costs in Singapore continue to rise and the industry has since become increasingly competitive. More recently, we have seen increased competition from neighbouring medical tourism centres.

Liver segment

Revenue for the liver segment declined significantly by 34.5% or S$6.5 million to S$12.3 million as a result of a fall in patient transactions by 15.5% from 11,474 in FY2013 to 9,698 in FY2014. The number of living donor liver transplantations also fell by 58.3% to 5 compared to 12 last year.

In line with our overseas expansion plans, we widen our services offered to include surgical procedures in Kuala Lumpur, Malaysia in early 2014. As a result, patient numbers for our clinic in Malaysia rose sharply by 82.1% for FY2014 accounting for some 3% of the Group's patient numbers.

Bone marrow segment

The bone marrow segment recorded its first full year results in FY2014 compared to a 7-month reporting in FY2013. Revenue rose more than 6 times to S$3.9 million in FY2014 from S$0.6 million in FY2013. Patient transactions for the bone marrow clinic quadrupled to 1,810 from 456 in FY2013. A total of 7 bone marrow transplants were performed in FY2014, compared to just 1 in FY2013.

The bone marrow segment revenue now forms almost a quarter or 24.1% of the total Group's revenue, up from 3.2% in FY2013, underlying the growing significance of the bone marrow segment as an important component in our Comprehensive Transplant Centre ("CTC").

Direct costs and operating expenses

Cost of sales declined by 25.0% or S$2.7 million to S$8.1 million in FY2014 from S$10.8 million in FY2013 due to improved efficiency and lower revenue.

Operating expenses increased by 28.9% or S$2.5 million to S$10.8 million in FY2014 from S$8.3 million in FY2013 due mainly to:

a) Higher staff cost of S$0.7 million – we recruited an additional doctor for Asian American Liver Centre Pte Ltd ("AALC");
b) Higher staff cost of S$0.6 million for Asian American Bone and Marrow Transplant Centre Pte Ltd ("AABMTC") – we recorded full-year staff cost for AABMTC;
c) A write-off of S$0.3 million of related party loan to Asian Liver Centre Co., Ltd Vietnam, which is non-recurring;
d) Higher other expenses of S$0.6 million – we incurred additional overhead and recorded full-year operating expenses for AABMTC and we also increased our marketing activities;
e) Unrealised foreign exchange loss on translation of foreign currency denominated balances in FY2014 instead of unrealised foreign exchange gain in FY2013; and
f) Higher office lease of S$0.1 million – we recorded full-year lease expense for AABMTC.

There was a tax credit of S$0.05 million in FY2014 compared to a tax expense of S$0.1 million in FY2013 due mainly to over provision for prior year tax and reversal of deferred tax liability.

As a result of the above-mentioned, the Group incurred Net Loss (being Net Loss After Taxation attributable to the members of the parent entity) of S$2.5 million. Excluding the one-time write-off of the related party loan, our Net Loss would have been S$2.2 million for FY2014.

Review of Financial Position

Net assets for the Group declined by S$2.6 million to S$5.3 million. Significant changes during the year under review were:

a) Lower cash and cash equivalents, which fell by S$2.0 million to S$5.3 million as a result of current year loss and payment of final dividend of S$0.2 million (declared in FY2013);
b) Lower trade and other receivables, which fell by S$1.7 million to S$1.8 million on the back of lower revenues. Receivables turnaround time however improved from 61 days to 38 days; and
c) Trade and other payables balance decreased correspondingly by S$1.3 million to S$2.9 million due mainly to lower purchases of materials and consumables in line with lower revenue. There was an improvement in creditors' turnover from 116 days to 80 days.

Given the above, Shareholders' Equity or Net Assets decreased by S$2.6 million from S$7.9 million to S$5.3 million as at 31 August 2014. Correspondingly, Net Asset Value ("NAV") per share declined by S 1.3 cents to S 2.5 cents.

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 – paid on 20 Dec 2013	A$0.001	-	A$0.001	209
Previous corresponding period				
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

*closing exchange rate used was 1.17 S$ to 1A$ (2013: 1.14 S$ to 1A$)

Net tangible assets and net asset value per share

	31-Aug-14	31-Aug-13
Net tangible assets per ordinary share - (S cents)	**2.39**	**3.64**
- (A cents)	**2.05**	**3.19**
Net assets value per ordinary share - (S cents)	**2.52**	**3.77**
- (A cents)	**2.16**	**3.31**

*closing exchange rate used was 1.17 S$ to 1A$ (2013: 1.14 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.

Asian American Medical Group Limited

Corporate Directory

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)
Mr Heng Boo Fong (Independent Non-Executive Director)
Mr Paul Vui Yung Lee (Independent Non-Executive Director)
Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)

Company Secretary
Dario Nazzari

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Grant Thornton Audit Pty Ltd
Level 1, 67 Greenhill Road
Wayville SA 5034
Tel: +61 8 8372 6666
Fax: +61 8 8372 6677

Banker
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

Preliminary Final Report

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2014

		Consolidated Group	
	Note	**Year ended 31.8.2014**	**Year ended 31.8.2013**
		S$	**S$**
Revenue	3	16,201,710	19,399,378
Other income	3	101,398	67,033
Changes in inventories of finished goods and work in progress		30,622	56,216
Raw materials and consumables used		(8,124,326)	(10,846,449)
Employee benefits expense		(7,905,271)	(6,632,480)
Depreciation		(185,350)	(143,220)
Directors' fees		(186,365)	(78,081)
Operating lease expense		(670,631)	(586,095)
Related party loan written off	12	(267,027)	-
Finance expense	4	(3,943)	(4,326)
Other expenses		(1,535,458)	(900,688)
(Loss)/Profit before income tax		**(2,544,641)**	**331,288**
Income tax benefit/(expense)	6	51,509	(99,865)
(Loss)/Profit for the year	5	**(2,493,132)**	**231,423**
Other comprehensive income			
Items that may be reclassified to Profit or Loss:			
Net effect of foreign currency translation		100,023	(20,696)
Total comprehensive (loss)/income for the year		**(2,393,109)**	**210,727**
(Loss)/Profit attributable to:			
Members of the parent entity		(2,493,132)	231,423
		(2,493,132)	**231,423**
Total comprehensive (loss)/income attributable to:			
Members of the parent entity		(2,393,109)	210,727
		(2,393,109)	**210,727**
(Loss)/Earnings per share			
From continuing operations:			
Basic (loss)/earnings per share (S cents)	9	**(1.19)**	**0.12**
Diluted (loss)/earnings per share (S cents)	9	**(1.19)**	**0.12**

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2014

	Note	Consolidated Group	
		31.8.2014	**31.8.2013**
		S$	**S$**
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	5,292,123	7,317,924
Trade and other receivables	11	1,786,481	3,472,770
Inventories	13	403,641	373,019
Income tax refundable	17	17,000	-
TOTAL CURRENT ASSETS		7,499,245	11,163,713
NON-CURRENT ASSETS			
Property, plant and equipment	14	468,349	594,063
Intangible assets	15	266,123	266,123
Loan to related party	12	-	320,765
TOTAL NON-CURRENT ASSETS		734,472	1,180,951
TOTAL ASSETS		8,233,717	12,344,664
CURRENT LIABILITIES			
Trade and other payables	16	2,925,484	4,207,918
Finance lease liabilities	18	29,580	49,059
Current tax liabilities	17	-	141,028
TOTAL CURRENT LIABILITIES		2,955,064	4,398,005
NON-CURRENT LIABILITIES			
Finance lease liabilities	18	-	29,580
Deferred tax liabilities	17	-	17,645
TOTAL NON-CURRENT LIABILITIES		-	47,225
TOTAL LIABILITIES		2,955,064	4,445,230
NET ASSETS		**5,278,653**	**7,899,434**
EQUITY			
Issued capital	19	4,267,495	4,267,495
Reserves	20	178,185	69,992
Retained earnings		832,973	3,561,947
TOTAL EQUITY		**5,278,653**	**7,899,434**

The accompanying notes form part of this financial report.

Asian American Medical Group Limited
and Controlled Entities
ABN 42 091 559 125

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Retained Earnings	Foreign Currency Translation Reserve	Employee share option reserve	Total
	S$	S$	S$	S$	S$
Balance at 1.9.2012	266,133	4,288,487	26,679	40,896	4,622,195
Profit for the year		231,423			231,423
Other comprehensive loss			(20,696)		(20,696)
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
Balance at 1.9.2013	4,267,495	3,561,947	5,983	64,009	7,899,434
Loss for the year		(2,493,132)			(2,493,132)
Other comprehensive income			100,023		100,023
Employee share option	-	-	-	8,170	8,170
Dividend paid (note 8)	-	(235,842)	-	-	(235,842)
Balance at 31.8.2014	4,267,495	832,973	106,006	72,179	5,278,653

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Consolidated Group Year ended 31.8.2014 S$	Consolidated Group Year ended 31.8.2013 S$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		18,157,786	20,214,587
Payments to suppliers and employees		(19,850,854)	(19,355,277)
Income tax paid		(124,164)	(507,649)
Net cash (used in)/provided by operating activities	24a	(1,817,232)	351,661
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(65,918)	(452,718)
Interest income		76,187	33,980
Net cash generated from/(used in) investing activities		10,269	(418,738)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares		-	4,001,362
Repayment of finance lease liabilities		(49,058)	(47,025)
Dividends paid	8	(235,842)	(957,963)
Fixed deposits		(252,132)	(1,500,000)
Finance cost		(3,943)	(4,326)
Net cash (used in)/generated from financing activities		(540,975)	1,492,048
Net change in cash and cash equivalents		(2,347,938)	1,445,667
Cash and cash equivalents at beginning of the year		5,696,038	4,271,067
Exchange difference on cash and cash equivalents		70,005	(20,696)
Cash and cash equivalents at end of the year	10	3,418,105	5,696,038

The accompanying notes form part of this financial report.

1 Nature of operations and general information

Asian American Medical Group Limited ("AAMG" or "Company") is a company domiciled in Australia. The consolidated financial report of the Company as at and for year ended 31 August 2014 comprises the Company and its subsidiaries. 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 consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporation Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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

The Group financial statements consolidate those of the Parent company and all of its subsidiaries as of 31 August 2014. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 August.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intragroup asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

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.

(c) Business Combinations

Business combinations occur where an acquirer obtains control 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(j)) 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 profit or loss.

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.

(d) 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.

(e) 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.

(f) 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 profit or loss 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
Medical 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 profit or loss.

(g) 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.

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.

(h) 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.

(i) 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 profit or loss.

Impairment testing is performed annually for goodwill.

(j) 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.

(k) 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 are charged or credited to other comprehensive income and recognised in the foreign currency translation reserve in equity.

(l) 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 profit or loss as incurred.

(m) 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.

(n) 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.

(o) 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”).

(p) 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.

(q) 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.

(r) 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.

(s) 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.

(t) Comparative figures

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

(u) Standards and Interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 August 2014 reporting periods. The Group has elected not to early adopt these new standards or amendments in the financial statements. The Group has yet to fully assess the impact the following accounting standards and amendments to accounting standards will have on the financial statements, when applied in future periods:

- AASB 2012-3 *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;*
- AASB 9 *Financial Instruments*;
- Annual Improvements 2010-2012 Cycle;
- Annual Improvements 2011-2013 Cycle;
- AASB 2013-9 *Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part B and Part C);*
- AASB 1031 *Materiality*; and
- IFRS 15 *Revenue from Contracts with Customers*.

Other standards and interpretations that have been issued but are not yet effective are not expected to have any significant impact on the Group's financial statements in the year of their initial application.

(v) New and revised standards that are effective for these financial statements

A number of new and revised standards are effective for annual periods beginning on or after 1 September 2013. Information on these new standards is presented below.

AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements (AASB 127) and AASB Interpretation 112 Consolidation - Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore to change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

AASB 11 Joint Arrangements

AASB 11 supersedes AASB 131 Interests in Joint Ventures (AAS 131) and AASB Interpretation 113 Jointly Controlled Entities- Non-Monetary-Contributions by Venturers. AASB 11 revises the categories of joint arrangement, and the criteria for classification into the categories, with the objective of more closely aligning the accounting with the investor's rights and obligations relating to the arrangement. In addition, AASB 131's option of using proportionate consolidation for arrangements classified as jointly controlled entities under that Standard has been eliminated. AASB 11 now requires the use of the equity method for arrangements classified as joint ventures (as for investments in associates).

The Group does not maintain any joint venture arrangement within the scope of AASB 11. The effect of the new standard in the Group's financial statements will continue to be assessed.

AASB 12 Disclosure of interests in Other Entities

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities. The Group has applied AASB 12 from 1 September 2013 and Notes 22 illustrate the application of AASB 12 in the current year. The effect of the new standard in the Group's financial statements will continue to be assessed.

Consequential amendments to AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures

AASB 127 now only addresses separate financial statements. AASB 128 brings investments in joint ventures into its scope. However, AASB 128's equity accounting methodology remains unchanged.

AASB 13 Fair Value Measurement

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The Group has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 Financial Instruments: Disclosures.

The standard is not expected to have a material effect on the Group's financial statements.

(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	
	2014	**2013**
	S$	**S$**
Operating activities		
Provision of services	11,236,790	15,889,095
Sale of medication	4,688,086	3,443,852
Management fee	276,834	66,431
Total revenue from operating activities	16,201,710	19,399,378
Other revenue		
Interest received	76,187	33,980
Other income	25,211	33,053
Total other revenue	101,398	67,033

4 Finance expense

Interest expense on obligation under finance lease	3,943	4,326

5 (Loss)/Profit for the year

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

a. Expenses

Cost of sales	(8,093,704)	(10,790,233)
Foreign currency translation (loss)/gain	(39,235)	105,759
Administrative expenses include rental expense on operating leases as follows:		
- premises	(670,631)	(586,095)
Depreciation and amortisation is reflected in the Profit or Loss as follows:		
- depreciation	(185,350)	(143,220)
Professional fees	(313,373)	(179,220)
Management fees	(251,293)	(214,020)
Credit card charges	(101,306)	(98,541)
Central Provident Fund	(262,127)	(221,784)
Share option expense (note 20(b)(i))	(8,170)	(23,113)

6 Income Tax Expense

	Note	Consolidated Group	
		2014	**2013**
		S$	**S$**
a. The components of tax expense comprise:			
Current tax		(17,000)	141,028
Deferred tax	17	(17,645)	(20,847)
Over provision in respect of prior years		(16,864)	(20,316)
		(51,509)	99,865

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

	2014	2013
Prima facie tax (refundable)/payable on (loss)/profit before income tax at 30% (2013: 30%)	(763,392)	99,386
Effect of tax rates in foreign jurisdiction	271,292	(43,067)
Add:		
Tax effect of:		
- over provision for income tax in prior years	(16,864)	(20,316)
- partial income tax exemption	(19,719)	(25,925)
- current year losses for which no deferred tax asset was recognised	477,174	89,787
Income tax (benefit)/expense	(51,509)	99,865

The value of tax losses not recognised is S$2,552,000 (2013 : S$781,000).

7 Auditor's Remuneration

	Consolidation Group	
	2014	**2013**
	S$	**S$**
Remuneration of the parent entity auditor, Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report	32,367	35,897
- taxation services	9,537	3,837
Remuneration of related practices of Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report of subsidiaries	77,600	68,500
- taxation services	4,150	-

8 Dividends

	Consolidation Group	
	2014	**2013**
	S$	**S$**
Final unfranked dividend of 0.1 S cents per share in respect of financial year ended 2013 (2013 : 0.4 S cents per share)	235,842	728,088
Interim unfranked dividends of Nil cents per share (2013 : 0.1 S cents per share)	-	229,875
	235,842	957,963

9 Earnings per Share

	Consolidation Group	
	2014	**2013**
(Loss)/Profit for the year	(S$2,493,132)	S$231,423
Weighted average number of ordinary shares during the year used in calculating basic EPS	209,453,754	196,011,692
Effect of dilution:		
Share option	1,299,000	812,121
Weighted average number of ordinary shares during the year used in calculating diluted EPS	210,752,754	196,823,813
Basic (loss)/earnings per share (S cents)	(1.19)	0.12
Diluted (loss)/earnings per share (S cents)	(1.19)	0.12

10 Cash and Cash Equivalents

	Consolidation Group	
	2014	**2013**
	S$	**S$**
Cash and bank balances	3,418,105	5,696,038
Fixed deposit	1,874,018	1,621,886
	5,292,123	7,317,924

The effective interest rate on short-term bank deposits was 0.13% - 3.15% (2013: 0.13% - 1.15%) per annum; these deposits have a maturity of between 4 - 12 months (2013: 18 months).

Fixed deposit amounting to S$121,886 (2013: S$121,886) is pledged to a bank for performance guarantee relating to the operating lease. In 2013, fixed deposit amounting to S$500,000 was pledged to a bank for a standby credit facility of S$1,000,000 and this standby credit facility was subsequently terminated in July 2014.

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	5,292,123	7,317,924
Less: Fixed deposit	(1,874,018)	(1,621,886)
Cash and cash equivalents in the statement of cash flows	3,418,105	5,696,038

11 Trade and Other Receivables

	Consolidation Group	
	2014	**2013**
	S$	**S$**
Current		
Trade receivables	1,695,825	3,227,588
Other receivables	23,206	177,732
Deposits	67,450	67,450
Total current trade and other receivables	1,786,481	3,472,770

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	
	2014	**2013**
	S$	**S$**
Current	1,063,578	1,418,331
Due 1 - 30 days	173,554	1,211,596
Due 31- 60 days	371,617	508,233
Due over 60 days	87,076	89,428
	1,695,825	3,227,588

12 Loan to related party

	Consolidated Group	
	2014	2013
	S$	S$
Non-current		
Non-trade amount due from associate company	-	320,765

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

During the year, the amount of S$320,765 was written off to the Profit or Loss but subsequently S$53,738 was recovered, resulting in a net write-off of S$267,027.

13 Inventories

	Consolidated Group	
	2014	2013
	S$	S$
Current		
- Medical Supplies at cost	403,641	373,019
Total inventories	403,641	373,019

14 Plant and Equipment

	Consolidated Group	
	2014	2013
	S$	S$
Office equipment		
At Cost	12,627	12,792
Accumulated depreciation	(8,088)	(10,824)
Total office equipment	4,539	1,968
Medical equipment		
At Cost	389,887	383,824
Accumulated depreciation	(253,359)	(185,988)
Total medical equipment	136,528	197,836
Computers		
At Cost	150,999	132,068
Accumulated depreciation	(69,787)	(69,027)
Total computers	81,212	63,041

Furniture and fittings		
At Cost	13,294	13,294
Accumulated depreciation	(13,294)	(13,056)
Total furniture and fittings	-	238
Renovations		
At Cost	480,288	480,288
Accumulated depreciation	(234,218)	(149,308)
Total Renovations	246,070	330,980
Total plant and equipment	468,349	594,063

	Office equipment	**Surgical equipment**	**Computers**	**Furniture and fittings**	**Renovations**	**Total**
	S$	**S$**	**S$**	**S$**	**S$**	**S$**

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 S$	Surgical equipment S$	Computers S$	Furniture and fittings S$	Renovations S$	Total S$
Consolidated Group						
Balance at 1.9.2013	1,968	197,836	63,041	238	330,980	594,063
Additions	3,660	6,063	56,195	-	-	65,918
Disposals	-	-	(6,282)	-	-	(6,282)
Depreciation expense	(1,089)	(67,371)	(31,742)	(238)	(84,910)	(185,350)
Carrying amount at 31.8.2014	4,539	136,528	81,212	-	246,070	468,349

Included in surgical equipment is medical equipment under finance lease arrangement amounting to S$66,867 (2013 : S$114,067).

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

15 Intangible Assets

	Consolidated Group	
	2014	**2013**
	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 prior financial years, AAMG had one cash generating unit which is the liver segment. However, in the current financial year, the liver segment incurred a loss. The Management is in view that the quantum of the loss for the current financial year is irregular and expects to see an improvement in the revenue in the next financial year which will in turn improve the segment's profitability going forward. 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% (2013: 7%) and a growth rate of 5% (2013 : 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	
	2014	**2013**
Current	**S$**	**S$**
Trade payables	1,701,622	3,431,120
Patients' deposits	393,880	70,159
Sundry payables and accrued expenses	829,982	706,639
Total current trade and other payables	2,925,484	4,207,918

17 Taxation

	Consolidated Group	
	2014	2013
	S$	S$
Current assets		
Income tax refundable	17,000	-
Current liabilities		
Income tax payable	-	141,028

Non-current

Deferred tax assets/(liabilities):	1 September 2013 S$	Recognised in profit and loss S$	31 August 2014 S$
Tax allowances relating to plant & equipment	(17,645)	17,645	-
Net deferred tax asset/(liability)	(17,645)	17,645	-

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)

18 Finance Lease

	Consolidated Group	
	2014	2013
	S$	S$
Current	29,580	49,059
Non-current	-	29,580
	29,580	78,639

19 Issued Capital

	Consolidated Group	
	2014	**2013**
	S$	**S$**
Opening share balance	4,267,495	266,133
Shares issued during the year	-	4,001,362
Closing share capital	4,267,495	4,267,495

a. Ordinary Shares	**2014 Number of shares**	**2013 Number of shares**
Opening share balance	209,453,754	188,453,754
Shares issued during the year	-	21,000,000
Closing share capital	209,453,754	209,453,754

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 which were 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

a. Nature and purpose of reserve

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

b. Movements in reserves

	Consolidated Group	
	2014	**2013**
	S$	**S$**
(i) Employee Share option reserve		
Beginning of financial year	64,009	40,896
Employee share option – value of employee services (Note 5)	8,170	23,113
End of financial year	72,179	64,009
(ii) Foreign Currency Translation reserve		
Beginning of financial year	5,983	26,679
Net currency translation differences of financial statements of foreign subsidiaries	100,023	(20,696)
End of financial year	106,006	5,983
Total as at end of financial year	**178,185**	**69,992**

21 Share-based employee remuneration

As at 31 August 2014 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 2013	1,299,000	0.088
Granted	-	-
Forfeited	-	-
Exercised	-	-
Outstanding at 31 August 2014	1,299,000	0.088
Exercisable at 31 August 2014	1,299,000	0.088
Exercisable at 31 August 2013	865,000	0.088

The weighted average share price at the date of exercise was A$0.088 (no exercises in 2014).

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	1.4 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$8,170 of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss for 2014 (2013 : S$23,225) and credited to share option reserve.

22 Controlled Entities

a. Controlled entities consolidated

	Country of incorporation	Percentage owned (%) 2014	2013
Asian American Medical Group Limited	Australia		
Subsidiary of Asian American Medical Group Limited:			
Asian American Medical Group Inc.	British Virgin Islands	100	100
Subsidiaries of Asian American Medical Group Inc.			
Asian American Liver Centre Pte. Ltd. (formerly known as Asian Centre for Liver Diseases & Transplantation Pte. Ltd.)	Singapore	100	100
Asian American Blood & Marrow Transplant Centre Pte. Ltd. (formerly known as Asian American Blood & Marrow Transplant Centre Pte. Ltd.)	Singapore	100	100
Asian American Medical Group Pte. Ltd.	Singapore	100	100
Associate of Asian American Liver Centre Pte. Ltd :			
Asian Liver Centre Co. Ltd.	Vietnam	-	30
PT. Asian Liver Center Indonesia	Indonesia	50	50

b. Acquisition of controlled entities

On 1 March 2013, Asian American Medical Group Inc., a subsidiary of Asian American Medical Group Ltd, 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 associate

On 1 July 2014, Asian American Liver Centre Pte. Ltd. ("AALC") disposed of its entire 30% interest in Asian Liver Centre Co. Limited ("ALCVN"). As a result of this ALCVN has ceased to be an associate of the Group.

23 Commitments

	Consolidated Group	
	2014	**2013**
	S$	**S$**
1. Operating leases		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
Not longer than 1 year	213,000	587,423
Longer than 1 year but not longer than 5 years	106,500	319,501
	319,500	906,924

One of the leases for the Group's office premises at Gleneagles Hospital expired in June 2014 and there have been no subsequent renewal as of the release of these financial statements. The other clinic space lease will expire in February 2016.

2. 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 2014				
Lease payments	29,975	-	-	29,975
Finance charges	(395)	-	-	(395)
Net present values	29,580	-	-	29,580
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

3. Capital Commitments

Capital expenditures contracted for at the balance sheet date but not recognised in the financial statements amounting to S$25,006 (US$20,000) is in respect of investment of 20% shares in a joint venture company in Myanmar. There is no other capital commitment as at balance sheet date.

24 Cash Flow Information

	Consolidated Group	
	2014	**2013**
	S$	**S$**
a Reconciliation of cash flow from operations with (loss)/profit after income tax		
(Loss)/Profit after income tax	(2,493,132)	231,423
Non cash flows in (loss)/profit:		
Depreciation and amortisation	185,350	143,220
Foreign currency translation	30,018	(20,696)
Employee share option cost	8,170	23,113
Finance income	(76,187)	(33,980)
Finance cost	3,943	4,326
Loss on disposal of fixed assets	6,281	-
Related party loan written off	300,765	-
Changes in assets and liabilities:		
Decrease in trade and other receivables	1,706,289	816,137
Increase in inventories	(30,622)	(56,216)
Decrease in trade and other payables	(1,282,434)	(347,882)
Decrease in deferred and current tax liabilities	(175,673)	(407,784)
Net cash (used in)/provided by operating activities	(1,817,232)	351,661

b Disposal of entity

On 1 July 2014, Asian American Liver Centre Pte. Ltd. (“AALC”) disposed of its entire 30% interest in Asian Liver Centre Co. Limited (“ALCVN”). As a result of this ALCVN has ceased to be an associate of the Group.

25 Events After the Balance Sheet Date

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 2014 and 31 August 2013 are set out below:

(i) Segment Performance

31 August 2014	**Corporate**	**Liver**	**Blood & Bone Marrow**	**Total**
	S$	**S$**	**S$**	**S$**
External sales revenue	-	12,305,073	3,896,637	16,201,710
Inter segment sales	2,534,620	38,538	-	2,573,158
Total segment revenue	2,534,620	12,343,611	3,896,637	18,774,868
Inter-segment eliminations				(2,573,158)
Total Group revenue				16,201,710
Segment net loss before tax	(417,727)	(1,905,263)	(221,651)	(2,544,641)

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

(ii) Segment assets

31 August 2014	Corporate S$	Liver S$	Blood & Bone Marrow S$	Total S$
Segment assets	9,139,310	3,799,605	1,761,511	14,700,426
Reconciliation of segment assets to Group assets:				
Inter-segment eliminations				(6,732,832)
Unallocated assets intangibles				266,123
Total Group assets				8,233,717
Segment asset increases in the year				
Capital expenditure	-	59,365	6,553	65,918

31 August 2013	Corporate S$	Liver S$	Blood & Bone Marrow S$	Total S$
Segment assets	9,004,046	10,035,347	1,159,315	20,198,708
Reconciliation of segment assets to Group assets:				
Inter-segment eliminations				(8,120,167)
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

(iii) Segment liabilities

31 August 2014	Corporate S$	Liver S$	Blood & Bone Marrow S$	Total S$
Segment liabilities	(344,220)	(2,104,018)	(2,352,680)	(4,800,918)
Reconciliation of segment liabilities to Group liabilities:				
Inter-segment eliminations				1,845,854
Total Group liabilities				(2,955,064)

31 August 2013	Corporate	Liver	Blood & Bone Marrow	Total
	S$	S$	S$	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)

(iv) Revenue by geographical location

	Consolidated Group	
	2014	2013
	S$	S$
Revenue attributable to external customers is disclosed below, based on the location of where the revenue was derived:		
Singapore	15,983,876	19,382,947
Outside Singapore	217,834	16,431
Total revenue	16,201,710	19,399,378

(v) Assets by geographical location

	Consolidated Group	
	2014	2013
	S$	S$
Assets by geographical location:		
Australia	4,191,066	4,119,618
Singapore	4,042,651	8,225,046
Total assets	8,233,717	12,344,664

(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

	2014	2013
Parent entity	**S$**	**S$**
Assets		
Current assets	4,191,066	4,119,618
Non-current assets	1,154,029	2,803,557
Total assets	5,345,095	6,923,175
Liabilities		
Current liabilities	(66,442)	(160,422)
Non-current liabilities	-	-
Total liabilities	(66,442)	(160,422)
Total Net Assets	5,278,653	6,762,753
Equity		
Issued capital	17,354,262	17,354,262
Retained Earnings	(12,162,267)	(10,596,288)
Employee share option reserve	72,180	64,010
Foreign currency revaluation reserve	14,478	(59,232)
Total Equity	5,278,653	6,762,753
Financial performance		
(Loss)/Profit for the year	(1,330,137)	975,774
Other comprehensive income	73,710	124
Total comprehensive (loss)/income	(1,256,427)	975,898

Included in the loss for the year is S$1,649,528 write down of investment in subsidiary to the net asset of the Group and does not have an impact on the Group's consolidated results for the current or prior year.

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

Malaysia centre:
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