



ASIAN AMERICAN MEDICAL GROUP LIMITED

and its controlled entities

ABN 42 091 559 125

APPENDIX 4D

HALF YEAR REPORT

28 FEBRUARY 2018

Asian American Medical Group Limited *and its controlled entities*

Appendix 4D Half Year Report for the period ended 28 February 2018

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Appendix 4D

Asian American Medical Group Limited

ABN 42 091 559 125

Half year report

Current reporting period: 6 months ended 28 February 2018

Previous corresponding period: 6 months ended 28 February 2017

All amounts are stated in Singapore Dollars.

Results for announcement to the market

				S\$'000
Revenue	Up	55.6%	to	10,836
Profit after tax attributable to members	-	-	to	727
Net profit for the period attributable to members	-	-	to	727

Commentary on results

Please refer to the review of operations within the Directors' report on page 5.

Dividends per share

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

Net tangible assets and net asset value per share

	28-Feb-18	31-Aug-17
Net tangible assets per ordinary share - (S cents)	3.35	3.23
- (A cents)*	3.24	2.99
Net asset value per ordinary share - (S cents)	3.35	3.23
- (A cents)*	3.24	2.99

*exchange rate used was 1.03 S\$ to 1A\$ (2017: 1.08 S\$ to 1A\$1)

Details of entities over which control has been gained or lost

PT Asian Liver Center Indonesia, a 50% dormant associate of Asian American Liver Centre Pte Ltd was disposed of for a nominal sum of S\$1.00 on 12 September 2017.

Golden Bell Asia American Ventures Company Limited, was incorporated in Myanmar on 19 September 2017 and is a 51% subsidiary of Asian American Medical Group Pte Ltd.

Compliance statement

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

Asian American Medical Group Limited

Corporate Directory

Directors

Dato' Dr Kai Chah Tan (Executive Chairman)
Mr Evgeny Tugolukov (Non-Executive Director)
Mr Heng Boo Fong (Independent Non-Executive Director)
Mr Paul Vui Yung Lee (Independent Non-Executive Director)
Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)

Company Secretary

Dario Nazzari

Registered Office

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

Auditors

Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Street
Adelaide SA 5000
Tel: +61 8 8372 6666
Fax: +61 8 8372 6677

Bankers

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

Westpac Banking Corporation
114 William Street
Melbourne VIC 3000

Share registry

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
Adelaide SA 5000
Tel: +61 8 8236 2300
Fax: +61 8 9473 2408

Stock Exchange Listing

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

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

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the six months ended 28 February 2018 ("1H2018").

Directors

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

Dato' Dr Kai Chah Tan (Executive Chairman)

Mr Evgeny Tugolukov (Non-Executive Director)

Mr Heng Boo Fong (Independent Non-Executive Director)

Mr Paul Vui Yung Lee (Independent Non-Executive Director)

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

Mr Kong Meng Ang (Non-Executive Director), *resigned on 5 February 2018*

Review of Operations

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

The following table summarises the financial performance of the Group for 1H2018 compared to that of 1H2017:

	1H2018	1H2017	Change
	S\$'000	S\$'000	%
Revenue	10,836	6,965	55.6
Other income	97	66	46.9
Write-back of provision for doubtful debts	-	150	n.m.
Impairment of goodwill	-	(266)	n.m.
Direct costs and operating expenses	(10,205)	(8,951)	14.0
Profit/(Loss) from operations before taxation	728	(2,036)	n.m.
Taxation	(9)	(146)	n.m.
Profit/(Loss) after taxation	719	(2,182)	n.m.
Profit/(Loss) attributable to:			
Members of the parent entity	703	(2,186)	n.m.
Non-controlling interest	16	4	300.0
	719	(2,182)	
Basic profit/(loss) per share (S cents)	0.24	(0.73)	
Diluted profit/(loss) per share (S cents)	0.24	(0.73)	
n.m. – not meaningful			

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Review of Financial Performance

For the first six months of FY2018, the Group recorded profit after tax ("Net Profit") of S\$0.7 million, reversing a loss of S\$2.2 million over the comparative periods. This was on the back of 55.6% or S\$3.8 million increase in group revenue to S\$10.8 million in 1H2018 (1H2017: S\$7.0 million). Whilst the operating environment in Singapore continues to be challenging, AAMG recorded improvements across all its business segments, particularly in the Radiation and Oncology and Management and Consultancy services.

A review of our operations is as follows:

i. Liver segment

Group revenue from the Liver segment, Asian American Liver Centre ("AALC"), increased by 17.7% to S\$7.3 million from S\$6.2 million in 1H2017. This is due mainly to a 14.2% increase in the total patient transactions to 3,576 as compared to 3,132 in 1H2017. As a result, the liver segment managed to narrow its loss from S\$0.4 million to S\$28,000 in 1H2018.

The number of liver dialysis, Fibroscan and ICG patient transactions increased by 89.5%, 37.2% and 46.7%, respectively. This was partially offset by the fall in the number of surgical procedures and living donor liver transplants ("LDLT") of 36.8% and 25.0%, respectively. AALC performed one less LDLT in 1H2018 as compared to the four performed the previous year. Also, the overall increase in patient transactions had a favourable impact on the group's topline, reflecting increasing revenue from professional fees, laboratory and imaging services.

The Liver segment remained the Group's largest revenue contributor although its share has declined due to the growing contribution from the other segments, accounting for 67.6% of the Group's top line in 1H2018, compared to 89.5% in 1H2017.

ii. Radiation Oncology segment

The Radiation Oncology segment operating under Asian American Radiation & Oncology ("AARO") continued its growth momentum and recorded a 57.1% increase in revenue in 1H2018, to S\$1.1 million from S\$0.7 million in 1H2017, and contributed about 10% of the Group's total revenue in 1H2018.

The increase in revenue was due mainly to the increase in patients seeking treatment, driving up the number of patient transactions by 40.1% to 241 from 172 in 1H2017. AARO also recorded an improvement in its management and service income from both local and overseas projects which increased by 28.3% in 1H2018. These contributed to the three-fold increase in Net Profit of AARO during the period under review to S\$52,000.

iii. Management and Consultancy segment

Revenue from the management and consultancy segment under Asian American Medical Group Pte. Ltd. ("AAMGPL") increased significantly to S\$2.3 million in 1H2018 from S\$20,000 in 1H2017. This was derived mainly from professional services rendered to Hippocrates Development Sdn. Bhd. ("HDSB") relating to development of the Tunku Laksamana Johor Cancer Centre during the period under review.

Net Profit from the Management and Consultancy segment stood at S\$0.9 million in 1H2018 compared to a loss of S\$0.8 million in the corresponding period.

Direct costs for the Group increased by 42.2% in line with the increase in revenue of 55.6%, from S\$4.5 million in 1H2017 to S\$6.4 million in 1H2018. The marginally lower increase in direct costs as compared to revenue is due to higher volume of sales mix from clinical procedures with higher profit margin. This has resulted in a higher gross profit margin of 41.0% as compared to 35.0% in 1H2017.

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Other operating expenses (excluding financial and other income) decreased by S\$0.7 million to S\$3.8 million from S\$4.5 million in 1H2017. This was due mainly to the following:

- One-off write-off of goodwill relating to AALC of S\$0.3 million in 1H2017;
- One-off write-back of provision for doubtful debts of S\$0.2 million in 1H2017;
- Unrealised foreign exchange gain of S\$0.1 million, a reversal of an exchange loss of S\$0.3 million in 1H2017 due to the strengthening of SGD against AUD;
- Reduction of S\$0.2 million for employee benefits expenses due to cost-cutting initiatives.

As a result of the above, the Group recorded a Net Profit of S\$0.7 million for 1H2018 as compared to a Loss After Tax ("Net Loss") S\$2.2 million in 1H2017.

Review of Financial Position (as at 28 February 2018 vs 31 August 2017)

Trade and other receivables increased by 59.0%, or S\$3.6 million, to S\$9.7 million from S\$6.1 million as at 31 August 2017, in line with the increase in revenue of 55.6%. The marginal difference in the corresponding increase as compared to the revenue is due to a longer collection period from non-trade receivables.

Correspondingly, trade and other payables increased by S\$2.7 million or 45.6% to S\$8.6 million from S\$5.9 million as at 31 August 2017, in line with the increase in purchases as a result of higher sales.

The Group's net assets increased by S\$0.4 million to S\$10.0 million from S\$9.6 million as at 31 August 2017. This was mainly attributable to the Net Profit of S\$0.7 million for the review period and an increase of S\$0.1 million in Non-controlling interest, offset by a decrease of S\$0.4 million in foreign currency exchange reserves due to the negative effect of the strengthening of the SGD against AUD on the Group's foreign currency denominated net assets.

Given the above, Net Asset Value ("NAV") per share rose by S 0.2 cent from S 3.2 cents as at 31 August 2017 to S 3.4 cents as at 28 February 2018.

Interim Dividends

No interim dividend has been declared by the Directors for the period ended 28 February 2018 (2017: Nil).

Subsequent Events

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

Auditor's Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 8 for the half-year ended 28 February 2018.

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



Date: Dr Kai Chah Tan
Executive Chairman
13 April 2018

Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000
Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration To the Directors of Asian American Medical Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Asian American Medical Group Limited for the half-year ended 28 February 2018, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 13 April 2018

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**Asian American Medical Group Limited
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Interim Financial Report

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE HALF-YEAR ENDED 28 FEBRUARY 2018**

	Note	Consolidated Group	
		28.2.2018	28.2.2017
		S\$	S\$
Revenue	3	10,835,593	6,965,012
Other operating income	3	96,755	66,285
Changes in inventories		1,498	(14,683)
Raw materials and consumables used		(6,393,400)	(4,510,143)
Employee benefits expense		(2,897,073)	(3,080,780)
Operating lease expense		(278,761)	(244,891)
Depreciation		(26,054)	(26,730)
Directors' fee		(80,708)	(81,618)
Write-back of provision for doubtful debts	5	-	150,078
Impairment of goodwill	6	-	(266,123)
Other expenses		(529,664)	(992,381)
Profit (Loss) before income tax from operations		728,186	(2,035,974)
Income tax expense		(8,837)	(145,956)
Profit (Loss) for the year		719,349	(2,181,930)
Other comprehensive gain/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net effect of foreign currency translation (tax: Nil)		(398,036)	484,386
Total comprehensive profit (loss) for the period		321,313	(1,697,544)
Profit (Loss) attributable to:			
Members of the parent entity		703,077	(2,185,703)
Non-controlling interests		16,272	3,773
		719,349	(2,181,930)
Total comprehensive profit (loss) attributable to:			
Members of the parent entity		305,041	(1,701,317)
Non-controlling interests		16,272	3,773
		321,313	(1,697,544)
Profit (Loss) per share			
Basic profit (loss) per share (S cents)		0.24	(0.73)
Diluted profit (loss) per share (S cents)		0.24	(0.73)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018

	Note	Consolidated Group	
		28.2.2018	31.8.2017
		S\$	S\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	8,704,208	9,174,730
Trade and other receivables	5	9,677,380	6,127,377
Inventories		167,116	165,618
Income tax refundable		-	8,334
TOTAL CURRENT ASSETS		18,548,704	15,476,059
NON-CURRENT ASSETS			
Property, plant and equipment		49,106	69,934
Intangible assets	6	-	-
TOTAL NON-CURRENT ASSETS		49,106	69,934
TOTAL ASSETS		18,597,810	15,545,993
CURRENT LIABILITIES			
Trade and other payables	7	8,637,609	5,940,733
TOTAL CURRENT LIABILITIES		8,637,609	5,940,733
TOTAL LIABILITIES		8,637,609	5,940,733
NET ASSETS		9,960,201	9,605,260
EQUITY			
Equity attributable to members of the parent entity:			
Issued capital		12,932,538	12,932,538
Reserves		(247,243)	150,793
Accumulated losses		(2,949,428)	(3,652,505)
		9,735,867	9,430,826
Non-controlling interest		224,334	174,434
TOTAL EQUITY		9,960,201	9,605,260

The accompanying notes form part of this financial report.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED
28 FEBRUARY 2018

	Issued capital S\$	Accumulated losses S\$	Foreign currency translation reserve S\$	Non- controlling interest S\$	Total S\$
Balance at 1.9.2016	12,932,538	(559,122)	(374,557)	111,861	12,110,720
Total comprehensive income:					
Loss for the period	-	(2,185,703)	-	3,773	(2,181,930)
Other comprehensive gain	-	-	484,386	-	484,386
	-	(2,185,703)	484,386	3,773	(1,697,544)
Balance at 28.2.2017	12,932,538	(2,744,825)	109,829	115,634	10,413,176
Balance at 1.9.2017	12,932,538	(3,652,505)	150,793	174,434	9,605,260
Total comprehensive income:					
Profit for the period	-	703,077	-	16,272	719,349
Other comprehensive gain	-	-	(398,036)	-	(398,036)
	-	703,077	(398,036)	16,272	321,313
Transactions with owners, recognised directly in equity					
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	33,628	33,628
	-	-	-	33,628	33,628
Balance at 28.2.2018	12,932,538	(2,949,428)	(247,243)	224,334	9,960,201

The accompanying notes form part of this financial report.

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**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED
28 FEBRUARY 2018**

	Note	Consolidated Group	
		28.2.2018	29.2.2017
		S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		7,037,271	7,844,417
Payments to suppliers and employees		(7,353,331)	(7,883,523)
Income tax paid		(503)	(656)
<i>Net cash used in operating activities</i>		(316,563)	(39,762)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary, net of cash	8	(34,767)	-
Purchase of property, plant and equipment		(5,633)	(3,566)
Interest income		39,052	56,334
<i>Net cash (used in)/ generated from investing activities</i>		(1,348)	52,768
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from non-controlling interest	8	33,628	-
<i>Net cash generated from financing activities</i>		33,628	-
Net (decrease)/increase in cash and cash equivalents		(284,283)	13,006
Cash and cash equivalents at beginning of period		9,174,730	11,307,905
Exchange difference on cash and cash equivalents		(186,239)	285,737
Cash and cash equivalents at end of period	4	8,704,208	11,606,648

The accompanying notes form part of this financial report.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 28 FEBRUARY 2018

1 Nature of operations and general information

Asian American Medical Group Limited ("AAMG") is a company domiciled in Australia. The consolidated financial report of the Company as at and for half-year ended 28 February 2018 comprises the Company and its subsidiaries (together referred to as the "Group"). The principal activity of AAMG is that of provision of specialised medical services for liver diseases and transplantation, radiation oncology and healthcare project management and consultancy services. There has been no change in the principal activity of the Group during the financial year.

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

The consolidated interim financial report is presented in Singapore Dollars (S\$) as a significant portion of the group's activity is denominated in Singapore Dollars. The rate of exchange used at 28 February 2018 was 0.9676 S\$ to 1A\$ (2017: 1.0792 S\$ to 1A\$).

2 Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 28 February 2018 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Asian American Medical Group Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 August 2017, together with any public announcements made during the half-year.

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

Estimates

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

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 31 August 2017. The only exception is the estimate of the provision for income taxes which is determined in the interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

These financial statements were authorised for issue by the Board of Directors on 13 April 2018.

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3 Revenue

	Consolidated Group	
	28.2.2018	28.2.2017
	S\$	S\$
Operating activities		
Provision of services	7,528,500	5,855,212
Sale of medication	867,931	1,017,058
Management fee	2,439,162	92,742
Total revenue from operating activities	10,835,593	6,965,012
Other operating income		
Interest received	39,052	56,334
Other income	57,703	9,951
Total other operating income	96,755	66,285

4 Cash and cash equivalents

Cash and cash equivalents comprise the following amounts:

	Consolidated Group	
	28.2.2018	31.8.2017
	S\$	S\$
Cash and bank balances	5,002,948	5,434,804
Fixed deposits	3,701,260	3,739,926
Cash per consolidated statement of cash flows	8,704,208	9,174,730

The effective interest rate on short-term bank deposits was 0.49% - 2.40% (2017: 0.45% - 2.75%) per annum; these deposits have a maturity of 6 months (2017: 3 - 12 months).

5 Trade and other receivables

	Consolidated Group	
	28.2.2018	31.8.2017
	S\$	S\$
Trade receivables	8,101,213	5,718,574
Other receivables	417	253,366
Prepayment	437,063	-
Deposits	1,138,687	155,437
Total current trade and other receivables	9,677,380	6,127,377

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Movement in provision for doubtful debts:

	28.2.2018	31.8.2017
	S\$	S\$
At beginning of period	-	224,087
Charge to profit or loss	-	-
Doubtful debt recovered	-	(150,078)
Allowances utilised	-	(74,009)
At end of period	-	-

a. Provision for doubtful debts

Included in the FY2016 trade receivable is an amount of S\$224,087 due from Rich Tree Land Pte Ltd ("RTL") which were billings by Asian American Medical Group Pte Ltd ("AAMG PL") for work performed as the appointed Project Lead Manager ("PLM") for the Zhuhai Project. Following the termination of the PLM Agreement, RTL disputed our billings and as a result, we initiated legal proceedings to recover this debt. During 1H2017, a settlement was reached between AAMG PL and RTL in which S\$150,078 was recovered.

Apart from the above, current trade and term receivables are generally on 60 - 120 days terms. A provision for doubtful debt is recognised when there is objective evidence that an individual trade or term receivable is impaired. Apart from the abovementioned debt, no trade or other receivables are considered past due or impaired. The Group reviews its trade receivables for evidence of impairment on a regular basis. The trade receivable consists mainly amounts owing by the United Arab Emirates ("UAE") government agencies. Management holds regular meetings with the agencies relating to patient care feedback and collection of amounts outstanding. Management is of the opinion that the trade receivables are recoverable and hence, no further provision is required.

6 Intangible assets

	Consolidated Group	
	28.2.2018	31.8.2017
	S\$	S\$
Goodwill, at cost	-	266,123
Less: Accumulated impairment loss	-	(266,123)
Net carrying amount	-	-

The Group reviews the necessity and adequacy of the allowance for impairment at each reporting date and makes adjustments where necessary. Goodwill is tested for impairment annually and at each reporting date where there is objective evidence that goodwill may be impaired.

In performing the impairment assessment of the carrying amount of goodwill in 1H2017, the recoverable amount of CGUs in which goodwill has been attributed to, was determined using value in use calculations using cash flow projections from financial budgets approved by the management covering a period not exceeding five years.

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In 1H2017, the Group recognised an impairment charge on its goodwill of S\$266,123 in view of the uncertainty of the profitability of the AALC in the coming years. This resulted in the writing down of the carrying amount of goodwill to S\$ nil.

7 Trade and other payables

	Consolidated Group	
	28.2.2018	31.8.2017
	S\$	S\$
Trade payables	8,030,833	5,029,622
Patients' deposits	99,339	85,063
Provision for employee benefits	30,972	165,826
Sundry payables and accrued expenses	476,465	660,222
Total current trade and other payables	8,637,609	5,940,733

The provision for employee benefits relates to the provision for cash bonus to employees for the period from September 2017 to February 2018 (2017: January to August 2017) and is payable by December 2018 (2017: December 2017)

8 Acquisition of Subsidiary

On 19th September 2017, Asian American Medical Group Pte. Ltd ("AAMGPL") incorporated a 51% owned subsidiary, Golden Bell Asia American Healthcare Ventures Company Limited ("GBAA"), for a cash consideration of S\$34,767. This transaction has been accounted for by the acquisition method of accounting as it meets all elements of a business.

GBAA is an entity incorporated in Myanmar under Myanmar Companies Act, with its principal activity being providing specialised medical services. The non-controlling interest (49%) in GBAA recognised at the acquisition date was based on the actual capital contribution amounting to S\$33,628.

9 Controlled Entities

	Country of Incorporation	Percentage Owned	
		28.02.2018	31.08.2017
Asian American Medical Group Limited	Australia	100%	100%
<i>Subsidiary of Asian American Medical Group Limited :</i>			
Asian American Medical Group, Inc.	British Virgin Islands	100%	100%
<i>Subsidiaries of Asian American Medical Group, Inc. :</i>			
Asian American Liver Centre Pte. Ltd.	Singapore	100%	100%
Asian American Radiation Oncology Pte. Ltd.	Singapore	70%	70%
Asian American Medical Group Pte. Ltd.	Singapore	100%	100%
Million Health Ventures Pte. Ltd.	Singapore	100%	100%

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Subsidiary of Million Health Ventures Pte. Ltd. :

Asian American Oncology Management Sdn. Bhd.	Malaysia	100%	100%
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Subsidiary of Asian American Medical Group Pte. Ltd. :

Golden Bell Asia American Healthcare Ventures Company Limited ⁽¹⁾	Myanmar	51%	-
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Associate of Asian American Liver Centre Pte. Ltd. :

PT Asian Liver Center Indonesia ⁽²⁾	Indonesia	-	50%
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(1) Incorporated on 19th September 2017

(2) Disposed on 12th September 2017

10 SEGMENT INFORMATION

During the six month period ending 28 February 2018, there have been no changes from prior periods in the measurement methods used to determine operating segments and reporting segment profit of loss.

(i) Segment Performance

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

**Asian American Medical Group Limited
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28 February 2017	Liver	Radiation Oncology	Management & consultancy	Total
	S\$	S\$	S\$	S\$
External sales revenue	6,234,822	708,085	22,105	6,965,012
Inter segment sales	456	-	-	456
Total segment revenue	6,235,278	708,085	22,105	6,965,468
Inter-segment eliminations				(456)
Total Group revenue				6,965,012
Segment net losses before tax	(432,947)	12,577	(799,136)	(1,219,506)
Other Expenses				(550,345)
Impairment loss on goodwill				(266,123)
Income tax expense				(145,956)
Net loss for the period				(2,181,930)

(ii) Segment assets

	Liver	Radiation Oncology	Management & Consultancy	Others	Total
	S\$	S\$	S\$	S\$	S\$
28 February 2018					
Segment assets	8,807,529	1,255,208	7,159,038	3,270,760	20,492,535

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(1,894,725)
Total Group assets	18,597,810

	Liver	Radiation Oncology	Management & Consultancy	Others	Total
	S\$	S\$	S\$	S\$	S\$
31 August 2017					
Segment assets	7,119,366	895,093	5,457,186	3,647,853	17,119,498

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(1,573,505)
Total Group assets	15,545,993

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11 Contingent liabilities

There has been no contingent liability as at reporting date.

12 Capital Commitments

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

13 Subsequent Events

Million Health Ventures Pte Ltd (a wholly owned subsidiary of AAMG) ("MHV") and Dato' Dr Kai Chah Tan entered into a conditional subscription agreement to acquire HDSB on 20 October 2017 ("Subscription Agreement").

The subscription price of RM 19,408,163 (S\$6,552,030)¹ for MHV under the Subscription Agreement consisted of RM 5,606,963 (S\$1,892,860)¹ paid by MHV to HDSB, together with the issue of approximately 40,000,000 shares by the Company in part satisfaction of the acquisition (under the Sale and Purchase Agreement), equivalent to the balance of the subscription price for MHV of RM 13,801,200 (S\$4,659,170)¹.

The subscription was completed on 6th March 2018, when all the conditions under the Subscription Agreement were satisfied and as such, HDSB became a 95.1% subsidiary of the Group.

AAMG has engaged an independent valuer to provide a Purchase Price Allocation ("PPA") Report to ascertain the fair value of the five acres land acquired from the land vendor. The PPA is still in progress as at the date of this report.

¹ Based on exchange rate of 1 SGD: 0.33759 RM as at date of acquisition ie. 6th March 2018

**Asian American Medical Group Limited
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Interim Financial Report

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 19 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 28 February 2018 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Dato' Dr Kai Chan Tan
Executive Chairman

13 April 2018

Grant Thornton House
Level 3
170 Frome Street
Adelaide, SA 5000
Correspondence to:
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report To the Members of Asian American Medical Group Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Asian American Medical Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 28 February 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Asian American Medical Group Limited does not give a true and fair view of the financial position of the Group as at 28 February 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors' Responsibility for the Half Year Financial Report

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

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Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 28 February 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Asian American Medical Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 13 April 2018