



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 2021

Asian American Medical Group Limited *and its controlled entities*

Appendix 4E Preliminary Final Report for the year ended 31 August 2021

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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 2021

Previous corresponding period: Year ended 31 August 2020

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 and closing rate of exchange used at 31 August 2021 was 0.9957 S\$ and 1.01799 S\$ to 1A\$ respectively (2020: 0.9369 S\$ and 1.008 S\$).

Results for announcement to the market

				S\$'000
Revenue from continuing operations	Down	(82.8%)	to	1,242
Loss after income tax from continuing operations	Up	119.4%	to	(5,653)
Loss from discontinued operations	Down	(190%)	to	(156)
Net loss for the year attributable to members of the parent entity	Up	130.0%	to	(5,649)

Commentary on results

	FY2021 S\$'000	FY2020 S\$'000	Change %
Revenue from continuing operations	1,242	7,210	(82.8)
Other income	320	439	(27.1)
Direct costs and operating expenses	(7,215)	(10,222)	(29.4)
Share of results of associates	-	(3)	n.m
Loss before income tax from continuing operations	(5,653)	(2,576)	119.4
Taxation	-	-	n.m
Loss after income tax from continuing operations	(5,653)	(2,576)	119.4
Discontinued operations			
Profit/(Loss) from discontinued operation	(156)	174	(190)
(Loss)/Profit after taxation	(5,809)	(2,402)	141.8
Loss attributable to:			
Members of the parent entity	(5,649)	(2,455)	130.0
Non-controlling interest	(160)	53	(401.9)
	(5,809)	(2,402)	141.8
Loss per share for operations (S cents)	(1.62)	(0.71)	128.7
Loss per share for continuing operations (S cents)	(1.57)	(0.74)	112.2

n.m – not meaningful

Financial Review

The availability of Covid-19 vaccine since early 2021 and good vaccination rate did not translate to imminent reduction in the number of daily cases in Singapore and the neighbouring countries. The prolonged Covid-19 pandemic globally due to new variants and cross border travel remained closed. There were no foreign patients allowed into Singapore. The Group received requests from patients in Malaysia, Indonesia and India regarding application to Singapore MOH for approval to enter Singapore for medical treatment. But the Group could not help these patients as it was very difficult to obtain permission for such requests. As more than 80% of the Group's patients are from abroad the Group suffered a big drop in revenue from previous year.

On 28 November 2020 the Multi-Specialty Medical Clinic located at Boao, Hainan, operated under Asian American Healthcare Services (Qionghai) Co Ltd (AAHSQ) was officially launched. The soft launch was attended by representatives from Enterprise Singapore and Chinese officials from Lecheng Pilot Zone Committee and Qionghai City Council and was well received.

After the soft launch the Clinic started to receive local patients for consultation and liver disease and general health screening. Dr KC Tan who was in Boao Hainan since the beginning of October 2020 is the only doctor on site. Due to the global travel restrictions and China's mandatory quarantine requirement for foreign visitors (2 weeks at any of the 6 approved Chinese airports of entry plus 1 week at the final destination in China), doctors from Singapore have not been travelling to Hainan.

For the financial year ended 31 August 2021, (FY2021) Group revenue fell 82.8% to S\$1.2 million from S\$7.2 million in the previous year. All business segments saw a decline in revenue, with liver being the hardest hit, as overall patient transactions dropped 65.1% from FY2020.

The net loss for the Group amounted to S\$5.8 million, widening from FY2020's net loss of S\$2.4 million. Current year net loss was due primarily to the write-off of S\$2.5 million in preliminary expenses connected with our planned cancer centre in Johor Bahru. We do not see a recovery of these expenses over the next 12 months due to the prolonged Covid-19 situation (Note 13a).

The Group continued its cost reduction exercise, Singapore clinic and office space was reduced twice during the year. In January 2021 early termination of 2 units office area saved S\$8,636 per month; and in June 2021 upon expiry of lease on clinic area the Group renewed the lease with a 50% reduction of area saving S\$25,000 a month. Make Good cost incurred from the reduction in area is estimated at S\$100,000. Headcount number was down by 7 from 19 on 31 August 2020 to 12 at 31 August 2021.

A review of the Group's operations is as follows:

i. Liver segment

Patient transactions for the Group's liver treatment and transplant segment, operating under wholly-owned subsidiary Asian American Liver Centre (AALC), declined 65.1% to 832 in FY2021 from 2,386 in FY2020. Accordingly, AALC's clinical revenue fell 75.7% to \$1.2 million in FY2021 while the net loss widened to S\$1.3 million from S\$0.1 million in FY2020.

There were no surgical cases (5 cases in 2020) and zero living donor liver transplantations (LDLTs) in FY2021. The absence of surgical and LDLT cases was the main cause for 78.2% drop in professional fees, 87.7% lower third party fees (typically hospital charges); and sales of medicine were 44.9% lower. The Group provided tele-consult services and supplied medication to overseas patients who could not travel to Singapore for treatment. In FY2021 50.2% of revenue was from sale of medicine, 19.1% from professional fee and the remaining from 3rd party fees. The Group supplied a small amount of Covid-19 test kits S\$0.1 million (2020: S\$2.39 million).

Included in other income was S\$141,607 Covid19 job support scheme (JSS) grant (2020: S\$131,465) and S\$150,779 Covid-19 rental rebate received from Singapore government (2020: S\$32,201).

Direct costs decreased 84.5% to S\$0.6 million from S\$3.7 million in FY2020 majority of this decrease is related to lower revenue. Operating expenses were 37.2% lower mainly from drop in employment cost as AALC reaped the full year benefit reduction of S\$0.9 million from 20% pay cut implemented in July 2020, freeze recruitment for staff who resigned, and the non-recurring payment of S\$0.4 million to a doctor who provided urgent medical care to a patient in Brunei last year. Net loss before tax for the liver segment increased to S\$1.3 million from S\$0.1 million in FY2020.

During the financial year, staff cost and other costs amounting to S\$0.5 million (2020: S\$0.6 million) were recharged to Asian American Healthcare Services (Qionghai) Co Ltd (AAHSQ) to reflect the time and expenses incurred for the entity.

ii. Management and Consultancy segment

The Management and Consultancy segment, operated under Asian American Medical Group Pte Ltd (AAMGPL), did not generate any revenue in FY2021 (2020: Nil). No services were rendered to Hippocrates Development Sdn Bhd (HDSB) as development work on Tunku Laksamana Johor Cancer Centre project in Johor Bahru continued to be put on hold due to Covid-19 lockdown.

During the financial year, staff cost and other costs amounting to S\$0.58 million (2020: S\$0.53 million) were recharged to Asian American Healthcare Services (Qionghai) Co Ltd (AAHS(Q)) to reflect the time and expenses incurred for the entity. Cost re-charged to HDSB was nil in FY2021 (2020: S\$16,332).

Direct expenses decreased to S\$0.003 million (2020: S\$0.013 million) as there was no management fee income in FY2021 (2020: S\$0.03 million). Other operating expenses decreased to S\$0.067 million compared to S\$0.091 million in FY2020, mainly attributed to lower staff costs (S\$0.032 million) and exchange difference (S\$0.038 million), but negated by S\$0.035 impairment of investment in subsidiary (Note 21). As a result, this segment returned a net loss of S\$0.006 million, compare with net profit of S\$0.046 in FY2020.

iii. Multi-specialty Medical Clinic – Boao, Hainan

The Multi-Specialty Medical Clinic located at Boao, Hainan, operating under Asian American Healthcare Services (Qionghai) Co Ltd (AAHSQ). In the 3rd quarter of 2020, the Group started light marketing and promotional activities in Hainan, China.

The Clinic started to receive local patients for consultation and liver disease and general health screening after the soft launch. Dr KC Tan who was in Boao Hainan since the beginning of October 2020 is the only

doctor on site. Due to the travel restrictions and China's mandatory quarantine requirement for foreign visitors (2 weeks at any of the 6 approved Chinese airports of entry plus 1 week at the final destination in China), doctors from Singapore and abroad have not been travelling to Hainan at this stage.

On 7 April 2021 the Group signed a collaboration agreement with King's College Hospital London (KCH) to establish the KCH Liver Centre Asia (KCHLC) at Boao. Unfortunately clinical operation and work on KCHLC is delayed by the prolonged Covid-19 pandemic.

On 31 August 2021 the Group terminated lease at Boao International Hospital (BIH) on mutually agreed terms. BIH took over ownership of the renovation works and paid 40% of the original cost to AAHSQ. At the moment the Group is operating out of two hospitals in the Pilot Zone: The Boao Super Hospital and The Evergrande Hospital, making full use of the hospitals' different equipment and medical personnel. It is foreseeable that in the near future the Group will continue to operate from different hospitals in the Pilot Zone as most of the hospitals have different facilities and concentrate on different clinical specialties.

For FY2021, the clinic incurred operating expenses of S\$1.8 million, this covered staff cost of S\$0.7 million, professional fee S\$0.4 million of which S\$0.32 million was fees paid to KCH, loss on disposal of fixed assets S\$0.4 million, depreciation on fixed assets S\$0.1 million and depreciation on right of use assets S\$0.2 million. Net loss for the year was S\$1.8 million (2020: S\$1.3 million).

Review of Financial Position

Net assets for the Group decreased S\$6.6 million from S\$12.0 million in FY2020 to S\$5.4 million, as the Group recorded a net loss of S\$5.8 million for the year.

Significant changes during the year under review were:

- a) Decrease in cash and cash equivalents by S\$0.4 million from S\$1.3 million in FY2020 to S\$0.9 million, as a result of the net loss of S\$5.8 million for the financial year, non-cash movement expense item of S\$2.5 million building cost written off, drawn down term loan from DBS Bank of S\$0.9 million net of repayment.
- b) Decrease in trade and other payables by S\$0.2 million, to S\$1.8 million in FY2021 from lower purchases of materials and consumables in line with lower revenue and payment to trade creditors.
- c) Decrease in trade and other receivables by S\$0.8 million to S\$0.4 million from decline in revenue.
- c) Increase in foreign currency reserves of S\$1.2 million (2020: increase of S\$0.8 million).

As a result of the above, net asset value per share decreased by S\$1.89 cent (54.9%) to S\$1.55 cents in FY2021 from S\$3.44 cents in FY2020.

Dividends per share

	Amount per share	Franked amount per share at 25% 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

	31-Aug-21	31-Aug-20
Net tangible assets per ordinary share - (S cents)	1.55	3.44
- (A cents)	1.57	3.44
Net assets value per ordinary share - (S cents)	1.55	3.44
- (A cents)	1.57	3.44

*closing exchange rate used was 0.9823 S\$ to 1A\$ (2020: 1.0008 S\$ to 1A\$)

Details of entities over which control has been gained or lost

Discontinued operations:

On 22 October 2020 the board of directors approved the plan to sell the Group's entire shareholding in its 69% owned subsidiary Asian American Radiation & Oncology Pte Ltd (AARO) to one of the existing shareholders Dr Daniel Tan. At 31 August 2020 AARO was classified as a disposal group held for sale and a discontinued operation, and the Radiation & Oncology segment was no longer presented in the segment note. On 21 December 2020 a Share Purchase Agreement was signed between the Group and Dr Daniel Tan (Purchaser). The Purchase price for the Group's holding of 350,000 shares was S\$693,000.00 to be fully paid in Cash. The transaction was completed on 24 December 2020. Loss from disposal of AARO was included in overall financial statements (Note 17).

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)
Mr Evgenii Tugolukov (Non-Executive Director)
Ms Jeslyn Jacques Wee Kian Leong (Independent Non-Executive Director)
Mr Pang Fey Yu (Independent Non-Executive Director)
Mr Peter Hurley (Independent Non-Executive Director)
Mr Stuart L Dean (Independent Non-Executive Director) (resigned on 4 January 2021)

Company Secretary

Mr Dario Nazzari

Registered Office

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

Auditors

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

Bankers

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

Westpac Banking Corporation
114 William Street
Melbourne VIC 3000

Share registry

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

Stock Exchange Listing

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

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

PRELIMINARY FINAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Consolidated Group	
		Year ended 31.8.2021 S\$	Year ended 31.8.2020 S\$
Continuing operations			
Revenue	3	1,241,608	7,209,876
Other operating income	3	320,396	439,387
Changes in inventories		(30,960)	(43,887)
Raw materials and consumables used		(551,771)	(3,705,325)
Employee benefits expense		(2,440,224)	(3,826,989)
Depreciation on property, plant and equipment	13	(101,514)	(12,759)
Depreciation on right of use assets	15	(599,191)	(677,183)
Directors' fees		(75,717)	(81,697)
Advertising and marketing expenses		(8,010)	(72,698)
Professional fees		(514,147)	(377,387)
Operating lease expense	4	(4,728)	(7,596)
Interest: Finance expense	5	(84,880)	(117,744)
Other expenses	4	(2,803,361)	(1,299,878)
Share of results of associates	21	-	(2,669)
Loss before income tax from continuing operations		(5,652,499)	(2,576,549)
Income tax expense	6	-	-
Loss for the year from continuing operations		(5,652,499)	(2,576,549)
Discontinued operations			
Loss on sale of discontinued operations	17	(155,780)	-
Profit after tax for the year from discontinued operation	17	-	174,356
Loss for the year	4	(5,808,279)	(2,402,193)
Other comprehensive income			
<i>Items that may be subsequently reclassified to Profit or Loss:</i>			
Net effect of foreign currency translation		(361,942)	818,737
Total comprehensive loss for the year		(6,170,221)	(1,583,456)
Loss attributable to:			
Members of the parent entity		(5,648,290)	(2,455,556)
Non-controlling interest		(159,989)	53,363
		(5,808,279)	(2,402,193)
Total comprehensive loss attributable to:			
Members of the parent entity		(6,010,232)	(1,636,819)
Non-controlling interest		(159,989)	53,363
		(6,170,221)	(1,583,456)
Loss per share			
Basic loss per share (S cents)	9	(1.62)	(0.71)
Diluted loss per share (S cents)	9	(1.62)	(0.71)
Loss per share for continuing operations			
Basic loss per share (S cents)	9	(1.57)	(0.74)
Diluted loss per share (S cents)	9	(1.57)	(0.74)

The accompanying notes form part of this financial report.

**Asian American Medical Group Limited
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ABN 42 091 559 125

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2021

	Note	Consolidated Group	
		31.8.2021	31.8.2020
		S\$	S\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	874,422	1,332,071
Trade and other receivables	11	436,729	1,254,793
Inventories	12	74,020	104,980
		<u>1,385,171</u>	<u>2,691,844</u>
Assets held for sale	17	-	2,101,443
TOTAL CURRENT ASSETS		<u>1,385,171</u>	<u>4,793,287</u>
NON-CURRENT ASSETS			
Property, plant and equipment	13	6,775,794	10,057,990
Right of use assets	15	473,710	1,935,041
Investment in joint venture	21	-	66,286
TOTAL NON-CURRENT ASSETS		<u>7,249,504</u>	<u>12,059,317</u>
TOTAL ASSETS		<u>8,634,675</u>	<u>16,852,604</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	1,773,437	1,973,839
Finance lease liability	15	160,073	645,740
Interest bearing loans and borrowings	16	193,342	-
		<u>2,126,852</u>	<u>2,619,579</u>
Liabilities directly associated with the assets held for sale	17	-	829,639
TOTAL CURRENT LIABILITIES		<u>2,126,852</u>	<u>3,449,218</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	18	75,922	75,922
Finance lease liability	15	315,611	1,361,001
Interest bearing loans and borrowings	16	743,071	-
TOTAL NON-CURRENT LIABILITIES		<u>1,134,604</u>	<u>1,436,923</u>
TOTAL LIABILITIES		<u>3,261,456</u>	<u>4,886,141</u>
NET ASSETS		<u>5,373,219</u>	<u>11,966,463</u>
EQUITY			
Equity attributable to members of the parent entity:			
Issued capital	19	18,223,133	18,223,133
Reserves	20	(1,232,482)	(870,540)
Accumulated losses		(11,852,969)	(6,178,697)
		<u>5,137,682</u>	<u>11,173,896</u>
Non-controlling interest		235,537	792,567
TOTAL EQUITY		<u>5,373,219</u>	<u>11,966,463</u>

The accompanying notes form part of this financial report.

**Asian American Medical Group Limited
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2021**

	Issued capital S\$	Accumulated losses S\$	Foreign currency translation reserve S\$	Non- controlling interest S\$	Total S\$
Balance at 1.9.2019	18,223,133	(3,723,141)	(1,689,277)	739,204	13,549,919
Total comprehensive income:					
Loss for the year from continuing operations	-	(2,576,549)	-	-	(2,576,549)
Discontinued operations		120,993		53,363	174,356
Other comprehensive loss	-	-	818,737	-	818,737
	-	(2,455,556)	818,737	53,363	(1,583,456)
Balance at 31.8.2020	18,223,133	(6,178,697)	(870,540)	792,567	11,966,463
Balance at 1.9.2020	18,223,133	(6,178,697)	(870,540)	792,567	11,966,463
Total comprehensive income:					
Loss for the year from continuing operations	-	(5,468,485)	-	(184,014)	(5,652,499)
(Loss) / profit for the period from discontinued operation		(179,805)		24,025	(155,780)
Other comprehensive loss	-	-	(361,942)	-	(361,942)
	-	(5,648,290)	(361,942)	(159,989)	(6,170,221)
Transactions with the owners in their capacity as owners:					
De-recognition of NCI upon disposal of discontinued operation		(25,982)		(397,041)	(423,023)
Balance at 31.8.2021	18,223,133	(11,852,969)	(1,232,482)	235,537	5,373,219

The accompanying notes form part of this financial report.

**Asian American Medical Group Limited
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**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 AUGUST 2021**

	Note	Consolidated Group	
		Year ended	Year ended
		31.8.2021	31.8.2020
		S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,812,290	12,756,413
Payments to suppliers and employees		(5,270,419)	(13,822,539)
Net cash used in operating activities	24	(1,458,129)	(1,066,126)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		17	16
Purchase of property, plant and equipment	13	(17,556)	(810,175)
Proceeds from disposal of property, plant and equipment	13b	329,012	200
Disposal of subsidiary, net of cash	17	(912,099)	-
Net cash used in investing activities		(600,626)	(809,959)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of obligation under leases	15	(604,782)	(698,404)
Interest expense	5	(84,880)	(131,409)
Bank loan drawdown	16	1,000,000	-
Repayment of loan		(63,587)	-
Advance from a related party		-	210,001
<i>Net cash generated from / (used in) financing activities</i>		246,751	(619,812)
Net change in cash and cash equivalents		(1,812,004)	(2,495,897)
Cash and cash equivalents at beginning of the year		2,690,875	5,086,849
Effects of exchange rate changes on cash and cash equivalents		(4,449)	99,923
Cash and cash equivalents at end of the year	10	874,422	2,690,875

The accompanying notes form part of this financial report.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1 Nature of operations and general information

Asian American Medical Group Limited (AAMG or Company) is a Company domiciled in Australia. The address of its registered office is at 25 Peel Street, Adelaide SA 5000 and its principal place of business is at 6A Napier Road, Gleneagles Hospital Annexe Block, #02-37 Singapore 258500.

The consolidated financial report of the Company as at and for the year ended 31 August 2021 comprises the Company and its subsidiaries (together referred to as the Group). The principal activity of AAMG is the provision of specialised medical services for liver diseases and transplantation, healthcare management and consultancy services and healthcare real estate. On 24 December 2020 the Group disposed of its shareholdings in the Radiation and Oncology unit, Asian American Oncology & Radiation Pte Ltd (AARO) to an existing shareholder of AARO. There has been no change in the principal activity of the Group during the financial year under review.

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 (AASB). 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.

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.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 August 2021. The consolidated entity has assessed that these new or amended Accounting Standards and Interpretations are not expected to have material impact on the group's financial position or performance in the future reporting periods.

Asian American Medical Group Limited And Controlled Entities

ABN 42 091 559 125

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, revenue dropped from S\$7.2 million in FY2020 to S\$1.2 million in FY2021, the Group made a net loss of S\$5,808,279 from S\$2,402,193 in FY2020 after netting off S\$292,386 Covid-19 related government support. Included in total expense were preliminary expenses of S\$2,454,489 on the proposed building at Johor Bahru cancer centre written off and \$397,687 being loss on disposal of renovation works, furniture and fittings at Boao, Hainan, China. Cash balance decreased from S\$ 1,332,071 on 31 August 2020 to S\$874,422 on 31 August 2021. As at 31 August 2021 the Group had net current liabilities of S\$741,682 compared to net current assets of S\$1,344,069 at 31 August 2020.

Despite the reported net loss for FY2021 and the net current liability position as at 31 August 2021 the directors have assessed that there does not exist a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern.

However, the Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- The Group had completed the first tranche of the share subscription equal to 10% of the existing share capital, payment was received on 5 October 2021 in full (S\$1,335,921) and shares issued on 6 October 2021.

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group were not to operate as a going concern.

(b) Principles of consolidation

The Group financial statements consolidate those of the Parent company and all of its subsidiaries as of 31 August 2021. 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, except for Gold Bell Asia American Healthcare Ventures Company and Asian American Healthcare Services (Qionghai) Pte Ltd that have a reporting date of 31 March and 31 December, respectively.

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

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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 or a gain from a bargain purchase. The method adopted for the measurement of goodwill will impact 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 (i.e. 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

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

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 taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

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(e) Inventories

Inventories are initially measured at cost and subsequently measured at the lower of cost and net realisable value, assigned on a first-in-first-out basis.

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

(f) Property, plant & equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, 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:

<i>Class of fixed asset</i>	<i>Depreciation Rate</i>
Office equipment	5 years
Medical equipment	5 years
Computers	5 years
Furniture and fittings	5 years
Leasehold Improvements	4 years
Building	30 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 or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(g) 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.

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(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(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.

(j) 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.

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(k) 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.

(l) 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.

(m) Right of Use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are amortised on a straight-line basis over the lease term or the estimated useful life of the asset, whichever is the shorter. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

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Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(n) *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.

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.

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 depending on the nature of the non-monetary items.

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.

(o) *Non-current assets held for sale and discontinued operations*

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

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The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 17. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

(p) 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 wholly 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 corporate bond rate with terms to maturity that match the expected timing of cash flows depending on the availability of high quality corporate bonds.

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.

(q) Patients' deposits

Patients' deposits represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever earlier) before the Group has transferred the goods or services to the customers. Patients' deposits are included in Trade and other payables.

(r) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. It is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

a) Provision of services

Revenue from provision of services are assessed to be a series of treatments which are distinct in each and every treatment. Revenue that relates to medical consultation, surgery and transplantation is recognised at a point in time.

Significant payment terms: Invoices are issued upon completion of services and are payable within 30 days.

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b) Sales of medication

Revenue from sale of medication is recognised upon delivery of the medication to the patient. Significant payment terms: Invoices are issued upon completion of services and are payable within 30 days.

c) Management fee

Management fees revenue is recognised by reference to the stage of completion of the contract. Significant payment terms: Invoices are issued on a monthly basis and are payable within 30 days.

d) Interest received

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

e) Other income

Other income is recognised when it is received or when the right to receive payment is established. All revenue is stated net of goods and services tax (GST).

(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) 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

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.

Please refer to note 11 with respect to Management's consideration of impairment of receivables as at 31 August 2021.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

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(u) Investments in joint ventures

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(v) Earnings per share

Basic earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the year. Diluted earnings per share is calculated by dividing income by the weighted-average number of shares outstanding during the year, assuming that all potentially dilutive securities were exercised, if dilutive.

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3 Revenue

	Consolidated Group	
	2021	2020
	S\$	S\$
Operating activities		
Provision of services	861,659	3,611,579
Medical supply income (a)	80,000	2,390,358
Sale of medication	299,949	1,011,776
Management fee	-	196,163
Total revenue from operating activities	1,241,608	7,209,876

(a) Medical supply income is derived from trading of Covid-19 test kits. There is an associated material cost of S\$46,882 (FY2020: \$1,410,538) recognised in the profit or loss in relation to this.

Other operating income		
Interest received	94	4,889
Grant received from Singapore government	305,403	227,754
Rental concession received from Jimin Boao International Hospital	-	147,182
Other income	14,899	59,562
Total other operating income	320,396	439,387

a. Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Consolidated – 31 August 2021	Liver	Multi- specialty	Total
	S\$	S\$	S\$
<i>Sectors</i>			
Healthcare	1,240,631	977	1,241,608
	1,240,631	977	1,241,608
<i>Geographical regions</i>			
Singapore	1,100,331	-	1,100,331
Asia (ex-Singapore)	140,300	977	141,277
Others	-	-	-
	1,240,631	977	1,241,608
<i>Timing of revenue recognition</i>			
Goods transferred at a point in time	1,240,631	977	1,241,608
Services rendered over time	-	-	-
	1,240,631	977	1,241,608

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Consolidated – 31 August 2020	Liver	Management and Consultancy	Total
	S\$	S\$	S\$
<i>Sectors</i>			
Healthcare	7,198,275	11,601	7,209,876
	7,198,275	11,601	7,209,876
<i>Geographical regions</i>			
Singapore	4,042,799	11,601	4,054,400
Asia (ex-Singapore)	2,891,361	-	2,891,361
Others	264,115	-	264,115
	7,198,275	11,601	7,209,876
<i>Timing of revenue recognition</i>			
Goods transferred at a point in time	7,198,275	-	7,198,275
Services rendered over time	-	11,601	11,601
	7,198,275	11,601	7,209,876

4 Loss for The Year

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

	Consolidated Group	
	2021	2020
	S\$	S\$
Expenses		
Cost of sales	(582,731)	(3,749,212)
Net foreign exchange gain / (loss)	292,984	(795,809)
Administrative expenses include rental expense on operating leases as follows:		
- premises	(4,728)	(7,596)
Depreciation on right of use assets	(599,191)	(677,187)
Depreciation on property, plant and equipment	(101,514)	(12,759)
Professional fees		
- Professional fees	(196,372)	(377,387)
- KCH Brand Fee	(317,775)	-
Credit card charges	(10,099)	(23,289)
Inventory written off	-	(24,369)
Impairment of investment in joint venture	(62,000)	-
Bad debt written off	-	(5,129)
Provision for expected credit losses (Note 11)	(7,074)	-
Write off of property, plant and equipment (Note 13a)	(2,455,003)	147
Central Provident Fund	(97,501)	(157,862)

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5 Finance expenses

	Consolidation Group	
	2021	2020
	S\$	S\$
Interest on loans	6,524	-
Interest on lease liabilities (Note 15)	78,356	117,744
	84,880	117,744
	84,880	117,744

6 Income Tax Expense/(Benefit)

	Consolidated Group	
	2021	2020
	S\$	S\$
a. The components of tax expense/(benefit) comprise:		
Current tax	-	-
Deferred tax	-	-
Over provision in respect of prior years	-	-
	-	-
	-	-
b. The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Prima facie tax refundable on loss before income tax at 25% (2020: 26%)	(1,413,125)	(669,903)
Effect of tax rates in foreign jurisdiction	129,183	48,587
Add:		
Tax effect of:		
- non-deductible expenses	1,072,958	5,075
- non-taxable incomes	(49,885)	48,336
- withholding tax deducted at source	-	601
- utilisation of deferred tax assets previously not recognised	(5,490)	1,476
- deferred tax asset not recognised	266,359	567,593
- deferred tax asset recognised	-	-
- other	-	(1,765)
Income tax expense	-	-
	-	-

The value of tax losses not recognised is S\$11,718,078 (2020: S\$12,515,792). No capital allowances were unrecognised in the current financial year (2020: NIL).

Non-deductible expenses were mainly pre-operation expenses: \$733,619 in HDSB and \$449,327 in AAHSQ.

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7 Auditor's Remuneration

	Consolidation Group	
	2021	2020
	S\$	S\$
Audit and review of financial statements fees:		
- Paid to auditors of the Company	42,935	26,234
- Paid to other auditors	43,463	45,660
	42,935	26,234
Non-Audit fees:		
- Paid to other auditors (tax consultancy and medical audit fee)	14,253	11,576
	14,253	11,576

8 Dividends

No interim or final dividend has been paid during the year or recommended by the Directors following the completion of accounts for the financial year ended 31 August 2021 (2020: Nil).

9 Earnings per Share (EPS)

	Consolidation Group	
	2021	2020
	S\$	S\$
Loss attributable to ordinary equity holders of the parent:		
Continuing operations	(5,468,485)	(2,576,549)
Discontinued operations	(179,805)	120,993
	(5,648,290)	(2,455,556)
Loss attributable to ordinary equity holders of the parent adjusted for the effect of dilution		
	(5,648,290)	(2,455,556)
	Number of shares	Number of shares
Weighted average number of ordinary shares during the year used in calculating basic/diluted EPS	347,752,754	347,752,754
Loss per share for operations (S cents)	(1.62)	(0.71)
Loss per share for continuing operations (S cents)	(1.57)	(0.74)

10 Cash and Cash Equivalents

	Consolidation Group	
	2021	2020
	S\$	S\$
Cash and bank balances	874,422	1,332,071
Cash and bank balances attributable to discontinued operation	-	1,358,804
	874,422	1,332,071
Cash per consolidated statement of cash flows	874,422	1,332,071

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11 Trade and Other Receivables

	Consolidation Group	
	2021	2020
	S\$	S\$
Current		
Trade receivables	88,083	1,003,815
Less: Provision for expected credit losses (Note 4)	(7,074)	-
	81,009	1,003,815
Other receivables	213,298	83,330
Grant receivables	-	22,031
Deposits	142,422	145,617
Total current trade and other receivables	436,729	1,254,793

a. Allowance for expected credit losses

The provision for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

According to the Group's internal, historical credit loss data and past due receivables, there are no underlying indicator of expected credit losses using allowance matrix. Furthermore, we have assessed using valuation model the probabilities of credit default and do not deem any expected credit losses being necessary.

b. Credit risk

Management has assessed that the loss allowance provision as at 31 August 2021 is adequate as the Group has no significant default in trade receivables based on historical experience.

The impairment loss is recognised on trade receivables for the financial year ended 31 August 2021 (2020: Nil).

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2021	2020	2021	2020	2021	2020
	%	%	S\$	S\$	S\$	S\$
Consolidated						
Current	0%	0%	31,799	940,279	-	-
Due 1 – 30 days	0%	0%	30,683	19,158	-	-
Due 31 – 60 days	0%	0%	264	32,023	-	-
Due over 60 days	0%	0%	25,337	12,355	-	-
			88,083	1,003,815	-	-

12 Inventories

	Consolidated Group	
	2021	2020
	S\$	S\$
Medical Supplies	74,020	104,980

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13 Property, Plant and Equipment

	Consolidated Group	
	2021	2020
	S\$	S\$
Office equipment		
At Cost	2,695	5,994
Accumulated depreciation	(2,335)	(5,493)
Total office equipment	360	501
Medical equipment		
At Cost	5,455	333,884
Accumulated depreciation	(1,653)	(328,991)
Total medical equipment	3,802	4,893
Computers		
At Cost	95,378	89,418
Accumulated depreciation	(83,621)	(81,811)
Total computers	11,757	7,607
Furniture and fittings		
At Cost	-	95,084
Accumulated depreciation	-	(95,084)
Total furniture and fittings	-	-
Land		
At Cost	6,759,875	6,803,785
Accumulated depreciation	-	-
Total land	6,759,875	6,803,785
Work in progress		
At Cost (<i>Note 13a</i>)	-	3,241,204
Accumulated depreciation	-	-
Total work in progress	-	3,241,204
Total property, plant and equipment	6,775,794	10,057,990

Note 13a:

In the closing balance of \$3,241,204 at 31 August 2020 are \$2,454,489 preliminary expenses incurred on the proposed building for Johor Bahru cancer centre, and \$786,714 renovation, office equipment and computers costs for clinic at Boao, Hainan. During the year, these costs for clinic at Boao was reclassified to Renovation \$757,355, Computers \$16,609, Office Equipment \$57,588 and exchange gain \$27,281

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upon completion of the works. The renovation work is subsequently disposed of when the Group terminated the lease on 1 August 2021.

Preliminary expenses incurred on the proposed building for Johor Bahru cancer centre building consist mainly of architectural design fee, legal and consultancy advisory fees and related personnel and travelling expenses from January 2017 to February 2020 recharged from associates. The proposed project was delayed as the Group's application to MIDA and MOH Malaysia for "pioneer status" of the land was put on hold since there was a change in government. Covid-19 pandemic resulted in the closure of cross border travel is another major cause of delay. The Group do not see recovery of the expenses or a firm date when work on the proposed cancer centre can resume, in the next twelve months. The Group adopted a prudent approach to write off the full amount of expenses booked to Building Work In Progress.

Note 13b – Disposal of Property, Plant and Equipment at Hainan

	Office equipment	Computers	Renovation	Total
Cost transfer from WIP	57,588	-	756,409	813,997
Additions during the year	-	7,735	946	8,681
Total cost	57,588	7,735	757,355	822,678
Accumulated depreciation	(6,719)	(902)	(88,358)	(95,979)
Net book value	50,869	6,833	668,997	726,699
Sale proceeds				(329,012)
Loss on disposal				397,687

	Office equipment	Medical equipment	Computers	Renovations	Land	Work in progress	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 31 August 2020	501	4,893	7,607	-	6,803,785	3,241,204	10,057,990
Additions	57,588	-	16,609	757,355	-	(813,996)	17,556
Write-off (note 13a)	-	-	(514)	-	-	(2,454,489)	(2,455,003)
Exchange Difference	-	-	93	-	(43,910)	27,281	(16,536)
Depreciation expense	(6,860)	(1,091)	(5,205)	(88,358)	-	-	(101,514)
Disposal (note 13b)	(50,869)	-	(6,833)	(668,997)	-	-	(726,699)
Carrying amount at 31 August 2021	360	3,802	11,757	-	6,759,875	-	6,775,794

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	Office equip- ment	Medical equip- ment	Computers	Furniture and fittings	Leasehold Improveme- nts	Land	Work in progress	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 31 August 2019	1,861	780	12,738	4,586	48,695	6,857,287	2,478,933	9,404,880
Additions	-	5,455	6,739	-	5,100	-	-	17,294
Construction in Progress	-	-	-	-	-	-	792,881	792,881
Write-off	(1,220)	-	1,220	(53)	-	-	-	(53)
Exchange Difference	-	-	-	-	-	(53,502)	(30,610)	(84,112)
Depreciation expense	(140)	(802)	(9,549)	(4,494)	(594)	-	-	(15,579)
Assets held for sale	-	(540)	(3,541)	(39)	(4,506)	-	-	(8,626)
Reclass to ROU	-	-	-	-	(48,695)	-	-	(48,695)
Carrying amount at 31 August 2020	501	4,893	7,607	-	-	6,803,785	3,241,204	10,057,990

14 Trade and Other Payables

	Consolidated Group	
	2021	2020
	S\$	S\$
Current		
Trade payables	670,549	735,867
Patients' deposits (Note 14a)	56,444	29,405
Other Payables	-	2,454
Deferred grant income (Note 14b)	-	86,705
Provision for employee benefits	32,739	39,553
Due to an employee	-	470,000
Sundry payables and accrued expenses:		
- Parkway Hospitals Singapore Pte Ltd	343,572	136,405
- Others	670,133	473,450
Total current trade and other payables	<u>1,773,437</u>	<u>1,973,839</u>

The provision for employee benefits relates to the provision for contractual additional wage to employees for the period from January to August 2021 (2020: January to August 2020) and is payable by December 2021 (2020: December 2020).

a. Contract liabilities

Contract liabilities relate to patients' deposits for medical services. Revenue from medical services is recognised when the services is rendered.

	2021	2020
	S\$	S\$
Patients' deposits at the beginning of the period recognised as revenue	<u>25,648</u>	<u>131,368</u>

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b. Deferred grant income

Deferred grant income consists of Job Support Scheme grant. This was a one off grant from the Singapore government to help ease manpower cost burden the amount received in FY2020 was discharged from September to December 2020.

15 Leases

Group as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Clinical Premises
	S\$
At 1 September 2020	1,935,041
Additions (Note 15b)	501,575
Depreciation	(599,191)
Early termination (Note 15a)	(444,352)
Exchange differences	23,201
Lease expired (Note 15b)	(847,253)
Lease modification	(95,311)
At 31 August 2021	473,710

Note 15a: The Group terminated the lease of administration office at Gleneagles Hospital on 31 December 2020, and the lease of clinic at Boao, Hainan, China on 31 August 2021.

Note 15b: The lease of main clinic at Gleneagles Hospital expired on 27 June 2021 was renewed on new terms and 50% reduction of leased area. Thus, the renewal option portion is removed, lease at new terms and reduced area is added.

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Clinical Premises
	S\$
At 1 September 2020	2,006,741
Additions	501,575
Termination	(457,218)
Exchange differences	26,560
Interest expense	78,356
Lease expired	(901,881)
Lease modification	(95,311)
Lease payments	(683,138)
At 31 August 2021	475,684

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	2021	2020
	S\$	S\$
Of which:		
Lease liabilities - current	160,073	645,740
Lease liabilities - non-current	315,611	1,361,001
	<u>475,684</u>	<u>2,006,741</u>

The following are the amounts recognised in profit or loss:

	2021	2020
	S\$	S\$
Short-term lease expense	4,728	7,596
Depreciation on right of use assets	599,191	677,183
Interest expense on lease liabilities	78,356	117,744

The Group had total cash outflows for leases of \$683,138 (2020: \$698,404) during the year ending 31 August 2021.

Lease categories	Original non- cancellable lease term	Renewal options available
Properties	3 years	1 year

Maturity analysis

At 31 August 2021	Up to 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities	179,968	179,968	149,974	-

At 31 August 2020	Up to 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Lease liabilities	732,176	714,117	715,747	-

16 Interest bearing loans and borrowings

	2021	2020
	S\$	S\$
Current		
Unsecured – bridging loan	193,342	-
Non-current		
Unsecured – bridging loan	743,071	-
	<u>936,413</u>	-

The Group took a bridging loan of S\$1.0 million from DBS Bank through its subsidiary under Enterprise Singapore's special financial support scheme for SMEs. The loan is repayable by equal monthly payment over five years, at a preferential interest rate of 2% per annum. The loan was drawn down in full on 1 April 2021. The bank loan is supported by a personnel guarantee from the Executive Chairman Dr KC Tan.

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The carrying amounts of non-current term loan payable approximates its fair value as at the end of the reporting period.

The currency profile of borrowings as at the end of the reporting period is Singapore dollar.

17 Discontinued operations

On 22 October 2020 the board of directors approved the plan to sell the Group's entire shareholding in its 69% owned subsidiary Asian American Radiation & Oncology Pte Ltd (AARO) to one of the existing shareholders Dr Daniel Tan. As a result, at 31 August 2020 AARO was classified as a disposal group held for sale and a discontinued operation, and the Radiation & Oncology segment was no longer presented in the segment note. On 21 December a Share Purchase Agreement was signed between the Group and Dr Daniel Tan (Purchaser). Key aspects of the agreement were as follows:

- i) The Group to accept the Purchaser's Notice of Exercise and issue 210,000 ordinary shares in the name of the Purchaser and lodge the issuance of Option Shares with ACRA; (The enlarged share capital of AARO reduced the Group's shareholding from 68.6% to 48.6%)
- ii) The Purchase price for the Group's holding of 350,000 shares was S\$693,000.00 to be fully paid in Cash.

The transaction was completed on 24 December 2020. Loss from disposal of AARO is included in overall financial statements.

Financial information relating to the discontinued operation to the date of sale is set out below. The aggregate details of this transaction are:

	2021	2020
	S\$	S\$
Disposal price	693,000	-
Cash consideration received	693,000	-
Cash in subsidiary disposed of	(1,605,099)	-
Disposal of subsidiary, net of cash	(912,099)	-
	2021	2020
	S\$	S\$
Assets and liabilities held at disposal date:		
Property, plant and equipment	8,062	-
Right of use assets	173,288	-
Trade and other receivables	457,784	-
Cash and bank balances	1,605,099	-
Trade and other payables	(717,505)	-
Lease liabilities	(178,346)	-
Non-controlling equity interests	(423,022)	-
	925,360	-
Net loss on disposal	(232,360)	-
Net cash received	693,000	-

The financial performance of the discontinued operation to the date of the sale, which is included in profit/(loss) from discontinued operation per the statement of comprehensive income, is as follows:

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	2021	2020
	S\$	S\$
Revenue	1,391,212	5,515,108
Expenses	(1,314,632)	(5,169,377)
Profit before income tax	76,580	345,731
Income tax	-	(171,375)
Profit after income tax	76,580	174,356
Non-controlling interest	(24,025)	(54,700)
Profit attributable to owners of the parent entity	52,555	119,656
Total profit after tax attributable to owners of the parent entity from the discontinued operation	52,555	119,656

Total net cash flows of the discontinued operation, which have been incorporated into the statement of cash flows, are as follows:

Net cash inflow from operating activities	294,293	400,846
Net cash outflow from investing activities	-	(9,086)
Net cash (outflow)/ inflow from financing activities	(48,000)	38,946
Net increase in cash generated by discontinued operation	246,293	430,706

Summary of (Loss)/Profit on sale of discontinued operation:

Loss on disposal	(232,360)
Profit from discontinued operation	76,580
Net loss on sale of discontinued operation	(155,780)

18 Taxation

	Consolidated Group			
	2021		2020	
	S\$		S\$	
Current assets				
Income tax refundable		-		-
	1 September 2020	Utilized	Written off	31 August 2021
	S\$	S\$	S\$	S\$
Deferred tax asset and liability				
Tax liability arising from land revaluation	75,922	-	-	75,922
Net deferred tax liability / (asset)	75,922	-	-	75,922

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19 Issued Capital

	Consolidated Group	
	2021	2020
	S\$	S\$
Opening share balance	18,223,133	18,223,133
Shares issued during the year	-	-
Closing share capital	18,223,133	18,223,133

	2021	2020
	Number of shares	Number of shares
a. Ordinary shares		
Opening share balance	347,752,754	347,752,754
Shares issued during the year	-	-
Closing share capital	347,752,754	347,752,754

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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.

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.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. At 31 August 2021 gearing ratio of the Group is 17.26% (2020: zero).

c. Events after Reporting: Share Subscription via Placement

The Group entered into Subscription Agreement with a sophisticated investor on 29 September 2021 to take up placement of 34,775,275 new fully paid ordinary shares in the Group (New Shares) at an issue price of A\$0.0388 per New Share (Placement), raising a total of A\$1.35 million before transaction-related expenses.

The New Shares under the Placement were issued on 6 October 2021 and will rank parri passu with the Group's existing fully paid ordinary shares on issue as at their date of issue. Upon completion of the placement, the Company's issued share capital is enlarged from 347,752,754 shares to 382,528,029 shares. The New Shares represents 10.0% of the existing issued and paid-up share capital and 9.1% of the new enlarged share capital.

The issue price of At A\$0.0388 per share is based on the volume weighted average price (VWAP) of the Company's ordinary shares as traded on ASX over the 30 days up to and including 4 August 2021 and a 2.1% premium to the closing price on 20 September 2021.

The net proceeds from the Placement will be used for business expansion into new healthcare-related businesses in China and general corporate working capital purposes.

The Placement is being made to a sophisticated investor under the Company's 15% annual issuing capacity for the purposes of ASX Listing Rule 7.1 and therefore shareholder approval for the Placement shares is not required.

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20 Reserves

a. Nature and purpose of reserve

(i) Share-based payments

The share-based payments reserve is used to recognise the:

- Fair value of options issued to employees but not exercised as at grant date
- Fair value of shares issued to employees as at grant date
- Issue of shares held by the AAMG Employee Share Trust to employees

(ii) Foreign currency translation

Exchange differences arising on translation of the foreign-controlled entity are recognised in other comprehensive income as described in note 2(n) 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	
	2021	2020
	S\$	S\$
<i>(i) Foreign currency translation reserve</i>		
Beginning of financial year	(870,540)	(1,689,277)
Net currency translation differences of financial statements of foreign subsidiaries	(361,942)	818,737
End of financial year	<u>(1,232,482)</u>	<u>(870,540)</u>
Total as at end of financial year	<u>(1,232,482)</u>	<u>(870,540)</u>

21 Investment in Joint Venture

GBAA is in a joint collaboration with its strategic partner All-Star American Medical Specialists (Myanmar) Limited (AAMS) in Myanmar. GBAA has a 50% shareholding under this joint venture, which entitles Asian American Medical Group Pte Ltd (AAMGPL) to 25.5% of AAMS's profit.

During the financial period under review there were no business activities in AAMS due to Covid-19 pandemic, and the change in government in February 2021. The Group does not see improvement in operating conditions in Myanmar in the next 12 to 24 months and adopt a prudent approach to write off the investment in full.

	Consolidated Group	
	2021	2020
	S\$	S\$
Investment in Joint Venture	-	<u>66,286</u>
Loss from joint venture (continuing operations)	-	(2,669)
Other comprehensive income	-	-
Total comprehensive income	<u>-</u>	<u>(2,669)</u>

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Total net assets of AAMS	132,573	132,573
Proportion of ownership interest held by the Group	50%	50%
	66,286	66,286
Impairment of investment	(66,286)	-
Carrying amount of the investment in AAMS	-	66,286

The financial year end for GBAA is on 31st March.

22 Controlled Entities

a. Controlled entities consolidated

	Country of incorporation	Percentage owned (%)	
		2021	2020
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.	Singapore	100	100
Asian American Radiation & Oncology Pte. Ltd. (Note 22b)	Singapore	-	69
Asian American Medical Group Pte. Ltd.	Singapore	100	100
Asian American Health Ventures Pte. Ltd. (formerly known as Million Health Ventures Pte. Ltd)	Singapore	100	100
Subsidiary of Asian American Health Ventures Pte. Ltd. :			
Asian American Oncology Management Sdn. Bhd.	Malaysia	100	100
Hippocrates Development Sdn. Bhd.	Malaysia	95	95
Subsidiary of Asian American Medical Group Pte. Ltd. :			
Gold Bell Asia American Healthcare Ventures Company Limited (Note 21)	Myanmar	51	51
Asian American Healthcare Services (Qionghai) Co Ltd	China	100	100
Zhen Mei Aesthetics (Qionghai) Co Ltd (incorporated on 26 October 2020)	China	100	100

b. Loss of control in consolidated entity:

The Group disposed of its entire shareholding in Asian American Radiation & Oncology Pte Ltd to an existing shareholder Dr Daniel Tan, the transaction was completed on 24 December 2020.

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23 Commitments and contingencies

a. Capital commitments

There is no capital commitment as at reporting date which was not recognized in the financial statements (2020: \$Nil).

b. Contingent liabilities

Under the Sale and Purchase Agreement (SPA) of the land owned under HDSB, HDSB will pledge up to 20% of the Net Profits earned by TLJCC to be paid to the land vendor or the vendor's named beneficiary for a period of 10 years.

Other than the above, there are no other contingent liabilities as at reporting date which was not recognised in the financial statements.

24 Cash Flow Information

Reconciliation of cash flow from operations with loss after income tax

	Consolidated Group	
	2021	2020
	S\$	S\$
Loss after income tax	(5,808,279)	(2,402,193)
Adjustment for:		
Loss on sale of Discontinued operation	232,360	174,356
Write off of property, plant and equipment (<i>note 13a</i>)	2,455,003	(147)
Depreciation on property, plant and equipment	102,077	15,579
Depreciation on right of use assets	644,811	839,539
Gain on lease modification / termination	(67,494)	-
Loss on disposal of property, plant and equipment	397,687	
Share of results of joint venture	-	2,669
Foreign exchange gain - net	(292,984)	795,813
Finance income	(17)	(16)
Interest expense	87,352	131,409
Inventory written off	-	24,369
Impairment of investment in joint venture	62,000	-
Bad debts written off	-	5,129
Provision for doubtful debts	7,074	-
Changes in assets and liabilities:		
Decrease / (increase) in trade and other receivables	819,250	(485,251)
Decrease in inventories	42,262	16,623
Decrease in trade and other payables	(139,231)	(355,380)
Decrease in deferred and current tax liabilities	-	171,375
Net cash used in operating activities	<u>(1,458,129)</u>	<u>(1,066,126)</u>

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25 Events after Reporting

Other than the share subscription via placement reported in Note 19c above, there are 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 Related Party

The Group's related parties include its associate and joint venture, Key Management Personnel (KMP) and post-employment benefit plans for the Group's employees.

Balances and transactions between the Company and its subsidiaries, which are related to the Company have been eliminated on consolidation and are not disclosed in this note.

Disclosures relating to KMP are set out in the remuneration report.

Balances and transactions between the Company and its joint venture, AAMS, incurred in the current financial year are as follows:

	2021	2020
	S\$	S\$
<i>Balances</i>		
Amount due from related associate	47,133	61,001
Amount due to related associate	67,296	67,923
<i>Transactions</i>		
Management fee from related associate	-	3,379

Other than the above, there have been no other related party transactions in the current financial year.

27 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:

- Provision of medical consultation and services in the hepatology and related fields (liver segment);
- Provision of multi-speciality medical consultation and services in the medical pilot zone in Boao, Hainan cater to the healthcare needs of China (multi-speciality segment);
- Provision of healthcare management and consultancy services (management and consultancy segment);
- Development of real estate projects (healthcare real estate segment), established through acquisition of HDSB; and
- Provision of corporate management services (corporate segment).

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 current Consolidated Group operates primarily in three businesses, namely the provision of medical consultation and services in the hepatology, healthcare management and its related field advisory and healthcare real estate. The corporate segment relates to administrative expenses at Group level.

Details of the performance of these operating segments for the financial years ended 31 August 2021 and 31 August 2020 are set out below:

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(i) **Segment performance**

	Liver S\$	Multi- specialty S\$	Management and Consultancy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
31 August 2021						
External sales revenue	1,240,631	977	-	-	-	1,241,608
Inter-segment revenue	-	-	-	-	-	-
Total segment revenue	1,240,631	977	-	-	-	1,241,608
Inter-segment eliminations						-
Total Group revenue						1,241,608
Other income	309,131	11,522	90	-	(441)	320,302
Finance income	-	-	-	-	94	94
Finance expenses	56,235	28,645	-	-	-	84,880
Depreciation on property, plant and equipment	3,548	97,310	656	-	-	101,514
Amortization on right of use assets	442,250	156,941	-	-	-	599,191
Segment net (loss)/profit before tax	(1,306,727)	(1,797,307)	(39,023)	(2,479,275)	(30,167)	(5,652,499)
Income tax expense						-
Total Group net loss after tax from continuing operations						(5,652,499)
Loss on sale of discontinued operation						(155,780)
Total Group net loss after tax						(5,808,279)
31 August 2020						
External sales revenue	7,198,275	-	11,601	-	-	7,209,876
Inter-segment revenue	(3,379)	-	16,332	-	-	12,953
Total segment revenue	7,194,896	-	27,933	-	-	7,222,829
Inter-segment eliminations						(12,953)
Total Group revenue						7,209,876

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	Liver S\$	Multi- specialty S\$	Management and Consultancy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
31 August 2020						
Other income	190,794	-	-	-	-	190,794
Finance income	-	-	-	-	4,889	4,889
Finance expenses	78,257	39,487	-	-	-	117,744
Depreciation on property, plant and equipment	11,883	-	876	-	-	12,759
Amortization on right of use assets	482,587	194,596	-	-	-	677,183
Entity's interest in the profit or loss of joint ventures accounted for by equity method	-	-	(2,669)	-	-	(2,669)
Segment net (loss)/profit before tax	(88,859)	(1,274,763)	45,388	(39,519)	(1,218,796)	(2,576,549)
Income tax expense						-
Total Group net loss after tax from continuing operations						(2,576,549)
Profit from discontinued operation						174,356
Total Group net loss after tax						(2,402,193)

(ii) Segment assets

	Liver S\$	Multi- specialty S\$	Management and Consultancy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
31 August 2021						
Non-current segment assets	480,175	7,635	3,056,286	5,241,430	19,284,881	28,070,407
Current segment assets	2,135,474	67,285	4,661,816	161,481	5,491,492	12,517,548
Total segment assets	2,615,649	74,920	7,718,102	5,402,911	24,776,373	40,587,955

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(31,988,280)
Total Group assets from continuing operations	8,634,675
Assets held for sale	-
Total Group assets	8,634,675

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	Liver S\$	Multi- specialty S\$	Management and Consultancy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
31 August 2020						
Non-current segment assets	1,345,564	1,383,696	2,406,583	8,320,318	20,024,321	33,480,482
Current segment assets	2,626,117	156,458	4,250,359	168,146	5,479,062	12,680,142
Total segment assets	3,971,681	1,540,154	6,656,942	8,488,464	25,503,383	46,160,624

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(31,409,463)
Total Group assets from continuing operations	14,751,161
Assets held for sale	2,101,443
Total Group assets	16,852,604

	Liver S\$	Multi- specialty S\$	Management and Consultan- cy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
31 August 2021						
Segment asset increases in the year						
Capital expenditure	-	17,556	-	-	-	17,556
Total	-	17,556	-	-	-	17,556

(iii) Segment liabilities

	Liver S\$	Multi- specialty S\$	Management & Consultancy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
31 August 2021						
Segment liabilities	(4,057,862)	(3,685,108)	(8,420,607)	(2,216,799)	(6,607,301)	(24,987,677)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations	21,726,221
Total Group liabilities from continuing operations	(3,261,456)
Liabilities directly associated with the assets held for sale	-
Total Group liabilities	(3,261,456)

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	Liver S\$	Multi- specialty S\$	Management & Consultancy S\$	Healthcare Real Estate S\$	Corporate S\$	Total S\$
31 August 2020						
Segment liabilities	(4,107,167)	(2,556,862)	(7,879,874)	(2,215,871)	(7,413,811)	(24,173,585)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations	20,117,083
Total Group liabilities from continuing operations	(4,056,502)
Liabilities directly associated with the assets held for sale	(829,639)
Total Group liabilities	<u>(4,886,141)</u>

(iv) Revenue by geographical location

Revenue attributable to external customers is disclosed below, based on the location of where the revenue was derived:

	Consolidated Group	
	2021	2020
	S\$	S\$
Singapore	1,100,331	4,054,400
Asia (ex-Singapore)	141,277	2,891,361
Others	-	264,115
Total revenue	<u>1,241,608</u>	<u>7,209,876</u>

(v) Assets by geographical location

	Consolidated Group	
	2021	2020
	S\$	S\$
<i>Non-current assets by geographical location:</i>		
Singapore	481,993	1,348,039
Malaysia	6,759,876	9,261,296
Myanmar	-	66,286
China	7,635	1,383,696
Total non-current assets for continuing operation	<u>7,249,504</u>	<u>12,059,317</u>

Current assets by geographical location:

Australia	365,691	499,043
Singapore	693,281	1,759,481
Malaysia	162,727	171,081
Myanmar	96,187	105,781
China	67,285	156,458
Total current assets for continuing operation	<u>1,385,171</u>	<u>2,691,844</u>
Assets held for sale	-	2,101,443
Total current assets	<u>1,385,171</u>	<u>4,793,287</u>

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(vi) Major Customers

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

28 Financial Risk Management Policies

The Group's financial instruments consist mainly of cash at bank, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to the financial statements, are as follows:

	2021	2020
	S\$	S\$
Financial assets		
Cash and cash equivalents	874,422	1,332,071
Trade and other receivables	294,307	1,109,176
	1,168,729	2,441,247
	2021	2020
	S\$	S\$
Financial liabilities		
Trade and other payables	(1,773,441)	(1,973,839)
Lease liabilities	(475,684)	(2,006,741)
Loans and Borrowings	(936,413)	-
Total financial liabilities	(3,185,538)	(3,980,580)

Financial risk management policies

The Board is responsible for monitoring and managing financial risk exposures of the Group.

Specific financial risk exposures and management

The main risk of the Group is exposed to include foreign exchange risk, credit risk, liquidity risk and treasury management risk.

(a) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instruments fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the functional currency of the Group which is the Singapore dollar.

(i) Risk management

The Group's transactions are predominantly in its functional currency which is the Singapore dollar. The amount of asset and liability held in foreign currency is not considered material to the Group and hence does not hedge these asset or liability.

(ii) Sensitivity analysis

Foreign exchange risk

A 10% strengthening of the Australian Dollar (AUD) against the functional currency of the Group would increase/(decrease) profit or loss by the amount shown below. Similarly, a 10% weakening would have equal but opposite effect. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2021	2020
	S\$	S\$
AUD	4,090	30,385

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(b) Credit risk exposure

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk on financial assets of the entity which have been recognised in the statement of financial position, is the carrying amount, net of any allowance for credit losses.

Credit risk is managed through the maintenance of procedures which ensure to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

The Group consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. Financial assets are deemed to default when counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the issuer or borrower
- A breach of contract, such as a default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation

Apart from the provision for credit losses as disclosed in Note 11, no other receivables are considered past due or impaired.

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the statement of financial position.

The Group provides for 12-month expected credit losses, for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on geographical region and revenue segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information such as forecast of economic conditions where the healthcare consumer price index will increase over the next year, leading to an increased number of defaults. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. Management has assessed that the loss allowance provision as at 31 August 2021 is negligible as the Group has no significant default in trade receivables based on historical experience.

There is no significant change made to the estimation techniques.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

All financial assets and liabilities disclosed above have maturities within one year for the 31 August 2021 financial year. All cash and cash equivalents are held with the two bankers being DBS Bank Ltd and Westpac Banking Corporation who are both AA rated.

The following are the contractual maturities of financial assets and liabilities based on the remaining period from the reporting date to the contractual maturity date.

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	Less than 1 month S\$	Between 1 – 3 months S\$	Between 3 - 6 months S\$	Between 6 – 12 months S\$
Trade and other receivables	106,244	103,404	29,674	54,985
Trade and other payables	(640,206)	(623,097)	(178,809)	(331,329)

The Group manages liquidity risk by monitoring forecast cash flows.

(d) Treasury risk management

The Board meets on a regular basis to analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Board's overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, whilst maintaining the effects on financial performance. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board has otherwise cleared as being financially sound.

(e) Fair values of financial assets and liabilities

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

The carrying values of financial instruments approximate their fair values.

29 Parent Company Information

	2021 S\$	2020 S\$
Parent entity		
Assets		
Current assets	5,388,216	5,402,610
Non-current assets	-	6,578,268
Total assets	<u>5,388,216</u>	<u>11,980,878</u>
Liabilities		
Current liabilities	<u>(14,999)</u>	<u>(14,416)</u>
Total liabilities	<u>(14,999)</u>	<u>(14,416)</u>
Total Net Assets	<u>5,373,217</u>	<u>11,966,462</u>
Equity		
Issued capital	31,309,900	31,309,900
Accumulated losses	(24,913,230)	(18,574,981)
Reserves	<u>(1,023,453)</u>	<u>(768,457)</u>
Total Equity	<u>5,373,217</u>	<u>11,966,462</u>
Financial performance		
Loss for the year	(6,338,249)	(2,519,996)
Other comprehensive income	<u>(254,996)</u>	<u>936,540</u>
Total comprehensive loss	<u>(6,593,245)</u>	<u>(1,583,456)</u>

Included in the loss for the year is S\$6,227,296 write down (2020: S\$4,776,280) of investment in subsidiary to the net asset of the Group, which 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.

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30 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 Pte Ltd
6A Napier Road,
Gleneagles Hospital Annexe Block #02-37,
Singapore 258500

Asian American Medical Group Pte Ltd
6A Napier Road,
Gleneagles Hospital Annexe Block #02-37,
Singapore 258500

Hainan, China centres:

Asian American Healthcare Services (Qionghai) Co Ltd
2nd Floor International Medical Property Centre
No. 1 Kang Le Road, International Medical Tourism Pilot Zone,
Boao Lecheng, Hainan Province, PR China

Zhen Mei Aesthetics (Qionghai) Co Ltd
2nd Floor International Medical Property Centre
No. 1 Kang Le Road, International Medical Tourism Pilot Zone,
Boao Lecheng, Hainan Province, PR China

Malaysia centre:

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

Myanmar centre:

Grand Hantha International Hospital
No.3, Corner of Nar,
Nat Taw Road & Lower Kyee Myindaing Kanner Road,
Kamaryut Township Yangon, Myanmar