



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 2015

Asian American Medical Group Limited *and its controlled entities*

Appendix 4E Preliminary Final Report for the year ended 31 August 2015

<i>Table of Contents</i>	<i>Page</i>
Results for Announcement to the Market	2
Corporate Directory	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements for the year ended 31 August 2015	12

Appendix 4E

Asian American Medical Group Limited

ABN 42 091 559 125

Preliminary final report

Current reporting period: Year ended 31 August 2015

Previous corresponding period: Year ended 31 August 2014

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 2015 was 1.0599 S\$ and 1.0114S\$ to 1A\$ respectively (2014: 1.1559 and 1.1681).

Results for announcement to the market

				S\$'000
Revenue from ordinary activities	Up	65.2%	to	20,354
Profit from continuing operations after tax attributable to members	Up	-	to	1,089
Net profit for the year attributable to members	Up	-	to	598

Commentary on results

	FY2015	FY2014	Change
	S\$'000	S\$'000	%
Revenue	20,354	12,322	65.2
Other income	103	99	4.0
Direct costs and operating expenses	(19,394)	(14,748)	31.5
Profit/(Loss) from continuing operations	1,063	(2,327)	n.m
Taxation	(13)	51	n.m
Profit/(Loss) from continuing operations, net of tax	1,050	(2,276)	n.m
Loss from discontinued operations, net of tax	(491)	(217)	126.3
Profit/(Loss) after taxation	559	(2,493)	n.m
Profit/(Loss) attributable to:			
Members of the parent entity	598	(2,493)	n.m
Non-controlling interest	(39)	-	n.m
	559	(2,493)	n.m
Earnings per share for continuing operations (S cents)	0.49	(1.09)	n.m
Earnings per share for continuing and discontinued operations (S cents)	0.27	(1.19)	n.m

n.m – not meaningful

Review of Financial Performance

The Group's total revenue surged by 65.2% or S\$8.1 million to S\$20.4 million in FY2015 from S\$12.3 million a year earlier, driven by better performances across its key operating segments: liver, radiation oncology and management and consultancy segment.

Continuing Operations

Liver segment

Operated under the Group's wholly owned subsidiary Asian American Liver Centre ("AALC"), the Group's liver treatment and transplantation segment remains the largest revenue contributor, with 95.8% (2014: 98.2%) of the Group's overall revenue. While overall patient transactions declined to 8,185 in FY2015 from 9,698 in FY2014, AALC saw an increase in the number of patients seeking liver surgeries and transplants for acute liver failure and liver cancer. Compared to FY2014, liver dialysis procedures surged by 250.0%, while surgical procedures increased by 52.6%. AAMG performed 11 successful living donor liver transplantations ("LDLT") in FY2015, more than double from five the previous year.

The increase in transplantations and surgical activities during FY2015 led to higher third-party revenue, sales of medication and professional consultation fees. Third-party revenue, predominantly back-to-back billings from inpatient cases, increased by 232.7% or S\$3.7 million, whilst sales of medication and professional consultation fees increased by 22.9% and 23.7% respectively, compared to FY2014. As a result, AALC saw a 61.1% increase in revenue from S\$12.1 million in FY2014 to S\$19.5 million in the current financial year.

Direct costs and other operating expenses increased by S\$4.8 million, or 34.7%, to S\$18.7 million in FY2015, up from S\$13.9 million in FY2014. Direct costs increased 98.3%, or S\$5.7 million, to S\$11.5 million in FY2015 from S\$5.8 million in FY2014 resulting from higher overall revenue, particularly from third parties. This was partially offset by a S\$0.9 million (11.2%) decline in other operating expenses to S\$7.2 million in FY2015, down from S\$8.1 million in FY2014, due mainly to:-

- S\$0.8 million decrease in staff costs, a result of reduced headcount; and
- absence of a one-off S\$0.3 million impairment cost charged in FY2014.

Gross profit margin consequently fell to 42.3% (2014: 52.2%) during the period under review.

As a result of the above, the liver segment recorded a Net Profit After Tax ("Net Profit") of S\$1.3 million for FY2015, reversing a Net Loss After Tax ("Net Loss") of S\$1.9 million in the previous financial year.

Management and Consultancy segment

AAMG's Management and Consultancy ("M&C") segment saw a significant increase in activities over FY2015, following the engagement to provide consultancy services for the development of a medical centre in Zhuhai, China, by Rich Tree Land ("RTL"). The fees for services rendered for the Zhuhai project resulted in a 266.5% increase in consultancy revenue to S\$0.8 million in FY2015, up from S\$0.2 million in FY2014. Contribution from the M&C arm to the Group's revenue rose to 4.1% in FY2015, up from 1.8% last year.

As a result of the above, total expenses increased by S\$0.4 million to S\$0.5 million in FY2015 from S\$0.1 million in FY2014. Net profit for this segment improved to S\$0.3 million in FY2015 from S\$0.1 million in FY2014.

Radiation Oncology segment

The Group established its radiation oncology ("RO") segment in April 2015 under its subsidiary Asian American Radiation Oncology ("AARO"), following the closure of its blood and bone marrow transplant segment on 31 December 2014.

AARO commenced clinical consultancy in July 2015 after obtaining operational licenses. For the five months under review in FY2015, AARO recorded revenue of S\$42,000, but recorded a loss of S\$0.1 million for the same period due to development costs.

Discontinued Operations

Our blood and bone marrow transplant segment, operated under Asian American Blood & Bone Marrow Transplant Centre Pte Ltd ("AABMTC"), ceased operations on 31 December 2014. AABMTC financial results up to the date of closure have been classified as "Discontinued Operations" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The financial results for AABMTC reflect only four months of operations in FY2015, compared to 12 months in FY2014. As such, the loss for Discontinued Operations recorded in FY2015 was S\$0.5 million, including a non-recurring write-off for the renovation cost of the AABMTC clinic (S\$0.2 million) and its obsolete inventories (S\$0.1 million), compared to a loss of S\$0.2 million in FY2014.

Overall Group Net Profit After Tax

The Group recorded an overall Net Profit of S\$0.6 million for FY2015, reversing a Net Loss of S\$2.5 million in FY2014. Excluding the loss from its discontinued operations, net profit from continuing operations for FY2015 increased by S\$3.3 million to S\$1.0 million from a net loss of S\$2.3 million a year earlier.

Review of Financial Position

Net assets for the Group increased by S\$3.2 million to S\$8.5 million, due mainly to the issue of 30,000,000 new placement shares to a group of sophisticated investors during the year.

Other significant changes during the year under review were:

- a) Increase in cash and cash equivalents by S\$1.0 million to S\$6.3 million as a result of a \$3.2 million share placement, which was offset by payment of operating expenses;
- b) Higher trade and other receivables, which increased by S\$6.5 million to S\$8.3 million on the back of higher revenues, particularly to patients from the United Arab Emirates ("UAE") which are on credit terms ranging between 60-120 days. Subsequent to year end, we collected S\$1.9 million;
- c) Trade and other payables increased correspondingly by S\$3.8 million to S\$6.7 million, due mainly to higher purchases of materials and consumables in line with higher revenue; and
- d) Decrease in the foreign currency translation reserve by S\$0.7 million as a result of the weakened Australian dollar, which affected the Group's assets denominated in the Australian dollar.

Given the above, Net Asset Value ("NAV") per share increased by S 1.0 cents to S 3.5 cents.

Dividends per share

	Amount per share	Franked amount per share at 30% tax	Amount per share of foreign sourced dividend	Amount A\$'000
<u>Current period</u>				
NIL	-	-	-	-
<u>Previous corresponding period</u>				
2013 Final Dividend payable – paid on 20 Dec 2013	A\$0.001	-	A\$0.001	209

*closing exchange rate used was 1.01 S\$ to 1A\$ (2014: 1.17 S\$ to 1A\$)

Net tangible assets and net asset value per share

	31-Aug-15	31-Aug-14
Net tangible assets per ordinary share - (S cents)	3.43	2.39
- (A cents)	3.40	2.05
Net assets value per ordinary share - (S cents)	3.55	2.52
- (A cents)	3.51	2.16

*closing exchange rate used was 1.01 S\$ to 1A\$ (2014: 1.17 S\$ to 1A\$)

Details of entities over which control has been gained or lost

Not applicable.

Compliance statement

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

Asian American Medical Group Limited

Corporate Directory

Directors

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

Company Secretary

Dario Nazzari

Registered Office

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

Auditors

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

Bankers

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

Westpac Banking Corporation
114 William Street
Melbourne VIC 3000

Share registry

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

Stock Exchange Listing

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

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

Preliminary Final Report

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2015**

Consolidated Group			
	Note	Year ended 31.8.2015	Year ended 31.8.2014
		S\$	S\$
Revenue	3	20,354,104	12,322,235
Other operating income	3	103,275	98,697
Changes in inventories		(67,319)	40,355
Raw materials and consumables used		(11,470,780)	(5,877,367)
Employee benefits expense		(6,036,903)	(6,743,188)
Depreciation		(98,566)	(105,495)
Directors' fees		(103,488)	(90,365)
Operating lease expense		(469,556)	(455,291)
Related party loan written off		-	(267,027)
Finance expense	4	(396)	(3,943)
Other expenses		(1,147,362)	(1,245,815)
Profit/(loss) before income tax from continuing operations		1,063,009	(2,327,204)
Income tax (expense)/benefit	6	(13,159)	51,509
Profit/(loss) from continuing operations, net of tax		1,049,850	(2,275,695)
Loss for the year from discontinued operations, net of tax	8	(491,140)	(217,437)
Profit/(loss) for the year	5	558,710	(2,493,132)
Other comprehensive (loss)/income			
<i>Items that may be reclassified to Profit or Loss:</i>			
Net effect of foreign currency translation		(701,519)	100,023
Total comprehensive loss for the year		(142,809)	(2,393,109)
Profit/(loss) attributable to:			
Members of the parent entity		598,064	(2,493,132)
Non-controlling interest		(39,354)	-
		558,710	(2,493,132)
Total comprehensive loss attributable to:			
Members of the parent entity		(103,455)	(2,393,109)
Non-controlling interest		(39,354)	-
		(142,809)	(2,393,109)

The accompanying notes form part of this financial report.

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2015**

Consolidated Group			
	Note	Year ended 31.8.2015 S\$	Year ended 31.8.2014 S\$
Earnings per share			
Basic earnings/(loss) per share:			
- Continuing operations	10	0.49	(1.09)
- Discontinued operations	10	(0.22)	(0.10)
Total		0.27	(1.19)
Diluted earnings/(loss) per share:			
- Continuing operations	10	0.49	(1.09)
- Discontinued operations	10	(0.22)	(0.10)
Total		0.27	(1.19)

The accompanying notes form part of this financial report.

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2015

		Consolidated Group	
	Note	31.8.2015	31.8.2014
		S\$	S\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	11	6,249,366	5,292,123
Trade and other receivables	12	8,316,632	1,786,481
Inventories	13	163,668	403,641
Income tax refundable	17	-	17,000
TOTAL CURRENT ASSETS		14,729,666	7,499,245
NON-CURRENT ASSETS			
Plant and equipment	14	189,787	468,349
Intangible assets	15	266,123	266,123
TOTAL NON-CURRENT ASSETS		455,910	734,472
TOTAL ASSETS		15,185,576	8,233,717
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	6,695,978	2,925,484
Finance lease liabilities	18	-	29,580
Current tax liability	17	13,159	-
TOTAL CURRENT LIABILITIES		6,709,137	2,955,064
TOTAL LIABILITIES		6,709,137	2,955,064
NET ASSETS		8,476,439	5,278,653
EQUITY			
Equity attributable to members of the parent entity:			
Issued capital	19	7,458,090	4,267,495
Reserves	20	(523,334)	178,185
Retained earnings		1,431,037	832,973
		8,365,793	5,278,653
Non-controlling interest		110,646	-
TOTAL EQUITY		8,476,439	5,278,653

The accompanying notes form part of this financial report.

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital S\$	Retained earnings S\$	Foreign currency translation reserve S\$	Employee share option reserve S\$	Non- controlling interest S\$	Total S\$
Balance at 1.9.2013	4,267,495	3,561,947	5,983	64,009	-	7,899,434
Total comprehensive income:						
Loss for the year	-	(2,493,132)	-	-	-	(2,493,132)
Other comprehensive income	-	-	100,023	-	-	100,023
	-	(2,493,132)	100,023	-	-	(2,393,109)
Transactions with owners in their capacity as owners:						
Employee share option (note 21)	-	-	-	8,170	-	8,170
Dividend paid (note 9)	-	(235,842)	-	-	-	(235,842)
	-	(235,842)	-	8,170	-	(227,672)
Balance at 31.8.2014	4,267,495	832,973	106,006	72,179	-	5,278,653
Balance at 1.9.2014	4,267,495	832,973	106,006	72,179	-	5,278,653
Total comprehensive income:						
Profit/(loss) for the year	-	598,064	-	-	(39,354)	558,710
Other comprehensive loss	-	-	(701,519)	-	-	(701,519)
	-	598,064	(701,519)	-	(39,354)	(142,809)
Transactions with owners in their capacity as owners:						
Issue of share capital	3,190,595	-	-	-	-	3,190,595
Issue of shares in subsidiary to non-controlling interest	-	-	-	-	150,000	150,000
	3,190,595	-	-	-	150,000	3,340,595
Balance at 31.8.2015	7,458,090	1,431,037	(595,513)	72,179	110,646	8,476,439

The accompanying notes form part of this financial report.

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 AUGUST 2015**

		Consolidated Group	
		Year ended	Year ended
	Note	31.8.2015	31.8.2014
		S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,706,595	14,095,706
Payments to suppliers and employees		(14,888,646)	(16,717,919)
Income tax received/(paid)		17,000	(124,164)
Net cash used in continuing operations		(1,165,051)	(2,746,377)
Net cash (used in)/from discontinued operations		(717,394)	929,145
<i>Net cash used in by operating activities</i>	24	(1,882,445)	(1,817,232)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income		77,476	76,187
Purchase of plant and equipment		(61,282)	(59,365)
Net cash from continuing operations		16,194	16,822
Net cash from/(used in) discontinued operations		16,859	(6,553)
<i>Net cash from investing activities</i>		33,053	10,269
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares to non-controlling interest		150,000	-
Dividends paid	9	-	(235,842)
Fixed deposits released/(pledged)		1,515,811	(252,132)
Finance cost	4	(396)	(3,943)
Proceeds from issue of new shares	19	3,203,261	-
Share issue expenses	19	(12,666)	-
Repayment of finance lease liabilities		(29,580)	(49,058)
<i>Net cash generated from/(used in) financing activities</i>		4,826,430	(540,975)
Net change in cash and cash equivalents		2,977,038	(2,347,938)
Cash and cash equivalents at beginning of the year		3,418,105	5,696,038
Exchange difference on cash and cash equivalents		(267,663)	70,005
Cash and cash equivalents at end of the year	11	6,127,480	3,418,105

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 2015

1 Nature of operations and general information

Asian American Medical Group Limited ("AAMG" or "Company") is the Group's Ultimate Parent Company and is a Public Company incorporated and 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 year ended 31 August 2015 comprises the Company and its subsidiaries. The principal activity of AAMG is that of provision of specialised medical services for liver diseases and transplantation, radiation oncology and healthcare management and consultancy services. 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.

(b) Standards and Interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 August 2015 reporting periods. The Group has elected not to early adopt these new standards or amendments in the financial statements. The Group has yet to fully assess the impact the following accounting standards and amendments to accounting standards will have on the financial statements, when applied in future periods:

- AASB 2014-1 *Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14)*;
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E: Financial Instruments)*;
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*;
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*;
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*;
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*;
- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*;
- AASB 9 *Financial Instruments* and

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

- AASB 15 *Revenue from Contracts with Customers*

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

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

A number of new and revised standards and an interpretation became effective for the first time to annual periods beginning on or after 1 July 2014. Information on these new standards is presented below.

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

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

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that

the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*.

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2010-2012 Cycle*:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity)
- amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2011-2013 Cycle* clarify that an entity should assess whether an acquired property is an investment property under AASB 140

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

Investment Property and perform a separate assessment under AASB 3 *Business Combinations* to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

(d) Principles of consolidation

The Group financial statements consolidate those of the Parent company and all of its subsidiaries as of 31 August 2015. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 August.

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

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

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

(e) Business Combinations

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

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

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

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

Reverse acquisition, where the cost of the business combination is deemed to have been incurred by the legal subsidiary (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.

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

(f) 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.

(g) Inventories

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

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

(h) Plant & equipment

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

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

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

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

Depreciation

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

Asian American Medical Group Limited and Controlled Entities

ABN 42 091 559 125

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
Renovations	5 years

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

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

Gains or losses arising on the disposal of property 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.

(i) 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.

(j) Financial instruments

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires

Classification and Subsequent Measurement of Financial Assets

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value.

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

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

(ii) Held-to-maturity investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the Group has the intention and ability to hold them until maturity. The Group currently holds listed bonds designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

(iii) Available for sale financial assets

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

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

Classification and subsequent measurement of financial liabilities

The Group's financial liabilities include trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

Impairment

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

Derecognition

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

(k) Impairment of assets

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

Impairment testing is performed annually for goodwill.

(l) Intangibles

Goodwill

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

- (i) the consideration transferred;
- (ii) any non-controlling interest; and
- (iii) the acquisition date fair value of any previously held equity interests

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

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

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

(m) 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.

(n) 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.

(o) 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.

(p) Leases

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

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

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

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

(q) Foreign currency transactions and balances

Functional and presentation currency

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

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

Transaction and balances

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

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

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

Group companies

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

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

Exchange differences are charged or credited to other comprehensive income and recognised in the foreign currency translation reserve in equity.

(r) Employee benefits

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

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

(s) Share-based employee remuneration

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

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

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

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

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

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

(t) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of medication is recognised upon delivery of the medication to the patient. Revenue from rendering of medical services such as medical consultation, surgery and transplantation is recognised upon completion of the consultation or procedure.

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

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

(u) Profit or loss from discontinued operations

A discontinued operation is a component of the 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; or
- is a subsidiary acquired exclusively with a view to re-sale.

Profit or loss from discontinued operations, including prior year components of profit or loss, are presented in a single amount in the statement of profit or loss and other comprehensive income. This amount, which comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale.

The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the reporting date for the latest period presented.

(v) 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.

(w) Comparative figures

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

(x) 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 12 and 15 with respect to Management's consideration of impairment of receivables and goodwill respectively, as at 31 August 2015.

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

3 Revenue

	Consolidated Group	
	2015	2014
	S\$	S\$
Operating activities		
Provision of services	17,269,188	8,580,221
Sale of medication	2,209,376	3,465,180
Management fee	875,540	276,834
Total revenue from operating activities	20,354,104	12,322,235
Other operating income		
Interest received	78,775	76,187
Other income	24,500	22,510
Total other operating income	103,275	98,697

4 Finance Expense

	Consolidated Group	
	2015	2014
	S\$	S\$
Interest expense on obligation under finance lease	396	3,943

5 Profit/(Loss) For The Year

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

	Consolidated Group	
	2015	2014
	S\$	S\$
Expenses		
Cost of sales	(11,538,099)	(5,837,012)
Net foreign exchange gain/(loss)	3,505	(39,235)
Administrative expenses include rental expense on operating leases as follows:		
- premises	(485,167)	(670,631)

**Asian American Medical Group Limited
and Controlled Entities**

ABN 42 091 559 125

Preliminary Final Report

Depreciation is reflected in the statement of profit or loss as follows:

- continuing operations	(98,566)	(105,495)
- discontinued operations	(30,899)	(79,855)
Professional fees	(366,018)	(313,373)
Management fees	(214,088)	(251,293)
Credit card charges	(54,133)	(101,306)
Central Provident Fund	(192,263)	(262,127)
Share option expense (note 20(b)(i))	-	(8,170)

6 Income Tax Expense/(Benefit)

		Consolidated Group	
		2015	2014
		S\$	S\$
a. The components of tax expense/(benefit) comprise:			
Current tax	16,448	(17,000)	
Deferred tax	-	(17,645)	
Over provision in respect of prior years	(3,289)	(16,864)	
	13,159	(51,509)	
b. The prima facie tax on profit/(loss) before income tax is reconciled to the income tax as follows:			
Prima facie tax payable/(refundable) on profit/(loss) before income tax at 30% (2014: 30%)	171,560	(763,392)	
Effect of tax rates in foreign jurisdiction	(206,154)	271,292	
Add:			
Tax effect of:			
- non-deductible expenses	255,701	203,054	
- non-taxable incomes	(52,792)	-	
- over provision for income tax in prior years	(3,289)	(16,864)	
- partial income tax exemption	(24,348)	(12,897)	
- utilisation of deferred tax assets previously not recognised	(217,394)	-	
- deferred tax asset was not recognised	96,924	275,631	
- others	(7,049)	(8,333)	
Income tax expense/(benefit)	13,159	(51,509)	

The value of tax losses and capital allowances not recognised is S\$1,472,000 and S\$418,000 (2014: S\$2,233,000 and S\$384,000).

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

Preliminary Final Report

7 Auditor's Remuneration

	Consolidation Group	
	2015	2014
	S\$	S\$
Remuneration of the parent entity auditor, Grant Thornton Audit Pty Ltd:		
- auditing or reviewing the financial report	27,556	32,367
- taxation services	12,188	9,537
Remuneration of other auditors:		
- auditing or reviewing the financial report of subsidiaries	32,320	77,600
- taxation services	4,900	4,150

8 Discontinued Operations

Our blood and bone marrow transplant segment, operated under Asian American Blood & Bone Marrow Transplant Centre Pte Ltd ("AABMTC"), ceased operations on 31 December 2014. It subsequently changed its name to Asian American Radiation Oncology Pte Ltd ("AARO") and commenced operating a new radiation oncology segment thereafter. AABMTC's financial results up to the date of closure have been classified as "Discontinued Operations" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Results of the discontinued operations are as follows:

	Consolidation Group	
	2015	2014
	S\$	S\$
Revenue	512,201	3,879,475
Other income	37,590	2,701
Changes in inventories	(63,016)	(9,733)
Raw materials and consumables used	(248,791)	(2,246,960)
Employment benefits expense	(334,711)	(1,162,083)
Operating lease expense	(96,321)	(215,340)
Depreciation expense	(30,899)	(79,855)
Directors' fees	(32,000)	(96,000)
Write down of inventory	(108,515)	-
Write down of capital assets	(183,522)	-
Other operating income/(expenses) - net	56,844	(289,642)
Loss for the year from discontinued operations	(491,140)	(217,437)

Prior to the conversion to the new radiation oncology segment, all the financial assets and liabilities relating to the discontinued operations have been fully recovered, paid, written down and disposed of. However, certain assets have been carried over to the new segment as follows:

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

Preliminary Final Report

	2015 S\$
Non-current assets:	
- Plant and equipment	48,606
Current assets:	
- Cash and cash equivalent	549,742
- Trade and other receivables	43,736
Assets carried forward for new business segment	642,084
Current liabilities:	
- Trade and other payables	75,583
Liabilities carried forward for new business segment	75,583

Cash flows generated by blood and bone marrow for the reporting periods under review until the disposal are as follows:

	Consolidation Group	
	2015 S\$	2014 S\$
Operating activities	(717,394)	929,145
Investing activities	16,859	(6,553)
Cash flows from discontinued operations	(700,535)	(922,592)

9 Dividends

Final unfranked dividend of Nil (2014: 0.1) S cents per share in respect of financial year ended 2015: Nil (2014 : 0.1) S cents per share)

	Consolidation Group	
	2015 S\$	2014 S\$
	-	235,842

10 Earnings per Share

Profit/(loss) for the year

Less: Non-controlling interest

Profit/(loss) after income tax attributable to the owners of Asian American Medical Group Limited

Weighted average number of ordinary shares during the year used in calculating basic EPS

Effect of dilution:

Share option

Weighted average number of ordinary shares during the year used in calculating diluted EPS

	Consolidation Group	
	2015	2014
Profit/(loss) for the year	S\$558,710	(S\$2,493,132)
Less: Non-controlling interest	(S\$39,354)	-
Profit/(loss) after income tax attributable to the owners of Asian American Medical Group Limited	S\$598,064	(S\$2,493,132)
Weighted average number of ordinary shares during the year used in calculating basic EPS	224,248,521	209,453,754
Effect of dilution:		
Share option	1,299,000	1,299,000
Weighted average number of ordinary shares during the year used in calculating diluted EPS	225,547,521	210,752,754

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

Preliminary Final Report

Basic earnings/(loss) per share (S cents)

- continuing operations	0.49	(1.09)
- discontinued operations	(0.22)	(0.10)
	<u>0.27</u>	<u>(1.19)</u>

Diluted earnings/(loss) per share (S cents)

- continuing operations	0.49	(1.09)
- discontinued operations	(0.22)	(0.10)
	<u>0.27</u>	<u>(1.19)</u>

11 Cash and Cash Equivalents

	Consolidation Group	
	2015	2014
	S\$	S\$
Cash and bank balances	4,582,504	3,418,105
Fixed deposit	1,666,862	1,874,018
Cash and cash equivalents	<u>6,249,366</u>	<u>5,292,123</u>
Less: Fixed deposits pledged	<u>(121,886)</u>	<u>(1,874,018)</u>
Cash per consolidated statement of cash flows	<u>6,127,480</u>	<u>3,418,105</u>

The effective interest rate on short-term bank deposits was 2.57% - 3.60% (2014: 0.13% - 3.15%) per annum; these deposits have a maturity of between 4 - 12 months (2014: 4 - 12 months).

Fixed deposits are pledged to banks for performance guarantee relating to the operating lease.

12 Trade and Other Receivables

	Consolidation Group	
	2015	2014
	S\$	S\$
Current		
Trade receivables	7,497,717	1,695,825
Other receivables	782,115	23,206
Deposits	<u>36,800</u>	<u>67,450</u>
Total current trade and other receivables	<u>8,316,632</u>	<u>1,786,481</u>

a Provision for impairment of receivables

Current trade and term receivables are non-interest bearing loans and generally on 30 - 60 days terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. No trade or other receivables are considered past due or impaired. The Group reviews its trade receivables for evidence of impairment on a regular basis. The trade receivable consists mainly amounts owing by the United Arab Emirates ("UAE") government agencies. Management holds

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

Preliminary Final Report

regular meetings with the agencies relating to patient care feedback and collection of amounts outstanding. Management is of the opinion that the trade receivables are recoverable and hence, no impairment is required.

b Credit risk

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

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

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

	Consolidation Group	
	2015	2014
	S\$	S\$
Current	1,341,247	1,063,578
Due 1 - 30 days	553,900	173,554
Due 31- 60 days	830,853	371,617
Due over 60 days	4,771,717	87,076
	<u>7,497,717</u>	<u>1,695,825</u>

13 Inventories

	Consolidated Group	
	2015	2014
	S\$	S\$
Medical Supplies at cost	163,668	403,641

14 Plant and Equipment

	Consolidated Group	
	2015	2014
	S\$	S\$
Office equipment		
At Cost	12,114	12,627
Accumulated depreciation	(8,988)	(8,088)
Total office equipment	<u>3,126</u>	<u>4,539</u>
Medical equipment		
At Cost	338,929	389,887
Accumulated depreciation	(296,395)	(253,359)
Total medical equipment	<u>42,534</u>	<u>136,528</u>

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

Preliminary Final Report

Computers

At Cost	172,183	150,999
Accumulated depreciation	(89,606)	(69,787)
Total computers	<u>82,577</u>	<u>81,212</u>

Furniture and fittings

At Cost	14,111	13,294
Accumulated depreciation	(13,307)	(13,294)
Total furniture and fittings	<u>804</u>	<u>-</u>

Renovations

At Cost	240,856	480,288
Accumulated depreciation	(180,110)	(234,218)
Total Renovations	<u>60,746</u>	<u>246,070</u>

Total plant and equipment	<u>189,787</u>	<u>468,349</u>
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a. Movements in carrying amounts

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

	Office equipment S\$	Medical equipment S\$	Computers S\$	Furniture and fittings S\$	Renovations S\$	Total S\$
Consolidated Group						
Balance at 31 August 2014	4,539	136,528	81,212	-	246,070	468,349
Additions	-	-	36,825	818	23,639	61,282
Disposals	-	(21,948)	(4,909)	-	-	(26,857)
Write-offs – discontinued operations	-	(10,891)	(441)	-	(172,190)	(183,522)
Depreciation expense						
- continuing operations	(1,413)	(57,758)	(28,580)	(14)	(10,801)	(98,566)
- discontinued operations	-	(3,397)	(1,530)	-	(25,972)	(30,899)
Carrying amount at 31 August 2015	<u>3,126</u>	<u>42,534</u>	<u>82,577</u>	<u>804</u>	<u>60,746</u>	<u>189,787</u>

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

Preliminary Final Report

	Office equipment	Medical equipment	Computers	Furniture and fittings	Renovations	Total
	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 31 August 2013	1,968	197,836	63,041	238	330,980	594,063
Additions	3,660	6,063	56,195	-	-	65,918
Disposals	-	-	(6,282)	-	-	(6,282)
Depreciation expense						
- continuing operations	(1,089)	(57,841)	(28,490)	(238)	(17,837)	(105,495)
- discontinued operations	-	(9,530)	(3,252)	-	(67,073)	(79,855)
Carrying amount at 31 August 2014	4,539	136,528	81,212	-	246,070	468,349

Included in medical equipment is equipment under finance lease arrangement amounting to S\$19,667 (2014: S\$66,867).

There are no finance lease liabilities (2014: S\$66,667) (see note 23) that are secured by the related assets held under finance leases as at year end.

15 Intangible Assets

	Consolidated Group	
	2015	2014
	S\$	S\$
Total Intangible Assets		
Goodwill		
Cost and carrying value at the end of the years	266,123	266,123
Impairment disclosures		

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. There is no impairment loss in the current period and prior year. The liver segment remains the main cash generating unit of AAMG. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected cash flows approved by management covering a period not exceeding five years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using a discount rate of 10% (2014: 10%) and a growth rate of 5% (2014: 5%) per annum to determine value-in-use.

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

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

Preliminary Final Report

16 Trade and Other Payables

	Consolidated Group	
	2015	2014
	S\$	S\$
Current		
Trade payables	5,767,363	1,701,622
Patients' deposits	202,087	393,880
Provision for employee benefits	149,085	213,504
Sundry payables and accrued expenses	577,443	616,478
Total current trade and other payables	6,695,978	2,925,484

17 Taxation

	Consolidated Group	
	2015	2014
	S\$	S\$
Current assets		
Income tax refundable	-	17,000
Current liabilities		
Income tax payable	13,159	-

18 Finance Lease

	Consolidated Group	
	2015	2014
	S\$	S\$
Current	-	29,580

19 Issued Capital

	Consolidated Group	
	2015	2014
	S\$	S\$
Opening share balance	4,267,495	4,267,495
Shares issued during the year	3,203,261	-
Share issue expenses	(12,666)	-
Closing share capital	7,458,090	4,267,495

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

Preliminary Final Report

a. Ordinary shares	2015	2014
	Number of shares	Number of shares
Opening share balance	209,453,754	209,453,754
Shares issued during the year	30,000,000	-
Closing share capital	239,453,754	209,453,754

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

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

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

On 9 and 10 March 2015, the Company issued a total of 30,000,000 new ordinary at A\$0.10 per share for A\$3,000,000 at exchange rate of A\$1: S\$1.064) which were fully paid.

b. Capital management

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

There are no externally imposed capital requirements.

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

20 Reserves

a. Nature and purpose of reserve

(i) Share-based payments

The share-based payments reserve is used to recognise:

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

(ii) Foreign currency translation

Exchange difference arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 2(q) 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	
	2015	2014
	S\$	S\$
<i>(i) Employee share option reserve</i>		
Beginning of financial year	72,179	64,009
Employee share option – value of employee services (Note 21)	-	8,170
End of financial year	72,179	72,179

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

Preliminary Final Report

(ii) Foreign currency translation reserve

Beginning of financial year	106,006	5,983
Net currency translation differences of financial statements of foreign subsidiaries	(701,519)	100,023
End of financial year	(595,513)	106,006
Total as at end of financial year	(523,334)	178,185

21 Share-Based Employee Remuneration

As at 31 August 2015 the Group maintained an equity settled share-based payment schemes for employee remuneration.

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

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

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

	Number of share	Weighted average exercise price (A\$)
Outstanding at 31 August 2014	1,299,000	0.088
Granted	-	-
Forfeited	-	-
Exercised	-	-
Outstanding at 31 August 2015	1,299,000	0.088
Exercisable at 31 August 2015	1,299,000	0.088
Exercisable at 31 August 2014	1,299,000	0.088

The weighted average share price of the outstanding shares at the end of the reporting year was A\$0.088 (no exercises in 2015).

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

The following principal assumptions were used in the valuation:

Grant date	17 January 2011
Vesting period ends	17 January 2014
Share price at date of grant	A\$0.12
Volatility	69%
Option life	5 years
Dividend yield	5.830%
Risk free investment rate	2.875%
Fair value at grant date	A\$0.04

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

Preliminary Final Report

Exercise price at date of grant	A\$0.088
Exercisable from / to	17 January 2012- 17 January 2016
Weighted average remaining contractual life	0.4 years

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

No employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss for FY2015 and credited to share option reserve (2014: S\$8,170).

21 Controlled Entities

Controlled entities consolidated

	Country of incorporation	Percentage owned (%)	
		2015	2014
Asian American Medical Group Limited	Australia		
<i>Subsidiary of Asian American Medical Group Limited:</i>			
Asian American Medical Group Inc.	British Virgin Islands	100	100
<i>Subsidiaries of Asian American Medical Group Inc.</i>			
Asian American Liver Centre Pte. Ltd.	Singapore	100	100
Asian American Radiation Oncology Pte. Ltd. (formerly known as Asian American Blood & Marrow Transplant Centre Pte. Ltd.)	Singapore	70	100
Asian American Medical Group Pte. Ltd.	Singapore	100	100
<i>Associate of Asian American Liver Centre Pte. Ltd. :</i>			
PT. Asian Liver Center Indonesia	Indonesia	50	50

22 Commitments

	Consolidated Group	
	2015	2014
	S\$	S\$
a. Operating leases		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – minimum lease payments		
Not longer than 1 year	19,201	213,000
Longer than 1 year but not longer than 5 years	-	106,500
	19,201	319,500

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

Preliminary Final Report

One of the leases for the Group's office premises at Gleneagles Hospital expired in June 2014 and there have been no subsequent renewal as of the release of these financial statements. Management is of the opinion that the renewal process will be completed soon and do not see any reason as to why the lease will not be renewed. The other clinic unit lease will expire in February 2016.

b. Finance leases

Future minimum finance lease payments at the last reporting year were as follows:

	Minimum lease payments due			
	Within 1 year	1 to 5 years	After 5 years	Total
	\$	\$	\$	\$
31 August 2014				
Lease payments	29,975	-	-	29,975
Finance charges	(395)	-	-	(395)
Net present values	29,580	-	-	29,580

There is no outstanding finance lease balance at balance sheet date.

c. Capital Commitments

Capital expenditures contracted for at the reporting date but not recognised in the financial statements amounting to S\$28,000 (US\$20,000) is in respect of investment of 20% shares in a joint venture company in Myanmar. The Myanmar joint venture company is in the process of incorporation subsequent to year end and upon completion of the incorporation, the investment commitment will be payable.

On 12 August 2015, the Company signed a conditional sale and purchase agreement with Rich Tree Holdings Pte Ltd ("RTH") to acquire its 60% stake in Rich Tree Land Pte Ltd ("RTL") for a purchase consideration of S\$19.6m. RTL owns a 5,446.14m² land in the Zhuhai Free Trade Zone, Southern China which it plans to develop an advance diagnostic and wellness medical centre. The targeted completion date for the acquisition is 31 December 2015.

There is no other capital commitment as at reporting date.

24 Cash Flow Information

Reconciliation of cash flow from operations with profit/(loss) after income tax

	Consolidated Group	
	2015	2014
	S\$	S\$
Profit/(loss) after income tax	558,710	(2,493,132)
Adjustment for:		
Depreciation		
- continuing operations	98,566	105,495
- discontinued operations	30,899	79,855
Foreign exchange (loss)/gain - net	(166,569)	30,018
Employee share option cost	-	8,170

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

Preliminary Final Report

Finance income	(78,775)	(76,187)
Finance cost	396	3,943
Write down of inventory	108,515	-
Write down of capital assets	183,522	-
Loss on disposal of capital assets	9,998	6,281
Related party loan written off	-	300,765
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(6,505,040)	1,706,289
Decrease/(increase) in inventories	131,458	(30,622)
Increase/(decrease) in trade and other payables	3,715,716	(1,282,434)
Increase/(decrease) in deferred and current tax liabilities	30,159	(175,673)
Net cash used in operating activities	<u>(1,882,445)</u>	<u>(1,817,232)</u>

25 Events After the Balance Sheet Date

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

26 Operating Segments

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

- (i) Provision of medical consultation and services in the hepatology and related fields (liver segment); and
- (ii) Provision of medical consultation and services in the haematology and related fields (blood & bone marrow segment) which ceased during the year and has been classified as "Discontinued operations";
- (iii) Provision of medical consultation and services in the radiation oncology and related fields (radiation oncology segment); and
- (iv) Provision of healthcare management and consultancy services (management and consultancy 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, radiation oncology and healthcare management and its related file advisory.

Details of the performance of each of these operating segments for the financial years ended 31 August 2015 and 31 August 2014 are set out below:

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

Preliminary Final Report

(i) Segment performance

	Liver S\$	Radiation Oncology S\$	Management & Consultancy S\$	Blood & Bone Marrow S\$	Total S\$
31 August 2015					
External sales revenue	19,489,705	33,063	831,336	512,201	20,866,305
Inter segment sales	1,020	9,083	-	-	10,103
Total segment revenue	19,490,725	42,146	831,336	512,201	20,876,407
Less: Revenue from discontinued operations					(512,201)
Inter-segment eliminations					(10,103)
Total Group revenue					20,354,104
Segment net profit/(loss) before tax	1,277,442	(131,181)	271,602	(491,140)	926,723
Other expenses					(354,854)
Income tax expense					(13,159)
Total Group net profit after tax					558,710

	Liver S\$	Radiation Oncology S\$	Management & Consultancy S\$	Blood & Bone Marrow S\$	Total S\$
31 August 2014					
External sales revenue	12,095,401	-	226,834	3,879,475	16,201,710
Inter segment sales	21,376	-	-	17,162	38,538
Total segment revenue	12,116,777	-	226,834	3,896,637	16,240,248
Less: Revenue from discontinued operations					(3,879,475)
Inter-segment eliminations					(38,538)
Total Group revenue					12,322,235
Segment net profit/(loss) before tax	(1,981,207)	-	115,996	(221,651)	(2,086,862)
Other expenses					(457,779)
Income tax benefit					51,509
Total Group net loss after tax					(2,493,132)

(ii) Segment assets

	Liver S\$	Radiation Oncology S\$	Management & Consultancy S\$	Others S\$	Total S\$
31 August 2015					
Segment assets	9,229,081	520,816	867,671	5,385,139	16,002,707

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

Preliminary Final Report

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(1,083,254)
Unallocated assets intangible	266,123
Total Group assets	<u>15,185,576</u>

Segment asset increases in the year

Capital expenditure	52,302	7,259	1,721	-	61,282
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	Liver S\$	Blood & Bone Marrow S\$	Management & Consultancy S\$	Others S\$	Total S\$
31 August 2014					
Segment assets	3,668,295	1,761,511	131,310	4,254,894	9,816,010

Reconciliation of segment assets to Group assets:

Inter-segment eliminations	(1,848,416)
Unallocated assets intangible	266,123
Total Group assets	<u>8,233,717</u>

Segment asset increases in the year

Capital expenditure	59,365	-	-	6,553	65,918
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(iii) Segment liabilities

	Liver S\$	Radiation Oncology S\$	Management & Consultancy S\$	Others S\$	Total S\$
31 August 2015					
Segment liabilities	(6,345,821)	(81,179)	(527,792)	(866,333)	(7,821,125)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations	1,111,988
Total Group liabilities	<u>(6,709,137)</u>

	Liver S\$	Blood & Bone Marrow S\$	Management & Consultancy S\$	Others S\$	Total S\$
31 August 2014					
Segment liabilities	(2,062,477)	(2,352,680)	(41,540)	(344,220)	(4,800,917)

Reconciliation of segment liabilities to Group liabilities:

Inter-segment eliminations	1,845,853
Total Group liabilities	<u>(2,955,064)</u>

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

Preliminary Final Report

(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	
	2015	2014
	S\$	S\$
Singapore	19,534,765	12,104,401
Asia (ex-Singapore)	796,261	217,834
Others	23,078	-
Total revenue	20,354,104	12,322,235

(v) Assets by geographical location

	Consolidated Group	
	2015	2014
	S\$	S\$
<i>Assets by geographical location:</i>		
Australia	4,761,889	4,191,066
Singapore	10,423,687	4,042,651
Total assets	15,185,576	8,233,717

(vi) Major Customers

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

27 Parent Company Information

	2015	2014
	S\$	S\$
Parent entity		
Assets		
Current assets	5,385,127	4,191,066
Non-current assets	2,803,557	1,154,029
Total assets	8,188,684	5,345,095
Liabilities		
Current liabilities	(25,882)	(66,442)
Non-current liabilities	-	-
Total liabilities	(25,882)	(66,442)
Total Net Assets	8,162,802	5,278,653
Equity		
Issued capital	20,544,857	17,354,262
Retained Earnings	(11,806,633)	(12,162,267)
Employee share option reserve	72,180	72,180
Foreign currency revaluation reserve	(647,602)	14,478
Total Equity	8,162,802	5,278,653

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

Preliminary Final Report

	2015	2014
	S\$	S\$
Financial performance		
Profit/(loss) for the year	355,634	(1,330,137)
Other comprehensive (loss)/income	(662,080)	73,710
Total comprehensive loss	<u>(306,446)</u>	<u>(1,256,427)</u>

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

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

28 Company Details

The registered office of the company is:

25 Peel Street
Adelaide SA 5000

The principal place of business is:

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

Singapore centres:

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

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

Asian American Medical Group Pte Ltd
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Malaysia centre:

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Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.